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ARGUS POLYPROPYLENE REFERENCE AND MODELLING GUIDE

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LAST UPDATED: JANUARY 2023

The most up-to-date Argus Polypropylene Outlook Reference and Modelling Guide is available on www.argusmedia.com

Overview

Argus publishes a monthly 24-month price outlook for polypropylene products for the main global regions: North America, Northwest Europe, and Northeast Asia.

Argus price forecasts are based on a combination of cost and margin modelling and fundamental analysis by our market experts. No specific weighting is given to these elements.

Publication and timing

Argus Outlook data is published in a monthly PDF format, via the Argus Direct online platform and are available through various Argus data feeds. A downloadable spreadsheet containing the key price outlook is also available via Argus Direct.

Publication is on the fourth Tuesday of the month.

Forecast prices

Argus forecasts spot prices for North America and Northeast Asia. Europe forecasts are for delivered contract prices.

All forecasts are for a generic commodity homopolymer grades, which is considered an industry benchmark for comparison between regions.

Forecast process

Our market experts will analyse any factors they consider relevant to providing a credible forecast. These may include but are not limited to: analysis of Argus' margin modelling, current market prices, supply and demand outlook, capacity changes, known maintenance, trade flows and anticipated trade flows.

The forecast process starts with consideration of propylene feedstock costs relevant to the regions. In the US and Europe this is propylene market prices and in Northeast Asia PDH economics.

Supply and demand dynamics include but are not limited to estimates of plant operating rates, inventories, international trade flow, and regional events.

Approval process

Argus price forecasts undergo a peer review process. Under this process, the lead forecaster will submit and outline their forecast and assumptions to the wider Argus polymers and analytics team. At least one member of the wider group will sign off on the forecast before publication.

Change process

Argus welcomes feedback on its reference and modelling approach and will continuously engage informally with clients and the wider industry on best practices. At its discretion, Argus may undertake a formal consultation on changes. Argus commits to communicating any material changes in the reference and modelling approach in the first publication after it has been made.

Corrections to outlook

Argus will never adjust its price forecasts and modelled numbers after publication because of new information or a change of opinion. On rare occasions Argus may publish corrections after the publication date. We will correct errors that arise from clerical mistakes, calculation errors, or a misapplication of our stated modelling approach.

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 used in the forecasting process.