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# Argus Propylene

Formerly Argus Propylene and Derivatives

Issue 25-60 | Friday 4 April 2025

## HIGHLIGHTS

### Americas

- Spot PGP dropped today to lowest level since August 2023 as crude oil sank.
- Pipeline RGP trades slightly higher than prior week deal.
- Both Enterprise PDH units are running but at reduced rates.

### Europe

- New production issues test improving supply.
- CGP tighter ahead of planned maintenance.
- Sweeping US tariff proposals create uncertainty and volatility.

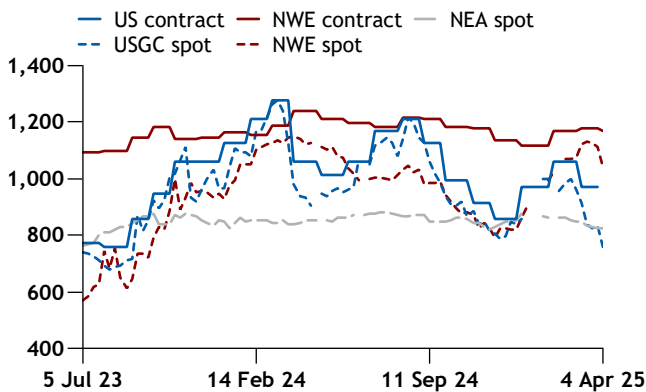
### Asia-Pacific

- Tepid discussions of propylene in northeast Asia.
- Chinese domestic prices inch down on weaker demand.
- Chinese PDH run rates dropped on plants shutdown.

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## World PG propylene prices

\$/t



## MARKET SNAPSHOTS

Propylene global prices				\$/t
	Timing	Low	High	Mid
<b>US daily</b>				
US Gulf coast PGP	Jan	694	705	700
	Jan	645	777	711
US Gulf coast RGP	Jan	711	722	717
	Jan	711	722	717
US Gulf coast PGP VWA	Jan			697
US Gulf coast PGP volume <i>mn lb</i>	Jan			772
RGP alkylation value		1,362	1,373	1,368
<b>US weekly, 4 Apr</b>				
Poly grade USGC contract	Mar			970
Poly grade USGC contract	Feb			1,058
Poly grade USGC contract	Jan			970
Chemical grade USGC contract	Mar			937
Chemical grade USGC contract	Feb			937
Chemical grade USGC contract	Jan			937
Poly grade USGC pipeline spot		694	827	761
Refinery grade Mt Belvieu spot		717	717	717
C3 alkylation USGC calc value		1,362	1,373	1,368
PP Homo GP IM del EOR 8 Nov	Jan			1,235
<b>Western Europe weekly, 4 Apr</b>				
Poly grade NWE contract	Jan			1,080
Poly grade NWE cif spot		1,033	1,055	1,044
Chem grade NWE cif spot		989	1,066	1,027
PP Homo GP IM NWE del 4 Apr*	Jan			1,494
<b>Asia-Pacific daily</b>				
Northeast Asia, cfr	Jan	820	830	825
<b>Asia-Pacific weekly, 4 Apr</b>				
Poly grade Taiwan contract	Jan			881
Poly grade Taiwan contract	Dec			881
Poly grade Taiwan contract	Nov			881
Poly grade SE Asia cfr spot		870	890	880
Poly grade SE Asia fob spot		820	850	835
Poly grade NE Asia cfr spot		820	830	825
Poly grade NE Asia fob spot		785	790	788
Raffia cfr China 4 Apr		890	900	895
<i>*freely negotiated monthly prices</i>				
<b>Acrylonitrile, weekly, 4 Apr</b>				\$/t
	Timing	Low	High	Mid
USGC fob prompt <i>¢/lb</i>	Jan	64	64	64
China cfr spot	Jan	1,200	1,250	1,225

## AMERICAS

Propylene spot trades, week to date			
Date	Product	Price €/lb	Delivery
4 Apr	PGP Gulf Coast	31.500	Apr
4 Apr	PGP Gulf Coast	31.500	Apr
4 Apr	PGP Gulf Coast	31.500	Apr
4 Apr	PGP Gulf Coast	31.500	Apr
4 Apr	PGP Gulf Coast	32.000	Apr
3 Apr	PGP Gulf Coast	-0.750	Apr
3 Apr	PGP Gulf Coast	-0.750	May
3 Apr	PGP Gulf Coast	-0.500	May
3 Apr	PGP Gulf Coast	-0.750	May
3 Apr	PGP Gulf Coast	-0.750	Apr
3 Apr	PGP Gulf Coast	-0.750	Apr
3 Apr	RGP Gulf Coast - pipe	32.500	Apr
3 Apr	PGP Gulf Coast	35.500	Apr
3 Apr	PGP Gulf Coast	35.500	Apr
2 Apr	PGP Gulf Coast	37.500	Apr
2 Apr	PGP Gulf Coast	37.375	Apr
2 Apr	PGP Gulf Coast	37.500	Apr
1 Apr	PGP Gulf Coast	37.500	Apr
1 Apr	PGP Gulf Coast	37.250	Apr
1 Apr	PGP Gulf Coast	37.250	Apr
1 Apr	PGP Gulf Coast	37.250	Apr

## US/Canada Daily

April PGP traded seven times, five times at 31.5€/lb, once at 31.625€/lb and once 32€/lb, but volumes for one deal at 31.5€/lb and the deal at 31.625€/lb could not be confirmed. Argus used the deals to set the assessment 31.75€/lb, down by 3.75€/lb from the prior day. April/May PGP spread ideas were discussed around 0.5€/lb contango. A potential seller offered May PGP at 35.25€/lb but no bids emerged; Argus used a notional bid to set the assessment at 32.25€/lb, in line with spread discussions.

April pipeline RGP traded on Thursday at 32.5€/lb, up by 0.5€/lb from the last recorded deal in late March; Argus bracketed the deal to set the assessment for April and May.

## US/Canada Weekly

US spot PGP prices plummeted today as uncertainty and possible demand destruction from Donald Trump's punitive tariffs on dozens of countries with which the US runs a trade deficit. US spot PGP fell in trading today to 31.5€/lb, its lowest recorded trade since mid-August 2023. This put this week's

US propylene prices					€/lb
	Timing	Low	High	Mid	
US Gulf coast PGP	Apr 25	31.50	32.00	31.750	
	May 25	29.25	35.25	32.250	
US Gulf coast RGP	Apr 25	32.25	32.75	32.500	
	May 25	32.25	32.75	32.500	
US Gulf coast PGP VWA	Apr 25			31.600	
US Gulf coast PGP volume <i>mn lb</i>	Apr 25			35.000	
RGP alkylation value	prompt	61.80	62.30	62.050	

US prices					€/lb
	Timing	Low	High	Mid	
Propylene, weekly, 4 Apr					
Poly grade USGC export spot		34.00	40.00	37.00	
Poly grade USGC pipeline spot		31.50	37.50	34.50	
Refinery grade USGC spot		32.50	32.50	32.50	
Refinery grade USGC spot MTD	Apr			32.25	
C3 alkylation USGC calc value		61.80	62.30	62.05	
C3 fuel USGC calc value		20.50	21.50	21.00	
Acrylonitrile, weekly, 4 Apr					
USGC fob prompt		64	64	64	

US contract pricing, monthly, 31 Mar			
		\$/t	€/lb
Poly grade			
Argus PGP Contract Index, 21 Mar		941	42.67
Mar		970	44.00
Feb		1,058	48.00
Jan		970	44.00
Chemical grade			
Mar		937	42.50
Feb		1,025	46.50
Jan		937	42.50

Volume-weighted averages		€/lb
Propylene		Mid
VWA		31.600
VWA 30-day		37.225
VWA 45-day		38.995

Propylene forward curves		€/lb
Period		Price
Apr 25		31.750
May 25		32.250
Jun 25		34.250
2Q25		34.500
3Q25		36.625
4Q25		38.625

## AMERICAS

traded range between 31.5-37.5¢/lb. Argus recorded seventeen April PGP trades totaling at least 40mn lb this week.

On 29 March, Enterprise Products Partners’ 750,000 metric tonne (t)/yr PDH-2 had a gas compressor shut down because of pressure fluctuations. Flaring from the event lasted a day, according to a company emissions filing. That unit believed to have kept running, though likely at lower rates than usual, and usual nowadays for PDH-2 is still below full operating rates, according to market sources. A compressor on Enterprise’s nearby 750,000 t/yr PDH-1 unit in Mont Belvieu, Texas, tripped three weeks ago, causing a unit shutdown. That unit began its restart process over the weekend, according to market sources, and is likely still ramping up to full rates.

The US March polymer-grade propylene (PGP) contract settled at 44¢/lb, a decline of 4¢/lb on the last day of March. The decline of 4¢/lb erased the gains from February’s contract, which had increased by 4¢/lb, and put the contract back at January’s price level. Argus had reported one PGP contract participant settling with its customers at 44¢/lb on 26 March but could not confirm a market-wide settlement until 31 March when additional market participants confirmed the price.

In refinery-grade propylene (RGP), Argus recorded one pipeline deal yesterday at 32.5¢/lb for April delivery. This was a 0.5¢/lb increase from the April delivery pipeline RGP deal from 27 March that Argus confirmed late this week. With PGP trading today at 31.5¢/lb, the US propylene market again finds itself in the extremely rare occurrence of spot PGP trading below spot RGP. This situation is likely to be brief, as it was last month. US refineries operated at 86pc of their operable capacity last week, according to the latest data from the US Energy Information Agency (EIA). This was a 1pc pt drop from the preceding week.

March contracts in the US/Canada polypropylene (PP) market are settling down by 4¢/lb, tracking the movement in March polymer grade propylene (PGP) contracts, which settled down by 4¢/lb to 44¢/lb. Buyers were frustrated by the amount of the price drop, with multiple buyers saying they had anticipated that prices would fall by as much as 6¢/lb. The lesser than expected price drop now has buyers anticipating another price drop in April, with early expectations for a drop of as much as 2-4¢/lb this month. North American market participants were relieved this week by Canada and Mexico’s exclusion from a list of US import tariffs released by the Trump administration this week. The 2 April announcement put tariffs

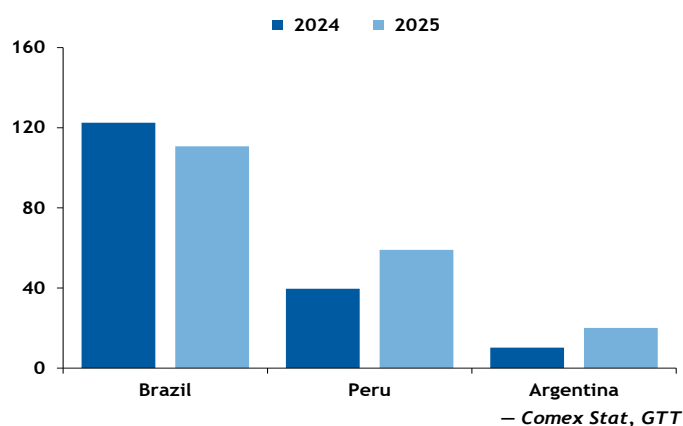
of 10-46pc on most imports from all countries, but indicated that all products covered under the US-Mexico-Canada free trade agreement (USMCA), which includes PP, will continue to be imported into the US without tariffs. That means material from Heartland can continue to move freely into the US markets. And it also likely means that Canada and Mexico will not impose retaliatory tariffs on product from the US.

### Latin America

This week, the spotlight is on the US protectionist tariffs promoted by President Donald Trump, which will impact all the country partners and effect global economies. Discussions about impacts and how to respond to the US are ongoing in most Latin American countries one day before the tariffs are in force. On 2 April, it has been confirmed that there will be a 25pc tariff for all cars produced out of the US and 10pc for all products from all countries, in force on 3 April. Also, Trump announced “reciprocal tariffs,” establishing a minimum surcharge for virtually all the US trading partners. The minimum tariff on imports from Brazil was 10pc, China was surcharged by 34pc, and the European Union by 20pc. Brazil has a meeting set for next week with the leading commercial dealer in the US.

There were no propylene imports or exports in South America this year. Still, in the first two months, polypropylene (PP) import data available in Brazil, Argentina, and Peru showed an increase of 10pc to 189,800t year-on-year, and the import tariffs impacted the results. Argentina’s imports grew

South America PP imports by top 3 buyers, Jan-Feb '000t



## AMERICAS

96pc, mirroring the low import tariffs from 12.6pc to 7.5pc in force since September 2024. In Peru, PP imports increased 49pcpc amid higher demand, while in Brazil, they contracted 10pc due to high import tariffs from 12.6pc to 20pc starting on 15 October 2024.

From January to February, the weighted average monthly price for imported PP in the three countries fell 4pc to \$1,319/t and had significant differences: while it increased 11pc for Brazil to \$1,383/t cif, it dropped 31pc for Peru to \$1,169/t. Argentina paid \$1,406/t, even with a reduction of 13pc.

Amid imports surpassing exports, the PP trade balance for Brazil and Peru was in deficit at 128,900t or \$171.4, with Brazil at 69,900t or \$102.6mn, and Peru at 59,000 or \$68.8mn. Argentina had exports surpassing imports in volume at 5,300t, but in value was in deficit of \$3.5mn.

According to the origin of those imports, South America continued leading in the first two months of 2025 with 35pc of the market share, gaining 5 percentage points (p.p.) from 2024. Asia-Pacific had 31pc, gaining 4 p.p., while Africa-Middle East fell 5p.p. to 25pc. North America and Europe had 6pc and 4pc.

Concerning PP domestic price, Braskem kept it stable in April for all PP grade-families after it has been increasing since January. In March, Braskem implemented a price adjustment policy, increasing R\$200/t (\$35/t) for all PP families, cumulating \$282/t in 1Q25.

From the demand side, Brazilian industrial production growth has decreased since 3Q24, when it up by 3.9pc from 3Q23. From January to February, it increased 1.5pc from 2024, despite the plastic and rubber sector being above that average at 3.9pc. In the last 12 months through February, industrial production cumulated 1.4pc, with the plastic and rubber sector showing +3.8pc.

From a macroeconomic point of view, Brazil's economic resilient activity still prompts the central bank to consecutive interest rate highs. The interest rate is 14.25pc annually and should reach 15pc at the bank meeting on 6-7 May, reaching the highest since October 2016. The central bank aims to lower inflation and fight against a challenging fiscal framework amid geopolitical conflicts abroad, especially regarding tariff discussions by the US government.

Argentina's economy surged forward, posting a 6.5pc annual growth in January 2025, the fastest pace since mid-2022, official statistics revealed. The country celebrates a 14.8 p.p. drop in poverty, which fell to 38.1pc from 52.9pc from 1H24 to

2H24 according to National Institute of Statistics and Census (INDEC). Monthly inflation rates dropped from 25.5pc in December 2023 to just 2.4pc by February 2025, providing much-needed relief to households across the country. The reforms have also bolstered Argentina's fiscal position, delivering its first annual budget surplus in over a decade despite a modest economic contraction of 1.8pc.

Concerning PP, operationally, there were no issues reported. The ethylene supply for PP homopolymer production is regular.

Regarding domestic prices in March, PP continued stable after falling \$100/t in December from November to \$1,533/t - \$1,704/t.

## Argus Global Polyethylene and Polypropylene



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## WESTERN EUROPE

The balance in the European spot market is improving with the resolution of some production problems and despite some new issues emerging. Lower contract prices and wider spot discounts are also helping with demand from customers that could not consider incremental purchases at last month's prices. There has been no direct impact on propylene or derivative markets from the announcement of sweeping US import tariffs, because Europe exports few of these products, but everyone is grasping to understand the wider impact across the whole supply chain, from feedstocks to underlying demand. The situation remains fluid and uncertain as retaliatory tariffs are emerging and volatility is high in crude, feedstock, equity and currency markets.

In the day-to-day market, fresh production issues are emerging at one cracker in the Amsterdam-Rotterdam-Antwerp (ARA) region, one in France and two in Germany. This may test the otherwise improving market balance, but at the moment neither issue is expected to be long-lived and propylene shorts appear to be easier to manage than ethylene shorts. Discounts to the monthly contract price in the PGP spot market had started to widen before the latest production issues. Deals for PGP were heard inland at a 13pc discount early this week for April, while negotiations over May volumes are tending towards the mid-teens. The start of planned maintenance at a cracker in France later this month has tightened CGP availability. Some volume traded at a 15pc discount cif ARA. Inland CGP supply has improved and most discussions are in the high teens for April. Buyers that were shut out of the market when discounts were narrower are showing more interest, but are pushing for even wider discounts in the 20s for CGP, particularly for May.

Discussion has turned to the effect of the US administration's sweeping tariffs. There is confusion, uncertainty and unknowns at each step along the supply chain. Even if all these questions could be answered today, there is little confidence that things will not change in subsequent days and weeks. Energy products were largely exempted, but oil prices fell by around 7pc in response to the wide-ranging implications for global trade and demand, and have continued to fall today. The US dollar also fell to its lowest against the euro since October. Both are likely to remain volatile in the days and weeks ahead.

There is limited direct effect from the tariffs from an olefins perspective. The US is an exporter of ethylene, propylene

Western Europe prices						€/t
	Timing	Effective	Low	High	Mid	±
Contract MCP €/t	spot	Mar	1,080.00	1,080.00	1,080.000	
Poly grade NWE cif spot	spot	Apr	940.00	960.00	950.000	
Chem grade NWE cif spot	spot	Apr	900.00	970.00	935.000	2.50

Western Europe prices					€/t
	Timing	Low	High	Mid	
Propylene, weekly, 4 Apr					
Poly grade NWE cif spot		940	960	950	
Chem grade NWE cif spot		sq	970	935	
Acrylonitrile, monthly, 4 Apr					
Monthly feedstock cost delta	Apr				-86

*\*freely negotiated monthly prices*

Western Europe contract pricing (MCP), monthly, 31 Mar			
		\$/t	€/t
Poly grade			
Apr		1,168	1,080
Mar		1,180	1,135
Feb		1,170	1,128

Western Europe feedstock prices				
			Prices	±
Naphtha para 65 cif NWE barge averages €/t				
Spot	4 Apr		492.700	-23.140
	4 Apr (MTD)		537.080	
	Mar		565.375	-63.205
	Feb		628.580	1.345

and their major derivatives, not an importer. Butadiene, which it imports and can be an important outlet for European crackers, has been exempted from tariffs.

The biggest question is what countermeasures could apply. It may seem unlikely that olefins, along with upstream energy products, will be targeted by Europe but it cannot be ruled out. Downstream derivatives, particularly the major polymers, are likely to be affected. The EU included tariffs on PE among its proposed response, and the UK has included both PE and PP in its response consultation. The final lists, tariff levels and any exemptions might not be known for some weeks and could yet include more propylene derivatives. China has responded with a blanket 34pc import tariff on all US imports, implying cracker feedstocks and chemicals would be hit. Lower feedstock costs could boost European cracker margins in the short term, but production rates will be dictated by demand.

## WESTERN EUROPE

Tariffs on US PE imports could support higher European cracker rates in the short term, with a corresponding increase in propylene supply if they do. This could swing the tighter side of the cracker balance from propylene to ethylene, but it is too early to say and integrated PE producers will remain cautious.

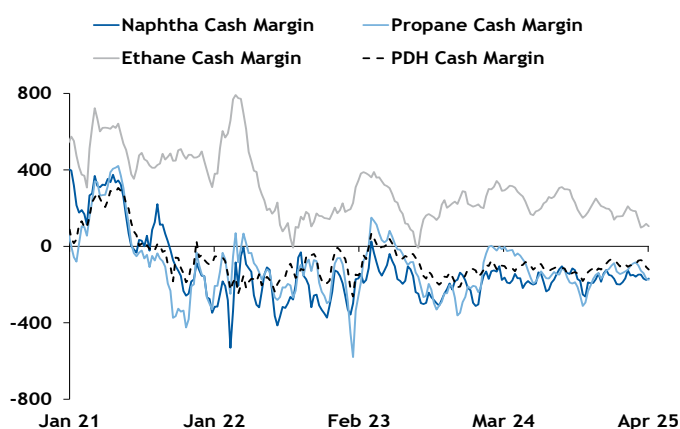
Beyond the details applying to different product area and

regions, the effect of these tariffs and the uncertainty will be harmful for global trade and growth. Oxford Economics has revised its forecast for global growth this year down to 2pc, from 2.6pc, and for 2026 to 1.8pc, from 2.8pc. This is on the basis the US tariffs stick, but said for now that it thought a global recession would be avoided. That could be revised either way, depending on developments.

## ASIA-PACIFIC

### Feedstock cash margin comparison

\$/t



### Upstream and cracker margins

Naphtha prices were at an average of \$634/t cfr Japan this week, down by \$5/t. For propane, prices were at \$619/t cfr Japan, down by \$1/t. Naphtha cracker margin improved slightly to -\$168/t because of lower naphtha prices, while propane cracker cash margin dropped to -\$175/t, down by \$7/t. Propane dehydrogenation (PDH) margin were at -\$121/t this week, down by \$13/t compared with last week.

March's production losses were finalized at 15.9pc, same as forecast made one week ago. For April, production losses are expected to increase to 17.7pc. This is because of more PDH shutdown in China, including Ningbo Kingfa's No.1 PDH on 10 April for 14-15 days, Liaoning Kingfa's PDH on mid of April to early June and Zhejiang Satellite's No.1 PDH unit turnaround from mid of April.

### Propylene

The following deals were done in the past week:

Asia-Pacific price					\$/t
	Timing	Low	High	Mid	±
Poly grade propylene daily	prompt	820.00	830.00	825.000	
Poly grade propylene weekly	prompt	820.00	830.00	825.000	

Asia-Pacific prices					\$/t
	Timing	Low	High	Mid	±
Poly grade propylene, weekly, 4 Apr					
SE Asia cfr spot \$/t		870	890	880	0
SE Asia fob spot \$/t		820	850	835	0
NE Asia cfr spot \$/t		820	830	825	0
NE Asia fob spot \$/t		785	790	788	0
east China domestic Yn/t		6,700	6,800	6,750	-100
Sinopec east China domestic Yn/t				6,800	nc
Acrylonitrile, weekly, 4 Apr					
China cfr spot		1,200	1,250	1,225	0.00
Propylene oxide, weekly, 2 Apr					
del east China Yn/t		7,750	7,850	7,800	-25
del east China \$/t		864	875	869	-4
Phenol, weekly, 3 Apr					
ex-tank east China Yn/t		7,300	7,350	7,325	+38
ex-tank east China \$/t		842	848	845	+4

Asia-Pacific contract pricing		
	\$/t	€/t
Poly grade Taiwan, monthly, 14 Mar		
Jan	881	810
Dec	856	818
Nov	869	827

- Selling indication: \$830-835/t cfr northeast Asia
- Buying indication: \$815-820/t cfr northeast Asia

The northeast Asian propylene market was quiet this week because most buyers adopted a wait-and-see approach.

Sufficient Chinese domestic propylene supply curtailed

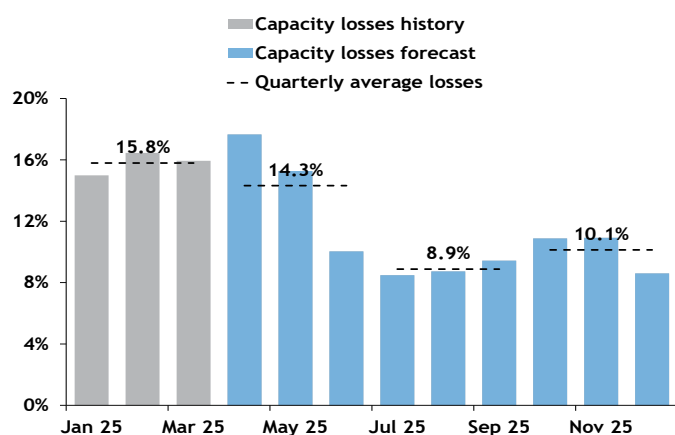
## ASIA-PACIFIC

Outages			
Shutdown	Plant	KTA	Duration
Restarted			
Ningbo Fund	MTO	400	12Feb-1Mar
SK Advanced	PDH	600	LateDec24-1Mar25
Zhejiang Xingxing	MTO	390	lateDec-5Mar
LG Chem Daesan	Cracker	650	25Feb-7Mar
Hyosung Vietnam	PDH	600	5Feb-11Mar
Hebei Haiwei	PDH	500	13Nov-12Mar25
Hyosung No.2	PDH	300	5Feb-10Mar
SoftPackaging No.2	PDH	900	13Mar, 3-4days
Guangxi Huayi	PDH	750	10Feb to earlyApr
Ongoing			
Formosa No.2	Cracker	515	1Aug, restart unclear
Puyang Far East	PDH	150	12May23, restart unclear
Zhejiang Huahong No.2	PDH	450	12Sep23, restart unclear
Yanchang Zhongran Taixing	PDH	600	20Sep23, restart unclear
Zibo Xintai	PDH	300	26Aug23, restart unclear
Shaoxing Sanyuan	PDH	450	21Aug23, restart unclear
PTTGC I1	Cracker	127	earlyOct-lateMar, delayed
Long Son Petrochemical	Cracker	450	endOct, likely 6mths
Hyosung No.1	PDH	200	June, restart unclear
JG Summit	Cracker	240	lateDec24, restart unclear
Lotte Titan No.1	Cracker	160	15Dec24, restart unclear
Sinopec Shanghai	Cracker	150	3Sep23-1Apr25
Taekwang	PDH	250	endDec, restart unclear
Shangdong Zhonghai Fine Chemicals	PDH	400	22Jan, restart unclear
PRefChem	Cracker	630	endJan-May, extended
PRefChem	RFCC	730	One unit shut on endJan-May
YNCC No.2	Cracker	458	10Feb-4Apr
Ningbo Fuji No.1	PDH	660	11Mar-12Apr

Outages, continued			
Shutdown	Plant	KTA	Duration
Formosa Ningbo	PDH	600	20Mar-2HApr
Fujian Meide SoftPackaging No.1	PDH	660	17Mar-20Apr
Huifeng Haiyi	PDH	250	21Mar, 1mth
Jinneng Technology No.2	PDH	900	1Apr, 1mth
Maoming Petrochemical No.2	Cracker	320	14Mar-24May
CPC RFCC No.2	RFCC	400	17Mar-7Apr
ExxonMobil No.1	Cracker	450	27Mar, few days
Lihuayi Weiyuan	PDH	600	2Apr, 1week
Formosa No.1	RFCC	375	1HMar, 2mths
Expected			
Jvzhengyuan No.2	PDH	600	May, duration unclear
Ningbo Kingfa No.1	PDH	600	10Apr, 14-15days
Liaoning Kingfa	PDH	600	midApr-earlyJun
Lotte Chemical Daesan	Cracker	550	12Apr-16Jun
Haldia Petrochemical	Cracker	330	midApr-endMay
PTTGC I4 No.1	Cracker	300	earlyApr-Jun
BASF Yangzi Petrochemical	Cracker	375	10Apr-endMay
Sinopec Sabc Tianjin	Cracker	500	20Apr-4Jun
Zhejiang Satellite No.1	PDH	450	midApr, 1mth
Yanchang Yulin Energy	CTO	300	Apr-May, 1mth
Wanda Tianhong	PDH	450	May, duration unclear
New Plants			
Ineos Tianjin Nangang	Cracker	600	Onspec 1H Nov
Shandong Yulongdao	Cracker	650	Onspec in mid Dec
Guoheng Chemical	PDH	660	Onspec earlyFeb25
Wanhua Chemical No.2	PDH	900	Onspec midFeb25
ExxonMobil Guangdong	Cracker	800	Likely Apr25
Wanhua Chemical No.2	Cracker	600	end of 1Q25
Lotte Titan Indonesia	Cracker	600	endMay

### Asia propylene capacity loss 2025

%



demand for imported cargoes. A number of buyers were concerned about the US tariff policy, which could drastically affect supply or demand in the Asian market.

Sellers offered prompt shipments at \$830-835/t cfr China's main ports and \$840/t cfr south China ports early in the week. Notional buying ideas were at \$820-825/t cfr. No deals were concluded.

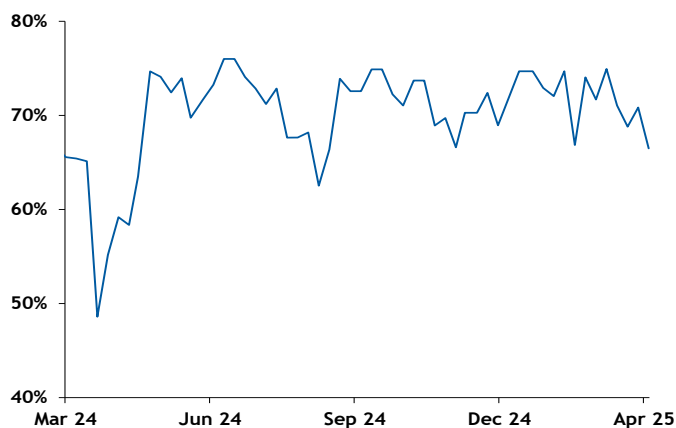
Softer energy prices weakened sentiment in the second half of the week. Selling indications were marginally adjusted lower to \$830/t cfr China's main ports, but buyers were unwilling to place firm bids. Notional discussion levels on a cfr China basis were around \$820-825/t cfr.

Trading in the Chinese domestic market also slowed. Consumers purchased prompt shipments only to fulfill immediate

## ASIA-PACIFIC

## China PDH operating rates

%



requirements. Prices in the east China market fell from 6,800 yuan/t to Yn6,700/t ex-tanks in the first half of the week, then rose marginally to Yn6,750/t ex-tanks on 3 April. Sinopec lowered its listed propylene prices in the east China market to 6,750 yuan/t ex-tanks on 1 April, but raised it to Yn6,800/t on 3 April.

Sufficient supply in the Shandong market lowered discussion levels to Yn6,600/t ex-tanks in the middle of the week, around Yn50-100/t lower than the previous week. Deal prices rose to Yn6,650-6,700/t ex-tanks on 2 April as Jinneng shut its 900,000 t/yr No. 2 propane dehydrogenation (PDH) unit for a two-month turnaround.

Propane supply may be tight in the near future if China adds propane to its list in response to the US tariff policy, market participants said. A couple of PDH units will face feedstock supply tightness because of high import dependence.

China's PDH operating rates declined marginally to 66pc this week. Guangxi Huayi restarted its 750,000 t/yr PDH line and increased operating rates to around 60pc. Hebei Haiwei will shut its 500,000 t/yr PDH unit in early April. Liaoning Kingfa plans to shut its 600,000 t/yr PDH unit in mid-April for a 45-50-day overhaul. Lihuayi Weiyan shut its 600,000 t/yr PDH unit on 2 April for a week of maintenance.

There were limited discussions in southeast Asia because of Eid holiday. Buying indications were quoted at mid \$800s/t cfr southeast Asia, but no offers were being tabled. The cfr southeast Asia prices were assessed stable at \$870-890/t this week.

## Downstream outages

Shutdown	Plant	KTA	Duration
PetroChina Jilin	Ph/Ac	94/56	1Mar, restart unclear
CNOOC Shell	Ph/Ac	220/130	Jul23, restart unclear
Sinopec Yanshan Petrochemical	Ph/Ac	110/66	22Nov23, restart unclear
Huizhou Zhongxin No.1	Ph/Ac	185/110	1Nov, 1mth
Chang Chun Petrochemical	Ph/Ac	300/180	8Oct, 45days
Shandong Fuyu	Ph/Ac	155/97	to start Nov24
Lihuayi	Ph/Ac	220/135	earlyNov, 1 week
Qingdao Haiwan	Ph/Ac	200/120	18Nov, 1 week
Guangxi Huayi New Materials	ph/Ac	175/105	February-April
Jilin Petrochemical	ACN	452	2H Aug-mid Oct
Tongsuh Petrochemical	ACN	270	11Oct-late Dec
CPDC	ACN	120	late October to late Nov
CPDC	ACN	120	late Oct to early Nov
Formosa Plastics	ACN	280	earlyDec, 4 weeks
Zhejiang Petrochemical	ACN	130	mid-Nov to 13 Jan 2025
Jilin Petrochemical	ACN	130	3Dec, 10days
Lihuayi Weiyan	ACN	130	early Jan 2025
Yulong Petrochemical	ACN	130	start up 19 Mar 2025
Wanhua Chemical	CHPPO	400	Feed-in endMar2024
Jiangsu Ruiheng	HPPO	400	Onspec 2Jan
Lihuayi Weiyan	HPPO	300	Started end-Mar2024
Qixiang Tengda	HPPO	300	8 Aug 2024 - restart unclear
Shenghong Petrochemical	PO/SM	200/450	midSep
Jiangsu Ruiheng	HPPO	400	26 Nov - mid Dec
Zhejiang Petrochemical	PO/SM	270/600	end March - early April
Jiangsu Yida	HPPO	150	2 Jan 2025 - restart unclear
Wanhua Chemical	CHPPO	400	Feed-in Jan 2025
Befar Group	PO/MTBE	240/742	Feed-in Jan 2025
Satellite Chemical	HPPO	400	13 Feb 2025 - mid Mar
Zhonghai Fine Chemical	PO	80	10 Feb 2025 - restart unclear
Hengli Petrochemical	EBSM	720	Likely late-April, restart unclear
Wanhua Petrochemical	POSM	650	Early April - early May
Shell Singapore	POSM	550	May-June
Hanwha Total	EBSM	650	Early April - Late April
Formosa Chemicals and Fibre	EBSM	720	Early April - restart unclear

## Polypropylene (PP)

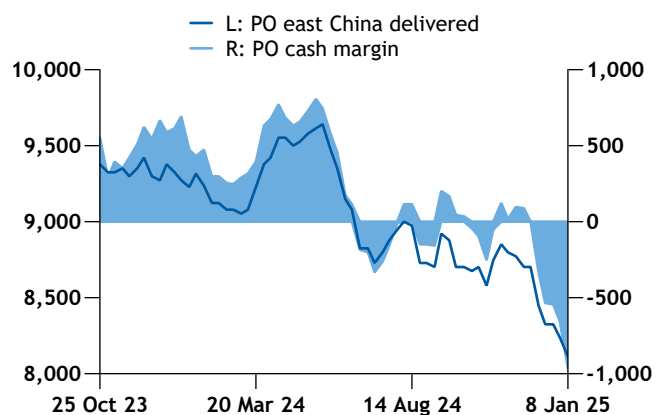
Domestic PP prices firmed with higher PP futures while import prices remained steady in the absence of discussions this week. Ex-works prices of PP raffia in east China ranged between 7,300-7,550 yuan/t in east China, Yn10/t higher than previous week. Ex-works prices of PP co-polymer in east China were at a wider range of Yn7,450-7,900/t, rose by Yn35/t than last week. Import market remained quiet in the absence of



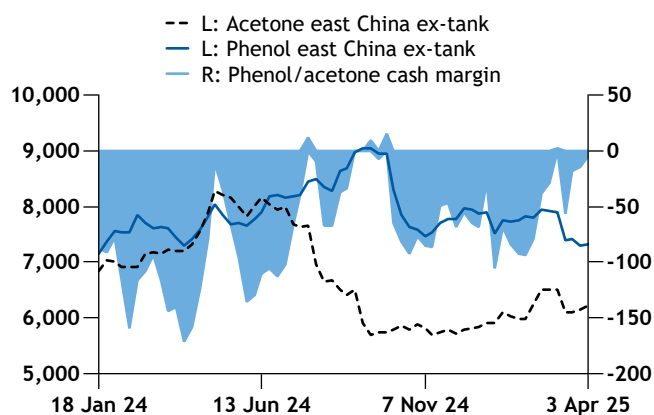
## ASIA-PACIFIC

## PO non-integrated margins

Yn/t



## Phenol non-integrated margins



fresh offers with limited availability from major Middle Eastern suppliers, who are going to have planned maintenance in the next two months. The workable level for import PP raffia prices were at \$890-900/t cfr China, and the import PP copolymer prices were at \$900-920/t cfr China, both unchanged from previous week.

## Propylene oxide (PO)

China's propylene oxide (PO) market inched down this week under ample supply and lukewarm demand sectors. Delivered PO prices inched down to Yn7,750-7,850/t this week in east China, or equivalent to \$900/t on an import parity basis, down by Yn25/t from last week.

Imports were limited, resulting in few negotiations. Most cargoes from the Middle East for April and May are set to be dedicated to term supply, with little to no volume offered to the spot market.

Production margins for non-integrated chlorohydrin-based PO operators in China were estimated at -Yn140/t this week, or -\$19/t. Despite the negative margins, this was still higher by Yn140/t compared with last week as input costs have fallen.

Margins for the hydrogen peroxide PO (HPPO) production process remained even more firmly negative at -Yn847/t or -\$117/t but was up by Yn41/t from last week because of softer input cost values, despite the lower PO spot price.

## Acrylonitrile (ACN)

Acrylonitrile (ACN) prices rose this week because of an unscheduled shutdown of an ACN production line at Zhejiang Petrochemical.

Prices in east China rose from 9,000 yuan/t to Yn9,200/t ex-tanks. Market participants expect the upward trend to continue as more manufacturers cut production.

Zhejiang Petrochemical shut its 260,000 t/yr ACN unit on April 2 for a 10-day turnaround.

Northeast Asian ACN prices held steady this week. The cfr northeast Asia price was \$1,250/t, with buying interest below \$1,200/t cfr.

## Phenol/acetone

Asian phenol prices rose this week alongside upstream benzene prices. Higher upstream benzene prices buoyed offers levels in the Chinese domestic phenol market this week, although production volumes in China were discussed to have increased on the week as turnarounds ended at some of the country's producers. Asian phenol prices moved 37.5 yuan/t higher week-on-week to close at Yn7,300-7,350/t this week. Meanwhile, acetone prices were Yn87.5/t higher week-on-week at Yn6,200-6,250/t.

## NEWS

**Tariff impact to be larger than expected: Powell**

Federal Reserve chairman Jerome Powell said today tariff increases unveiled by US president Donald Trump will be “significantly larger” than expected, as will the expected economic fallout.

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**Trump talks up tariff deals as markets slide**

US president Donald Trump held out prospects of a negotiated reduction in high tariffs targeting key US trading partners while insisting that import taxes are here to stay.

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**US propane falls on Chinese retaliatory tariffs**

US propane prices plummeted by 8.125¢/USG, or 9.2pc, Friday morning on news of retaliatory tariffs placed by China on imports from the US.

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**Tariffs could slow US PO, derivative imports**

Many US propylene oxide (PO) and derivative participants expect imports to slow and the US markets to tighten slightly now that the US has placed a minimum 10pc tariff on all imported goods.

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**Suncor Sarnia refinery reports oil spill**

Suncor Energy reported an oil spill on the property of its 85,000 b/d Sarnia, Ontario, refinery on 2 April.

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US independent refiner Phillips 66 is considering a plan to increase capacity above 300,000 b/d at its refinery in Lake Charles, Louisiana, according to a state document.

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