

APRIL 30-MAY 4, 2018

PGP SPOT PRICE SUMMARY

Spot PGP prices were higher this week. May was bid higher throughout the week and traded at 49.25 cpp on Friday. May had last traded at 44.5 cpp on Apr 18.

The 30-day weighted average for Apr PGP was 43.837 cpp, compared with 44.659 cpp for Mar. **The 45-day weighted average for Apr PGP was 43.496 cpp**, compared with 44.519 cpp in Mar.

In the monthly contract market, no news was heard regarding May. Apr contracts settled at 46 cpp for PGP and 44.5 cpp for CGP, down 1 cpp from Mar.

TRADE VOLUME SUMMARY

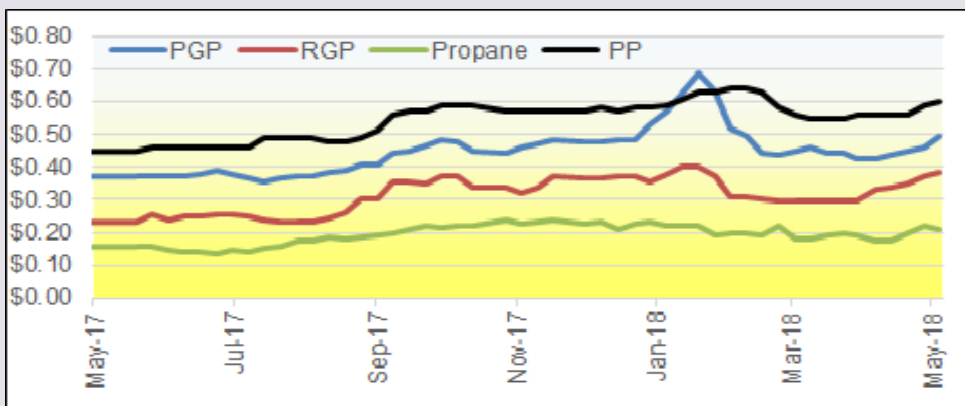
So far in May, 3 million pounds of May PGP has traded. Overall, 20 million pounds of PGP traded for Apr delivery. Forward PGP trades totaled just 2 million pounds during Apr. Spread trade volume was 6 million pounds in Apr. Eight million pounds in index trades were seen during Apr. Paper PGP trades totaled 24 million pounds in Apr.

OPERATIONS SUMMARY

Most steam crackers and splitters were operating normally. Eastman's Longview HCC-3A olefins unit remained shut for planned maintenance, as did Dow's Freeport TX-8 olefins unit and Equistar's Channelview OP-2 unit. Enterprise's 1.65 billion lbs/yr PDH unit at Mont Belvieu, which began commercial service in Apr, ran at an average operational rate of 84% during the month, executives said during an earnings call this week.

INTERNATIONAL

US PGP prices were near prices in Asia (47.4 cpp FOB Korea and 49.2 cpp CFR NE Asia) and still below prices in Europe (51.1 cpp).



PRICE SUMMARY

PGP SPOT ASSESSMENTS

(\$/lb)	Friday	1-Week Δ	1-Month Δ
May Mt B-EPC (TX)	0.49250	0.03000	0.06500
Jun Mt B-EPC (TX)	0.49000	0.03000	0.06750

PGP TRADING RANGES

(\$/lb)	LOW	HIGH	MIDPOINT
Current Week Mt B-EPC	0.49250	0.49250	0.49250
Current Week ALL TX	0.49250	0.49250	0.49250
May 30-Day MtB-EPC	0.49250	0.49250	0.49250
May 30-Day All TX	0.49250	0.49250	0.49250
May 45-Day MtB-EPC	0.44500	0.49250	0.46875
May 45-Day All TX	0.44500	0.49250	0.46875

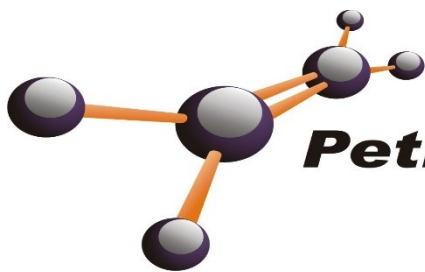
PGP WEIGHTED SPOT AVERAGES

(\$/lb)	MTD avg	1-Month Δ	1-Year Δ
May 30-Day MtB-EPC	0.49250	0.05413	0.12923
May 30-Day All TX	0.49250	0.05619	0.13021
May 45-Day MtB-EPC	0.45688	0.02192	0.08811
May 45-Day All TX	0.45688	0.02341	0.08957

PGP CALENDAR SPOT AVERAGE

(\$/lb)	MTD avg	1-Month Δ	1-Year Δ
May	0.48375	0.03905	0.11818

For PCW's methodology on its assessments and weighted monthly average calculations, click [HERE](#)



Kathy Hall
Executive Editor
kathy@petrochemwire.com
(720) 480-6288

Samantha Hartke
Product Manager
samantha@petrochemwire.com
(832) 330-3340

Cindy Bryan
Sales Director
cindy@petrochemwire.com
(281) 893-3433

Visit us at
www.petrochemwire.com

APRIL 30-MAY 4, 2018

RGP SPOT PRICE SUMMARY

Spot RGP was higher this week. No new May pipeline RGP trades were seen but May was bid up to 38.5 cpp. May rail RGP traded at a 3.5 cpp discount to index pricing.

The 30-day weighted average for Apr pipeline MtB-EPC RGP was 32.214 cpp, compared with 29.5 cpp in Mar. The 30-day weighted average for Apr MtB-EPC RGP for all transport modes was also 32.214 cpp, compared with 29.5 cpp in Mar. **The 45-day weighted average for Apr MtB-EPC pipeline RGP was 31.611 cpp**, compared with 29.272 cpp in Mar. The 45-day weighted average for Apr RGP by all transport modes was also 31.611 cpp, compared with 29.72 cpp in Mar.

REFINERY OPERATIONS SUMMARY

HollyFrontier shut the FCC and coker at its **El Dorado**, KS refinery last Friday evening.

Marathon restarted the catalytic reformer at its **Robinson**, IL refinery Saturday morning. The unit had been offline since Apr 12.

The CDU and VDU at ExxonMobil's **Baton Rouge**, LA refinery shut late Thursday.

Motiva is expected to complete an overhaul of the CDU at its **Port Arthur**, TX refinery on schedule in late May. The unit was shut on Apr 23 for the overhaul.

US Gulf **refinery utilization rates fell** 0.2 percentage points to 91% during the week that ended Apr 27.

In general refining news, **Marathon** Petroleum announced plans this week to buy refiner **Andeavor** for \$23.3 billion. The deal would create the largest US refiner by capacity.

EIA STOCKS

US nonfuel use propylene inventories for the week ended Apr 27 fell a mere 2,000 barrels (-0.1%) last week at 2.770 million barrels, according to EIA data. Inventories have fallen in seven of the past twelve weeks and are 195,000 barrels (6.6%) down versus a year ago.

DOWNSTREAM & ASSOCIATED MARKETS

The average implied (formula) price of **cumene** averaged 41.9 cpp this week, compared with 41 cpp in Apr. RGP's **alkylation value** averaged 49.6 cpp this week, compared with 53.3 cpp in Apr.

RGP was about 11 cpp below PGP, keeping splitter economics positive. Propane prices averaged 89.2 cpg (21 cpp) so far this month, and PDH economics remained very favorable. With ethylene prices staying in the 13-14 cpp range, **economics for running metathesis units continued to be very attractive.**

PRICE SUMMARY

MAY SPOT RGP & ALKY VALUE

(\$/lb)	Friday	1-Week Δ	1-Month Δ
RGP Mont Belvieu-EPC	0.38500	0.01250	0.04560
RGP Implied Alky Value	0.49935	-0.01291	0.18324

RGF TRADING RANGES

(\$/lb)	LOW	HIGH	MIDPOINT
Current Week Mt B	NA	NA	NA
Current Week All TX	NA	NA	NA
Current TX/Non-TX	NA	NA	NA
May 30-Day Mt B	NA	NA	NA
May 30-Day All TX	NA	NA	NA
May 30-Day TX/Non-TX	NA	NA	NA
May 45-Day Mt B	0.37000	0.37000	0.37000
May 45-Day All TX	0.37000	0.37000	0.37000
May 45-Day TX/Non-TX	0.37000	0.37000	0.37000

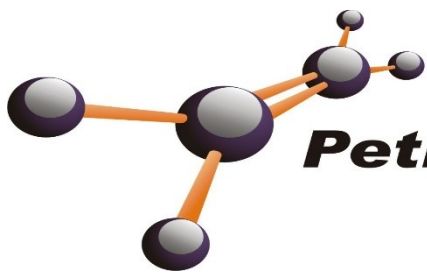
RGF WEIGHTED SPOT AVERAGES

(\$/lb)	MTD avg	1-Month Δ	1-Year Δ
May 30-Day MtB-E pipe	NA	NA	NA
May 30-Day MtB-E all	NA	NA	NA
May 30-Day TX all	NA	NA	NA
May 30-Day TX/Non-TX all	NA	NA	NA
May 45-Day MtB-E pipe	0.37000	0.05389	0.12132
May 45-Day MtB-E all	0.37000	0.05389	0.12120
May 45-Day TX all	0.37000	0.05190	0.11493
May 45-Day TX/Non-TX all	0.37000	0.05190	0.11493

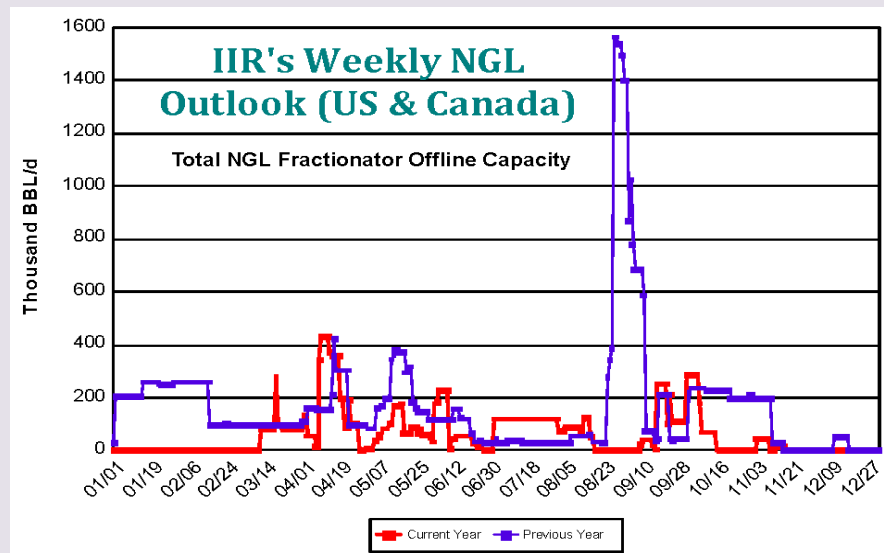
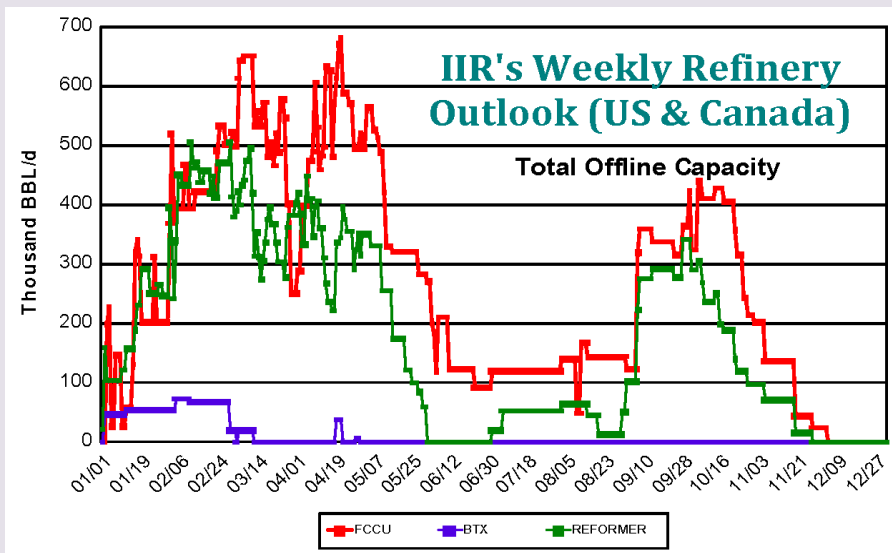
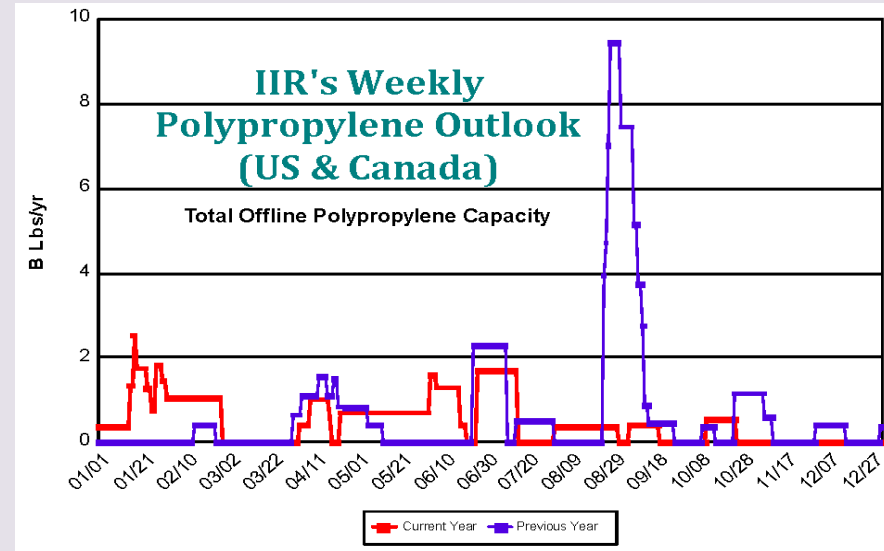
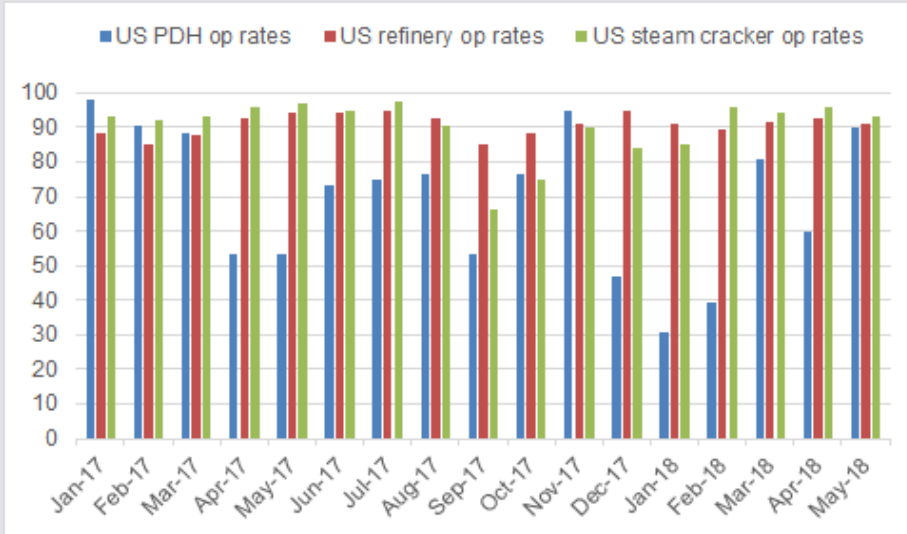
RGF CALENDAR SPOT AVERAGE

(\$/lb)	MTD avg	1-Month Δ	1-Year Δ
May	0.37975	0.04035	0.13725

To read PCW's methodology on its assessments and weighted monthly average calculations, click [HERE](#)



OPERATIONS SUMMARY



FORWARD MARKETS AND SPOT DEAL GRIDS

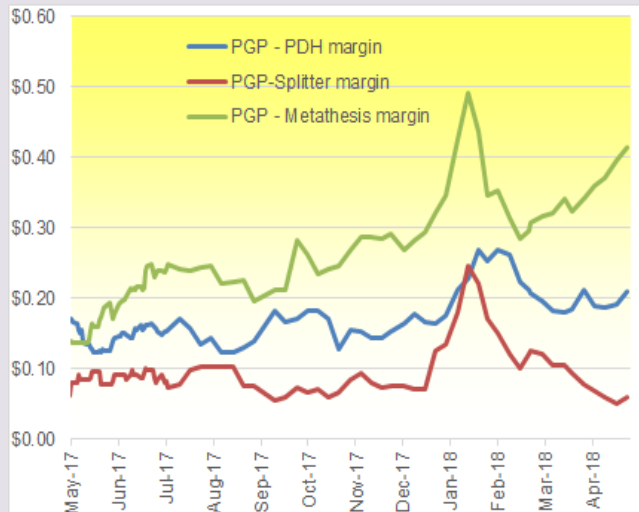
SPOT PGP \$/lb	
May-18	0.49000
Jun-18	0.49250
Jul-18	0.49500
Aug-18	0.50000
Sep-18	0.49375
Oct-18	0.48625
Nov-18	0.48000
Dec-18	0.48000
Jan-19	0.48000
Feb-19	0.48000
Mar-19	0.48000
Apr-19	0.48000
May-19	0.48000
Jun-19	0.48000
Jul-19	0.48000
Aug-19	0.48000
Sep-19	0.48000
Oct-19	0.48000
Nov-19	0.48000
Dec-19	0.48000
Jan-20	0.48000
Feb-20	0.48000
Mar-20	0.48000
Apr-20	0.48000
May-20	0.48000
Jun-20	0.48000
Jul-20	0.48000
Aug-20	0.48000
Sep-20	0.48000
Oct-20	3.48000
Nov-20	0.48000

SPOT PGP	
May-Jun '18	0.49125
3Q 2018	0.49625
4Q 2018	0.48000
2H 2018	0.48917
Bal Cal '18	0.48969
1Q 2019	0.48000
2Q 2019	0.48000
3Q 2019	0.48000
4Q 2019	0.48000
Cal 2019	0.48000

PGP spreads were steady this week, with the entire curve rising along with front-month values. The May/Jun spread traded at 0.25 cpp backward this week.

Physical market spreads in 2Q 2018 remained backward. Spreads in 3Q 2018 stayed in contango, keeping Sep PGP the highest price along the curve.

Spreads in 4Q 2018 were still backwardated, keeping Dec the lowest price on the curve.



For PCW's methodology on its daily propylene assessments, forward curves and weighted monthly average calculations, click [HERE](#)

PGP SPOT DEALS	4-May	3-May	2-May	1-May	30-Apr
Apr Physical					
May Physical	.4925 MtB-E				
Forward Physical					
Spreads Physical	.0025 bw				
Index Physical					
All Paper					

RGP SPOT DEALS	4-May	3-May	2-May	1-May	30-Apr
Apr Physical					
May Physical					
Forward Physical					
Spreads Physical					
Index physical		.035 May			

*Not pipeline

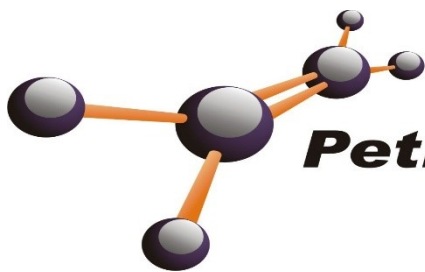
	PGP VOL		RGP VOL		
	MTD May	Apr	MTD May	Apr	
Current Month phys 30d	3	20	Current Month Pipe 30d	0	175
Current Month phys 45d	12	45	Current Month Pipe 45d	25	225
Next Month phys 45d	0	9	Next Month phys 45d	0	25
Forward phys	0	2	Current Month All 30d	0	189
Spreads phys	10	6	Current Month All 45d	25	239
Index phys	0	8	Next Month phys 45d	0	25
All paper	0	24	Index	7	0

THIS WEEK IN PROPYLENE

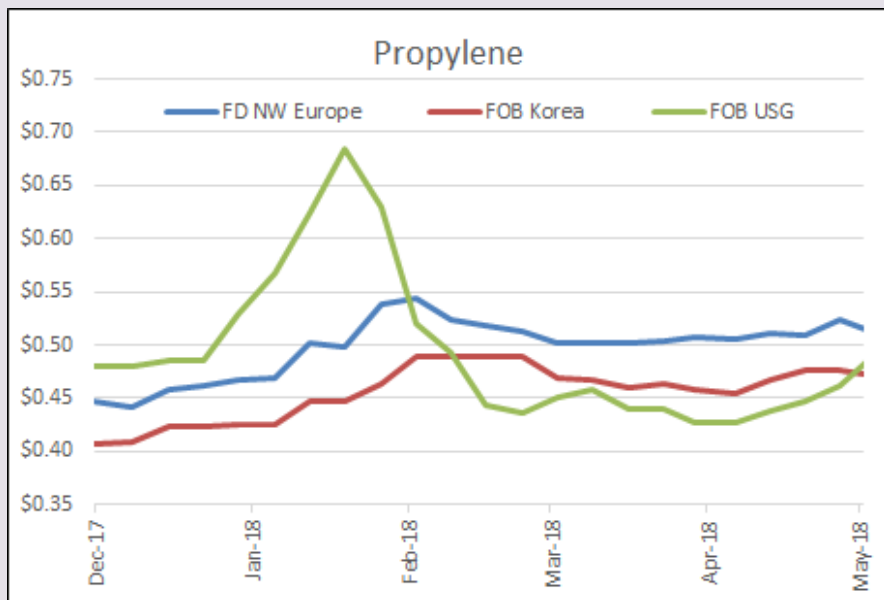
Kathy Hall — Executive Editor
kathy@petrochemwire.com / 720-480-6288

Samantha Hartke — Product Manager
samantha@petrochemwire.com / 832-330-3340

Cindy Bryan — Sales Director
cindy@petrochemwire.com / 713-385-1407



INTERNATIONAL SNAPSHOT



GLOBAL INDICATORS*

	SPOT		1-Week Δ	
	\$/MT	\$/LB	\$/MT	\$/LB
PGP FD NW Europe	1127	0.51120	-26	-0.01179
PGP FOB Korea	1040	0.47174	-10	-0.00454
PGP FOB Mt Belvieu	1086	0.49250	66	0.03000

EUROPE*

Propylene prices eased this week, transacting at a small discount to the May contract price of €952/mt (\$1136/mt or 51.5 cpp). Spot activity continued to be light.

Upstream, naphtha was up \$21/mt this week at \$627/mt FD NWE. Downstream, spot HoPP was up at €1245/mt (\$1507/mt or 68.3 cpp), while CoPP was put at €1295/mt (\$1567/mt or 71.1 cpp).

In operations news, problems were reported this week at Ineos' Dormagen (Koeln), Germany site, which affected the steam cracker there. Repsol's Sines cracker remained offline. Total's olefins unit at Gonfreville remained shut for a four-month turnaround that began in early Mar. French rail strikes have disrupted freight deliveries throughout the country.

ASIA*

Spot propylene prices were down \$5/mt this week at \$1045/mt (47.4 cpp) FOB Korea and at \$1085/mt (49.2 cpp) CFR Northeast Asia. The domestic China price, however, rose Rmb350/mt to Rmb8100/mt (\$1273/mt or 57.8 cpp). Supply was described as tighter than predicted due to strengthening demand.

Upstream, naphtha was up \$5/mt at \$630/mt CFR Japan. Downstream, HoPP raffia prices in China rose. The East China ex-warehouse price average increased Rmb275/mt to Rmb9400/mt.

In operations news, Sinopec Zhenhai Refining & Chemical's integrated olefins unit in Ningbo shut for maintenance on Apr 27. Its propylene capacity is 500,000 mt/yr. The turnaround is expected to last 50 days. CNPC's Sichuan olefins unit shut for maintenance. The outage is expected to last until about Jun 8. Its propylene capacity is 400,000 mt/yr. CNOOC and Shell announced that their new olefins plant at their Nanhai petrochemicals complex in China's Guangdong Province started up on May 2. Its propylene capacity is 600,000 mt/yr. It is integrated with adjacent CNOOC refineries. Ningbo Fund Energy is scheduled to shut its MTO plant at Ningbo City in China's Zhejiang province for 35 days of maintenance starting on May 5. Shandong Dongying Shenchi Petrochemical's mixed alkane dehydrogenation plant at Dongying City in China's Shandong Province is restarting. Its propylene capacity is 200,000 mt/yr.

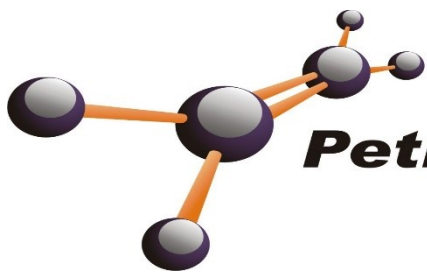
FEEDSTOCK INDICATORS*

	\$/MT	\$/LB
Naphtha FD Europe	627.00	0.28441
Naphtha CFR Japan	630.00	0.28577
Propane USG	457.34	0.20745

FREIGHT RATES

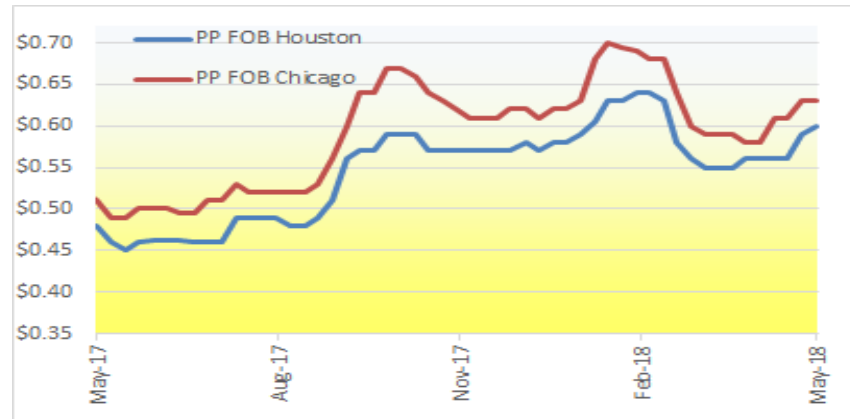
	\$/MT	\$/LB
USG-EUROPE	140-160	0.064-0.073
USG-ASIA	250-300	0.113-0.136
BRAZIL-USG	160-190	0.073-0.086
BRAZIL-ASIA	275-325	0.125-0.147
BRAZIL-EUROPE	170-200	0.077-0.091

*European and Asian prices and commentaries are courtesy of Tecnon OrbiChem.



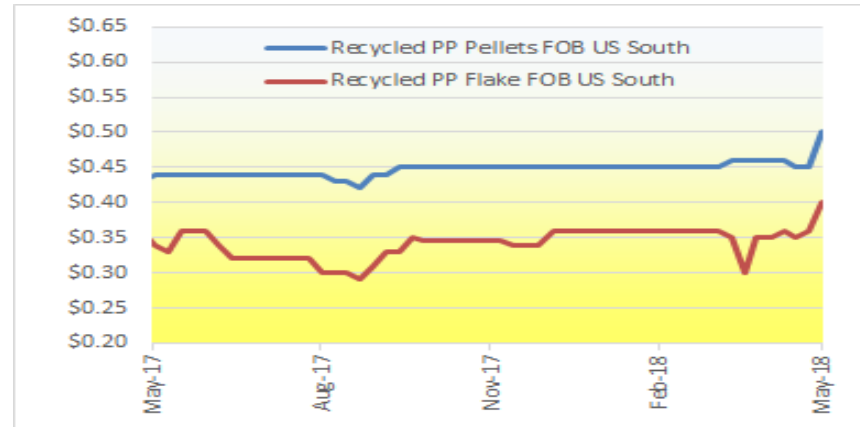
PRIME POLYPROPYLENE

May HoPP IM/raffia prices were firm at 59-60 cpp railcar FOB Houston, and spot offers remained scarce to non-existent. HoPP IM on an FOB Chicago basis was flat at 63 cpp. [For an in-depth look at US prime grade PP, click here for the PCW PP Weekly Report](#)



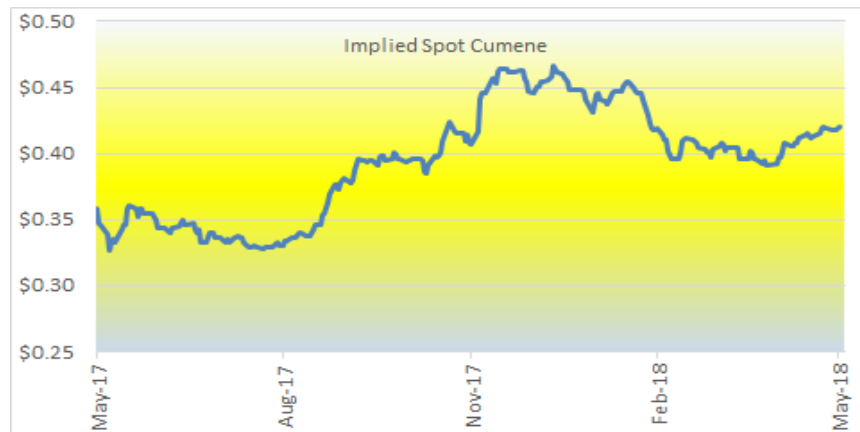
RECYCLED POLYPROPYLENE

Black inj grade HoPP repro was offered this week at 50 cpp delivered truckload Midwest. Mixed colors inj HoPP was done this week at 33-40 cpp FOB Southeast, Midwest and Mid-Atlantic. [For an in-depth look at US recycled PP, click here](#)



CUMENE

The formula (implied) cumene price was steady this week, staying in a range of 41.7-42 cpp. Values rose from 39.2 cpp to 42 cpp during Apr. [For an in-depth look at cumene economics, click here for the PCW Daily Refinery Focus](#)



RGP ALKYLATE VALUE VS ALKYLATE

RGP's implied alky value fell from 50 cpp to 49.6 cpp. Spot alkylate prices were steady in a range of 223-228.5 cpg (37.9-38.7 cpp). [For an in-depth look at gasoline blendstock economics, click here for the PCW Daily Refinery Focus](#)

