

FEB 2023

PLASTICS POLYMER INSIDER

CHANNEL PRIME ALLIANCE
INTERNATIONAL NEWSLETTER

TABLE OF CONTENTS

Recent Events P. 1

Feedstock Prices P. 2

Polymers Supply Outages /
New Capacity start ups P. 3

Global freight
rate update. P. 4

RECENT INDUSTRY NEWS:

BY DANARY PAN

- US January polyethylene (PE) contracts were assessed higher as the 3 cents/lb (\$66/tonne) price increase initiatives being sought by producers were successfully implemented in most cases.
- US January polypropylene (PP) contracts settled higher along with higher same-month contracts for polymer-grade propylene (PGP). PP prices were assessed 8-9 cents/lb (\$176-198/tonne) higher, less than the 11 cent/lb rise in the PGP contract as adders for PP over PGP were assessed lower due to poor demand and sufficient supplies.
- Braskem Idesa is running its Ethylene XXI complex in Mexico at reduced rates due to operational failures.
- US auto sales expected to rise in Q1 as more inventories becomes available even as supply chain headwinds have yet to fully dissipate, and as further interest rate hikes are expected.
Latest US car sales data:

U.S. Light-Vehicle Sales

(Seasonally Adjusted at Annual Rates)

	January 2023	Y/Y %	Jan - Jan 2023	YTD/YTD %
Total Car	3.12	2.6%	3.12	2.6%
Total Light Truck	12.62	4.6%	12.62	4.6%
Domestic Light Vehicle	12.43	5.5%	12.43	5.5%
Import Light Vehicle	3.31	-0.6%	3.31	-0.6%
Total Light Vehicle SAAR	15.74	4.2%	15.74	4.2%

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RECENT FEEDSTOCK PRICES

	QUOTES	FEB 6	4 WEEKS AGO	CHANGE OVER 4 WEEKS AGO
Oil	WTI	74.11	74.63	-0.7%
Natural gas	Henry Hub (\$/Mmbtu)	2.494	3.905	-36.1%
Ethane	USG Futures(\$/mt)	192.58	206.39	-6.7%
Naphtha	CFR Far East (\$/mt)	705	654	7.8%
Ethylene	Spot USG (¢/lb)	21.5	19.5	10.3%
Propylene	PGP Contract USGS(¢/lb)	43	32	34.4%
Butadiene	CFR China (\$/mt)	1095	865	26.6%
Styrene Monomer	FOB USG (\$/mt)	1100.1	1199.3	-8.3%
Benzene	FOB USG (\$/mt)	1115	934	19.4%
Toluene	FOB USG (\$/mt)	1058	1077	-1.7%

RECENT POLYMERS SUPPLY OUTAGES / NEW CAPACITY START UPS

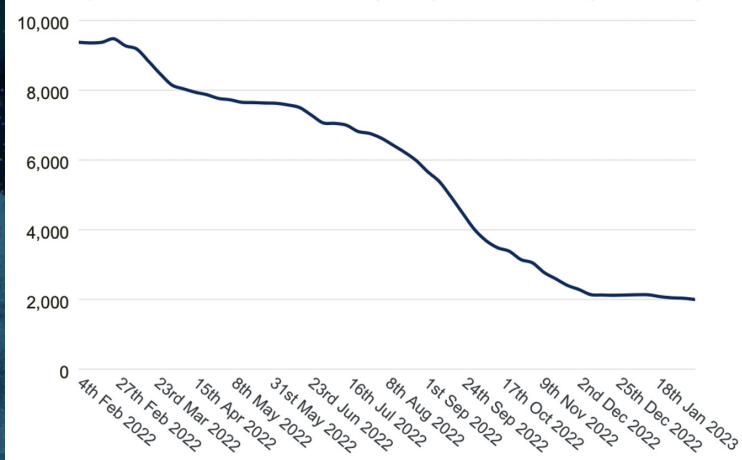
Company	Location	Product/ Capacity (kt)	Timing	Type
Shell	Monaca, PA	HD 1.05 m, LL 550	Q4 2022	start up expected in Q4 2022
Nova	Ontario, CA	LL 454	H1 2023	Mechanical completion
Bayport	Bayport, TX	HD 313, LL 313	Q1 2023	New plant start up H1
Ineos	La Porte, TX	HD 795	Jan 2023	Force Majeure declared
Chevron	Cedar Bayou, TX	HD 300	Jan 2023	Force Majeure declared
LyondellBasell	Matagorda, TX	HD 871	Feb 2023	Plant restarted
	La Porte, TX	HD 500, LL 272, LD 10	Feb 2023	Shutdown due to storm
Heartland Polymer	Redwater, CA	PP 525	July 2022	started up
ExxonMobil	Baton Rouge, LA	PP 450	Q4 2022	started up
Formosa	Point Comfort, TX	PP 250	2024	New plant start up
Braskem	La Porte, TX	PP 840	Feb 2023	Plant shutdown

GLOBAL FREIGHT RATE UPDATE

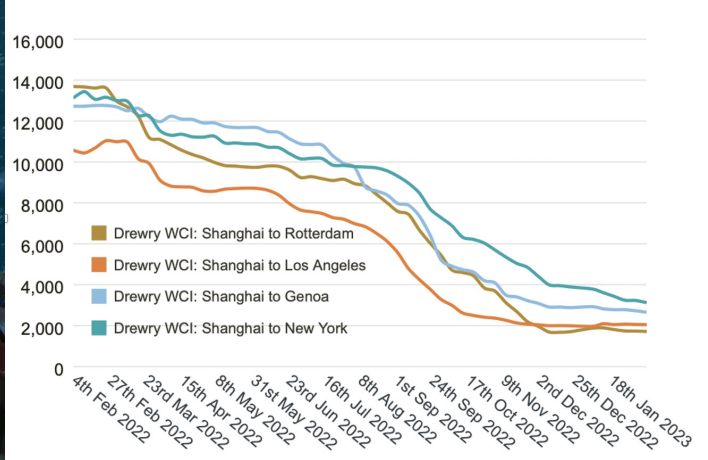
Feb 9, 2023

Drewry's composit World Container Index decreased to \$1,997.22 per 40'ft container is now 81% below the peak of \$10,377 reached in September 2021. It is 26% lower than the 10-year average of \$2,693, indicating a return to more normal prices, but remains 41% higher than average 2019 (pre-pandemic) rates of \$1,420.

Drewry World Container Index (WCI) - 09 Feb 23 (US\$/40ft)



Drewry WCI: Trade Routes from Shanghai (US\$/40ft)



Spot freight rates by major route

Our assessment across eight major East-West trades:

Route	26-Jan-23	2-Feb-23	9-Feb-23	Weekly change (%)	Annual change (%)
Composite Index	\$2,047	\$2,034	\$1,997	-2% ▼	-79% ▼
Shanghai - Rotterdam	\$1,741	\$1,732	\$1,715	-1% ▼	-87% ▼
Rotterdam - Shanghai	\$762	\$786	\$761	-3% ▼	-45% ▼
Shanghai - Genoa	\$2,778	\$2,727	\$2,655	-3% ▼	-79% ▼
Shanghai - Los Angeles	\$2,072	\$2,056	\$2,047	0%	-80% ▼
Los Angeles - Shanghai	\$1,131	\$1,137	\$1,137	0%	-9% ▼
Shanghai - New York	\$3,241	\$3,230	\$3,125	-3% ▼	-77% ▼
New York - Rotterdam	\$1,206	\$1,197	\$1,195	0%	-3% ▼
Rotterdam - New York	\$6,322	\$6,262	\$6,010	-4% ▼	-7% ▼