METHODOLOGY AND SPECIFICATIONS GUIDE

argus

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ARGUS EUROPEAN BENZENE FORWARD CURVES

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Methodology overview

The Argus European Benzene Forward Curves delivers a daily assessment of forward benzene swap prices in northwest Europe. Argus forward curves provide an independent view of forward prices, informed by a variety of data sources.

Argus forward curves are not intended to be "predictive" and do not represent a forecast of what a commodity will be worth in future physical prompt markets.

Benzene prices are expressed as outright values in US dollars per metric tonne.

Definitions and curves length

Argus European benzene forward curve prices are the price of a cif ARA forward swap contract settling against the underlying cif ARA physical price assessment published in Argus DeWitt Benzene Daily.

For a detailed methodology of the underlying physical price assessment see the Argus DeWitt Benzene Daily methodology [LINK] The forward price assessment is as of 6pm CET each day.

Source data

The Benzene Forward Curve uses a combination of recent physical benzene prices and existing forward prices for oil, naphtha and gasoline to calculate a theoretical monthly average price up to two years forward. The curve is updated on a daily basis.

Means of assessment

The crude, naphtha and gasoline components carry an equal weighting in the calculation of the benzene forward curve.

Detailed methodologies for the Argus price assessments used in creating Argus Benzene Forward Curves can be found below

Benzene cif ARA - Argus DeWitt Benzene Daily methodology

Naphtha swaps and gasoline swaps - Argus European Products methodology

Ice Brent crude futures : see www.theice.com

In the absence of bid, offer, and transactional data, Argus will assess a market on the basis of its relationship to a more liquid market, as long as that relationship shows a historical r^2 correlation of over 90pc.

Relationships are rechecked for a 90pc r^2 correlation at least every two weeks.

Argus may also

- Apply observed market structure to a physical prompt assessment
- Apply its historic differential to a liquid market
- Apply a day-on-day change observed in a correlated liquid market
- Apply historically observed seasonalities

If, on a given day, Argus publishes *Argus European Benzene Forward Curves* but not *Argus DeWitt Benzene Daily*, prices published in *Argus European Benzene Forward Curves* will be unchanged compared to the last business day.

Corrections to assessments

Argus will on occasion publish corrections to price assessments after the publication date. We will correct errors that arise from clerical mistakes, calculation errors or misapplication of our stated methodology. Argus will not retroactively assess markets based on new information learned after the assessments are published.

Ethics and Compliance

Argus operates according to the best practices in the publishing field, and maintains thorough compliance procedures throughout the firm. We want to be seen as a preferred provider by our subscribers, who are held to equally high standards, while at the same time maintaining our editorial integrity and independence. Argus has a strict ethics policy that applies to all staff. The policy can be found on our website at www.argusmedia.com.

Included in this policy are restrictions against staff trading in any energy commodity or energy related stocks, and guidelines for accepting gifts. Argus also has strict policies regarding central archiving of email and instant messenger communication, maintenance and archiving of notes, and archiving of spreadsheets and deal lists used in the price assessment process. Argus publishes prices that report and reflect prevailing levels for open-market arms length transactions (please see the Argus Global Compliance Policy for a detailed definition of arms length).