

March 1, 2021

In This Issue

- Acetone sellers announced 20 cts/lb March hikes while spot truck prices surged over \$1/lb in late February
- Supply interruptions and increased costs prompted sellers to increase offers 10 to 15 cts/lb on March 1st
- Ketone prices are set to increase in March after increased MEK demand prompted key sellers to announce 7 cts/lb hikes while acetone costs resulted in lofty MIBK increases
- Aliphatic hikes pushed mainstream offers higher

Client Links:

Password Required

Short Term Price Forecast
Read about our contract, barge and terminal price forecasts for the next three months

Past Reports
Bring up past reports for the prior year and YTD

Price History
Download YTD and prior year price data for quotes listed in this table

Global Production
Examine global capacities by region

Contact Us

By Phone:
(281) 444-2872

Or email:

info@chemicalintelligence.com

Price Assessments

		US Net Contract (cts/lb)			
		Feb	Jan	Dec	
Phenol	43.25 - 47.25	↑	40.00 - 44.00	43.35 - 47.35	36.70 - 40.70
Acetone [^]	75.00 - 85.00	↑	70.00 - 80.00	61.00 - 61.00	47.50 - 47.50
IPA	78.00 - 83.00	↑	60.00 - 70.00	60.00 - 65.00	49.00 - 55.00
MEK	68.00 - 73.00	↑	58.00 - 63.00	58.00 - 63.00	55.00 - 60.00
MIBK	90.00 - 100.00	↑	65.00 - 85.00	65.00 - 75.00	63.00 - 70.00

		US Large Volume Spot			
		FOB USG Barge	FOB USG Export (\$/MT)	CFR NE Asia (\$/MT)	FOB NWE (\$/MT)
Acetone (cts/lb)	80 - 82	↔	1754 - 1764	↔	950 - 1050
Toluene (cts/gal)	230 - 248	↑	688 - 698	↑	800 - 810
Xylenes (cts/gal)	235 - 245	↑	703 - 713	↑	810 - 820

		US Spot Truck/Rail (cts/lb)			
		DEL USG	DEL USMW	DEL USNE	DEL USSE
<i>Oxygenated</i>					
Acetone	88.00 - 130.00	↑	93.00 - 140.00	↑	91.00 - 135.00
IPA	85.00 - 92.00	↑	88.00 - 96.00	↑	87.00 - 97.00
MEK	69.00 - 79.00	↑	66.00 - 80.00	↑	72.00 - 82.00
MIBK	125.00 - 130.00	↑	130.00 - 140.00	↑	125.00 - 140.00
<i>Aromatic</i>					
Toluene	38.00 - 38.50	↑	34.00 - 38.00	↑	36.00 - 40.00
Xylenes	37.00 - 38.00	↑	36.00 - 39.00	↑	37.00 - 41.00
ARO 100	41.00 - 43.00	↑	46.00 - 48.00	↑	45.00 - 49.00
ARO 150	42.50 - 44.50	↑	47.50 - 49.50	↑	46.50 - 50.50
<i>Aliphatic*</i>					
MS HI	42.00 - 43.50	↑	42.75 - 46.25	↑	42.00 - 46.25
MS OMS	45.00 - 46.00	↑	47.00 - 48.00	↑	46.00 - 48.00
Hexane	48.00 - 52.00	↑	49.00 - 54.00	↑	45.00 - 52.00

		Canada Spot Truck/Rail (CAN cts/kg)		Upstream Costs	
		DEL E. CAN	DEL W. CAN		
<i>Oxygenated</i>					
Acetone	250 - 315	↑	255 - 320	↑	CGP Contract cts/lb
IPA	250 - 280	↑	255 - 285	↑	RGP Spot cts/lb
MEK	225 - 230	↑	230 - 235	↑	RBOB near month cts/gal
MIBK	315 - 360	↑	320 - 365	↑	Heating Oil cts/gal
<i>Aromatic</i>					
Toluene	79 - 81	↔	85 - 86	↔	US Benzene Cont. cts/gal
Xylenes	81 - 84	↔	86 - 89	↔	US Benzene Spot cts/gal
ARO 100	91 - 94	↔	96 - 99	↔	FOB Korea Benzene Spot \$/mt
ARO 150	100 - 105	↔	105 - 110	↔	FOB Rotterdam Benzene \$/mt
<i>Aliphatic*</i>					
MS HI	120 - 135	↑	125 - 140	↑	
MS OMS	140 - 145	↑	145 - 150	↑	
Hexane	155 - 160	↑	160 - 165	↑	

Prices in italics subject to change *HI = "regular" with aromatic content above 8%, OMS = aromatics below 0.01%
*AVG is the average of high and low at end of month; ^ Barge contracts to MMA accounts

Acetone

Market Summary

Truck prices reached historic levels last week amid supply constraints and climbing feedstock costs.

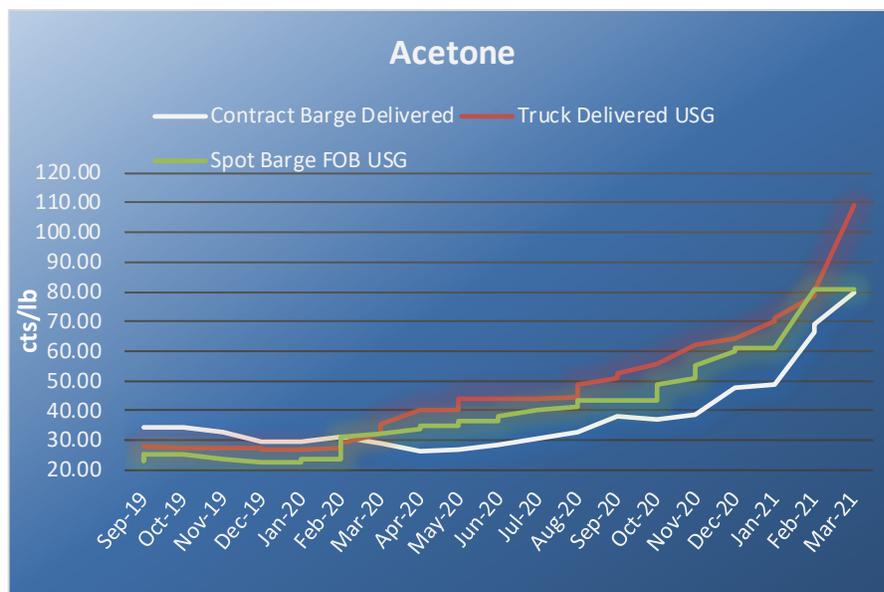
Acetone related MMA contracts were expected to settle last Friday, but no confirmation on the price was reported. Contract prices last surpassed 70 cts/lb delivered barge in October 2014. While large buyer contract prices are expected to also reach record levels this year, spot truck prices surpassed \$1/lb last week – record levels since Chemical Intelligence began tracking prices in 2004. Observers reported that pricing in the 80s cpl delivered range likely lingered for some regional or established

customers in February, but noted that availability at those levels was very limited and projected to increase 20 cts/lb in early March with scheduled nominations. Marketers noted that on paper arbitrage appeared open from both Europe and Asia to the US; however healthy overseas demand, limited cargo space, and container shortages will likely limit any significant imports to the US for the foreseeable future. Some traders noted that the few countries that did have availability were subject to anti-dumping duties. Most marketers anticipate shortages will continue through the first half of the year before possibly rebalancing in July or August at the earliest. Demand from large buyers remains healthy while interest from regional end users appears steady to slow. Some end users that are able to reformulate to alternate products, like MEK, are beginning to make those adjustments since prices are expected to continue their upward trajectory with projections of surpassing \$2/lb possibly in April.

In Europe and Asia markets appeared healthy with balanced to snug supply and healthy demand. In Europe spot prices continued to edge higher on tightening supply. Offers were reported in the Euro 1,700 to Euro 1,800/mt FD NWE range in late February. In Asia spot prices also moved higher on upstream costs and healthy demand. Prices CFR CMP were reported between \$950 and \$1,050/mt last week. Domestic markets in China firmed through most of last week as buyers stocked up following the Lunar New Year holiday. Last week offers in Eastern provinces were up as much as CNY 800/mt rising above CNY 9,000/mt ex-plant. Offers ex-Yangzhou were noted as high as CNY 9,300/mt. Offers ex-Yanshan were noted near CNY 9,100/mt.

Contract

February acetone related MMA contracts were expected to settle on Friday, but no confirmation was received on the new settlement price. Most observers anticipated another sizeable increase because of tight supply and higher feedstock costs. January contracts settled at 61 cts/lb delivered barge. Some observers anticipate February contracts will move to the upper 70 or low 80 cts/lb delivered range. The highest settlement Chemical Intelligence has documented was in May 2011 when prices settled at 77 cts/lb.



Derivative

Domestic methyl methacrylate markets remain strong with healthy demand and balanced to snug supply. Many producers continue to express concern about feedstock acetone availability. Lucite was to close its Beaumont, TX plant at the end of the month, but it reported shutting down the facility on February 14th ahead of the wintery weather that swept through Texas and caused massive power outages. It reported that it was repairing pipes and would restart in possibly another week, which would mean that the plant will remain operational into March if not longer. Lucite's Memphis plant remained operational during the storm, but it was briefly Lucite closed its Beaumont, TX MMA plant on February 14th ahead of wintery weather. Sources report that Roehm continues to enforce force majeure because of feedstock limitations. It declared the measures in January at its 160,000 mt/yr Fortier, LA plant. Surging costs have pushed prices to between \$1 and \$1.15/lb delivered railcar reported sources. March prices are expected to move closer to \$1.10 to \$1.25/lb.

Feedstock

Natural gas pricing corrected sharply lower after surging higher in mid-February with the winter storm that resulted in freeze-offs and shut ins at wells in the USG. Henry Hub spot prices dipped to \$2.75/MMBtu, down from \$23.61/MMBtu reached the prior week. Permian Basin spot prices set record highs on February 16th when they surged to \$206.19/MMBtu.

Last week they dipped to \$2.65/MMBtu. March NYMEX contracts expired at \$2.854/MMBtu, down 37 cts/lb. The April contract slid 24 cts/MMBtu to \$2.795/MMBtu.

Refinery grade propylene prices remained elevated because of surging polymer grade propylene prices. However, the delta between the two

values continues to increase. Spot refinery grade propylene values were assessed in the mid 40 cts/lb range. Spot polymer grade propylene surged to \$1.25/lb on February 23rd following winter storms, that resulted in the closure of two PDH units (Dow's 750,000 mt/yr unit and Flint Hills Resources 658,000 mt/yr unit). Enterprise began a turnaround at its 750,000 mt/yr unit on February 1st. However, both Dow and Flint Hills Resources have begun restarting their plants. Prices have since ebbed back closer to \$1/lb. The February polymer and chemical grade contracts settled 28 cts/lb higher at 88.50 cts/lb and 87 cts/lb respectively.

Acetone and Phenol Production

No new production issues were reported. Both Shell and Ineos continue to enforce force majeure. Mechanical issues in mid-December prompted Shell to announce force majeure for acetone at its Deer Park, TX plant according to customers. Sources report that Shell has resumed production, but that the force majeure remains in place as it rebuilds inventory. Other producers continue to operate at reduced rates. In Europe Borealis is expected to take its Porvoo, Finland plant offline in April or May for maintenance.

Large Volume Activity

Large volume spot markets remain muted. Domestic spot activity is slow because of reduced operating rates and limited availability. Prices were notionally assessed in the low to mid 80 cts/lb FOB USG range in February. Import opportunities remain scarce; although some shipments arranged in late 2020 or early January 2021 have begun to arrive; although most observers report that the volume has been pre-sold or absorbed by large buyers.

US Gas Stocks as of 02/28/2021

Total for lower 48 States	1,943
Change from prior week	(338)
Compared with last year	-13
Compared with 5 year average	-8

Gas Prices

	Price	Change	Pct change from year ago
H.Hub Front Month Apr-2021	\$2.78	-0.02	33.56%
H.Hub 12-month Avg. Futures	\$2.95	-0.01	27.73%
H.Hub 2022 Avg. Futures	\$2.67	-0.01	12.81%
Daily Spot Diff (H.Hub-AECO)	\$0.49	0.14	-8.16%
Dawn, ON	\$3.42	-0.05	32.75%

Some traders reported import offers have firmed to the 80 cts/lb DDP Houston range; although pricing is also notional because of limited overseas availability or because of logistic issues.

US Terminal Markets

Prices marched higher in February through formal nominations or market-based pricing. AdvanSix and Matrix moved their prices up 7 cts/lb on February 22nd. Altivia also moved its offer sup 10 cts/lb on February 22nd. The Plaza Group increased its price 8 cts/lb on February 25th. Last week Matrix and AdvanSix announced 20 cts/lb increases effective March 1st and March 8th respectively. The increases moved established or regional contract pricing to the mid to upper 80 cts/lb delivered range. Spot prices climbed around 20 cts/lb from the beginning to the end of the week, surpassing the \$1/lb mark and then some. Prices hovered in the mid 40 cts/lb delivered USG range in the summer of 2020 before beginning to march and then jump higher over the subsequent months. Some sellers have announced nearly 40 cts/lb since the beginning of the year in response to shortages and skyrocketing costs.

Offers in the **USG** moved sharply higher during the last week of February. Late February initiatives moved competitive offers to contract or established customers to around 85 cts/lb FOB USG. However, 20 cts/lb initiative in March will move truck offers to a few larger or contract customers to the low \$1/lb range according to most observers. Spot truck prices, meanwhile, started the week in the low 90 cts/lb delivered range and climbed to over \$1.10/lb by Friday. A marketer confirmed a truck sale last Monday near 91 cts/lb delivered but noted additional transactions later in the week at \$1.10/lb. Another seller noted it was quoting \$1.30/lb and higher delivered for March. Late last week sources claimed truck deals done nearer \$1.50/gal delivered. Similarly, in the **Midwest** prices firmed in late February. Pricing to larger buyers or contract customers increased in late February to near 90 to 95 cts/lb delivered Chicago area. March offers are expected to climb to \$1.10 to \$1.20/lb delivered for established customers according to some reports. Spot truck prices last week were reported near \$1.05 to \$1.20/lb on the same basis. One regional buyer reported that it was offered trucks near \$1.10/lb delivered one morning and by the afternoon the price had jumped to \$1.25/lb. Some resellers reported that March bulk spot prices would likely consolidate closer to \$1.30/lb and higher this week. In the **Northeast** prices also jumped higher last week and will continue to increase this week. Competitive truck offers to established customers moved to the low to mid 80 cts/lb FOB range last week and are expected to increase to nearer \$1.05 to \$1.10/lb FOB by the end of this week. Spot truck prices, meanwhile, climbed from the mid 90 cts/lb range reported earlier in the week to around \$1.10 to \$1.15/lb last week. Resellers noted that spot trucks in March could move to \$1.30/lb and higher. One reseller noted that supply remained very constrained and that any incremental volume was being absorbed quickly. Similarly, in the **Southeast** prices climbed higher last week. More competitive offers increased to the low to mid 90 cts/lb delivered range after several sellers increased offers 7 to 10 cts/lb last Monday. Many of those same sellers plan to move offers 20 cts/lb higher by the end of this week, which will increase prices to around \$1.15/lb and higher. Spot truck prices last week moved higher on limited supply and ended the week near \$1.15 to \$1.25/lb delivered. Most regional observers anticipate spot prices will move above \$1.50/lb in March. In **Canada** prices also increased last week. However, domestic buyers are able to take advantage of South Korean availability because of less trade restrictions. A trader reported offered iso-containers near US 90 cts/lb delivered E. Canada for April delivery. Current pricing, meanwhile, moved higher. Low-end offers increased from lows of CAN \$2.30/kg delivered reported in mid-February to around CAN \$2.50 to CAN \$2.60/kg for larger buyers. March offers to larger buyers is expected to move to near CAN \$3.05 to CAN \$3.15/kg delivered. Spot truck prices, meanwhile, surged to near CAN \$3.20/kg delivered late last week and will likely move even higher in March.

Phenol

Market Summary

Domestic phenol activity remains light and markets appear relatively balanced with production cuts. Whether there will be a surge in demand for phenol or downstream products following the Lunar New Year holidays in China remains uncertain. Particularly whether any improvements will have a major impact on US markets. February benzene prices eased slightly on a dip in benzene prices earlier in the month. Prices for were noted around 42.25 to 45.25 cts/lb delivered.

Chinese domestic markets trended higher following the Lunar New Year holiday amid restocking efforts and relatively tight availability. In the East offers ex-Shandong and Yanshan were noted at CNY 7,150/mt. In the South spot offers were reported rising over CNY 500/mt to CNY 7,700/mt or more.

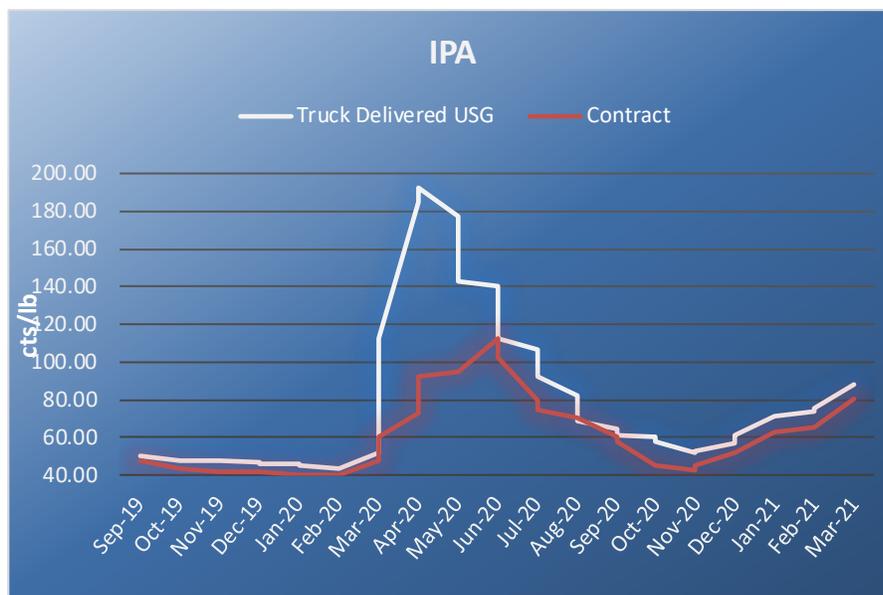
Feedstock

After easing earlier in the month, benzene spot prices rebounded last week because of higher energy values and healthy demand. Spot prices ended the week near \$2.80/gal DDP USG, up from lows near \$2.30/gal reported in mid-February. February contracts settled lower at \$2.53/gal. In Asia spot prices climbed to between \$885 and \$895/mt FOB Korea. In Europe the benzene contract settled down at \$728/mt, down from \$837/mt in January.

IPA

Market Summary

Sellers have announced notable March hikes following a substantial jump in February chemical grade propylene values. Chemical grade propylene prices settled up 28 cts/lb. By mid-February most sellers had announced 10 to 16 cts/lb increases for March. ExxonMobil increased its price 15 cts/lb on February 22nd and then announced an additional 7 cts/lb increase for March 5th. Dow, Lyondell, and Monument announced, respectively, 16 cts/lb, 15 cts/lb, and 10 cts/lb hikes for March 1st. Lyondell increased its price 7 cts/lb on February 6th. Most observers noted that while costs were certainly surging, market fundamentals appeared relatively soft. Demand remained lackluster and supply appeared adequate, although some Texas-based plants were down because of the winter storm so availability could tighten. Last week, though, distributors and end users continued to note product remained readily available. Many marketers anticipate prices will correct sharply lower once propylene supply improves. As a result, some observers noted backdoor opportunities from customers with surplus inventory last week. Observers reported import opportunities exist with offers noted in the mid 70 cts/lb DDP USG range for April delivery. Producer-based prices to distributors in



Most observers noted that while costs were certainly surging, market fundamentals appeared relatively soft. Demand remained lackluster and supply appeared adequate, although some Texas-based plants were down because of the winter storm so availability could tighten. Last week, though, distributors and end users continued to note product remained readily available. Many marketers anticipate prices will correct sharply lower once propylene supply improves. As a result, some observers noted backdoor opportunities from customers with surplus inventory last week. Observers reported import opportunities exist with offers noted in the mid 70 cts/lb DDP USG range for April delivery. Producer-based prices to distributors in

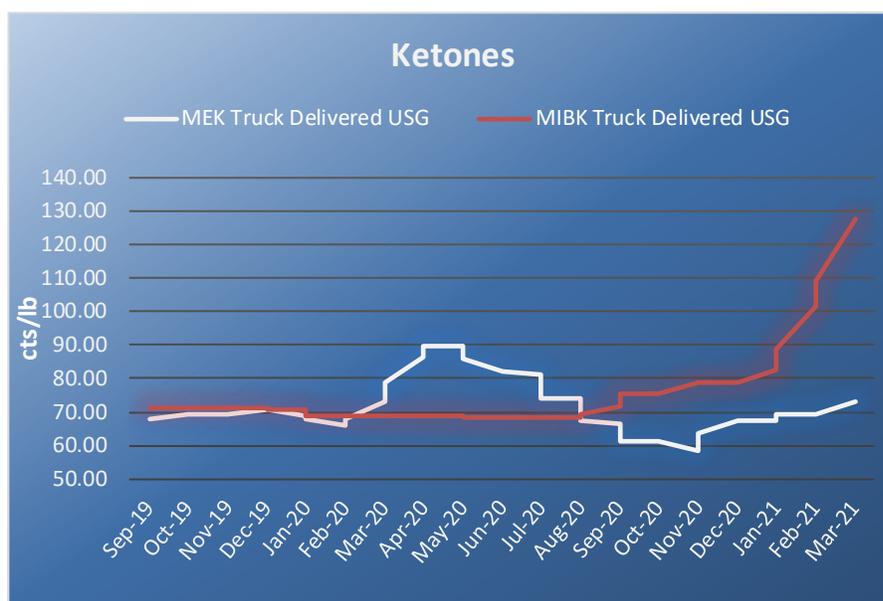
March are expected to move to the upper 80 or low 90 cts/lb delivered range. More competitive spot offers are expected to move to the mid to higher 80 cts/lb range in March. February contract pricing to around 65 to 67.50 cts/lb delivered. March levels will likely move to near 80 to 83 cts/lb delivered.

Following the winter storm in the **USG** prices consolidated higher. Increases made earlier in the month but not fully effected were enforced moving competitive truck offers to near 73 to 75 cts/lb FOB USG, up from around 70 cts/lb noted in the first half of the month. One distributor confirmed offers at 75 cts/lb FOB Houston last week. It noted its costs were projected to move to 90 cts/lb on March 1st, though. Spot prices jumped higher on supply issues last week and one marketer confirmed selling volume near 83 cts/lb delivered Houston. In the **Midwest** prices also consolidated higher last week. One reseller reported offers at 79 cts/lb FOB Chicago, up from 74 cts/lb reported earlier in the month. Another distributor corroborated by reporting offers around 81 cts/lb delivered. One marketer confirmed truck offers last week at 85 cts/lb delivered on the same basis and noted it would likely increase offers to nearer 95 cts/lb or higher in March. Similarly, in the **Northeast** prices moved higher. Competitively priced supply in the region appeared more constrained that in other areas. While some offers ended February around 80 cts/lb FOB New Jersey, many distributors noted spot offers closer to 85 or 86 cts/lb FOB. One marketer confirmed a truck trade at 85 cts/lb FOB last week. A distributor confirmed its February costs at 80 cts/lb FOB, but noted that its price will move to 95 cts/lb on March 1st. In the **Southeast** prices also climbed higher on tightening supply because of the recent wintery weather and logistic delays from USG-based producers. Last week resellers reported mainstream truck prices consolidated closer to 88 to 93 cts/lb delivered, up around 10 cts/lb on the low-end from previous assessments. A local distributor reported that activity remained relatively light, but noted that supply was projected to tighten some in early March because of plant outages so sellers were adjusting spot prices to reflect those conditions. March pricing is expected to move to around 98 to 105 cts/lb delivered reported some resellers. In **Canada** mainstream offers also increased last week. Prices ended the week around CAN \$2.35 to CAN \$2.40/kg delivered, up from lows of around CAN \$2.10/kg reported midmonth. March offers are expected to move even higher with offers likely climbing to between CAN \$2.65 and CAN \$2.80/kg delivered.

Ketones

Market Summary

Demand picked up in February as some acetone end users began to reformulate to **MEK** because of the lower cost. Prices appeared largely unchanged throughout February, but last week ExxonMobil and, according to customers, Mitsui, announced 7 cts/lb hikes for March. ExxonMobil plans to move its price up 7 cts/lb on March 5th. The increases will likely move mainstream truck offers to the upper 70 cts/lb delivered range. Demand from larger end users with seasonal applications is also expected to pick up in March, which could tighten supply. Availability last week was reported



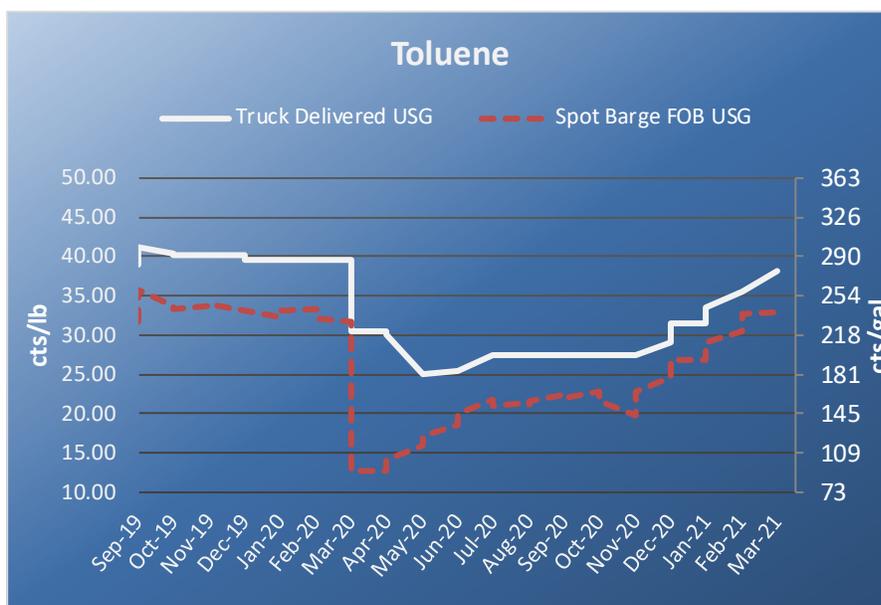
as balanced. There is no supply interruptions from major suppliers; although large volume spot opportunities are likely limited for the near future. In Asia, imports were hindered because of limited space on vessels and in Europe sources reported that an influential marketer was low on inventory. Surging acetone costs and some force majeure because of the winter storm prompted sellers to announce lofty **MIBK** hikes. Celanese and Monument declared force majeure on MIBK on February 18th. There were no updated status reports on plant conditions according to some observers last week. For March 1st Altivia announced a 20 cts/lb increase while Monument and Eastman announced 15 cts/lb hikes. In mid-February Celanese, Altivia, and Eastman increased their prices 10 cts/lb. This follows 10 cts/lb hikes made on February 1st by Altivia and Monument. Altivia has announced 50 cts/lb worth of hikes for 2021 to date. Monument and Eastman have each announced 35 cts/lb. Last week resellers reported truck offers near \$1.15/lb delivered. March prices are expected to jump to nearer \$1.30 to \$1.35/lb, which could move monthly contract prices to around \$1.10 to \$1.15/lb delivered.

Both ketone prices in the **USG** are expected to increase this week. MEK offers throughout most of February hovered around 69 or 70 cts/lb FOB USG. Several distributors confirmed by noting offers near 71 to 73 cts/lb delivered. MIBK distribution prices consolidated near \$1.10/lb in mid-February, but March initiatives could move those offers closer to \$1.25 to \$1.30/lb delivered. In the **Midwest** both MEK and MIBK prices also will adjust higher this week. MEK offers to resellers are expected to move from lows of around 73 cts/lb to around 80 to 83 cts/lb delivered Chicago area this week. One regional marketer reported increased interest from buyers last week and noted that the projected hike would likely be pushed through with little resistance. MIBK offers, meanwhile, are set to jump from around \$1.15/lb to nearer \$1.30 to \$1.40/lb delivered Chicago area. The reseller noted that interest was beginning to slow because of the surging prices. Similarly, in the **Southeast** offers appear poised to increase in early March. MEK prices held relatively flat in the Northeast near 70 or 71 cts/lb FOB USNE. One marketer confirmed offers near 73 cts/lb delivered. But March prices are expected to move mainstream offers closer to 78 or 79 cts/lb on the same basis. MIBK prices are expected to jump to \$1.25 to \$1.35/lb FOB in March if increases are fully realized. In the **Southeast** both MEK and MIBK prices are also scheduled to increase this week. MEK prices, which were largely unchanged in February, are being quoted around 80 to 83 cts/lb delivered USSE for March delivery. MIBK prices surged higher in February to near \$1.15/lb delivered, but will likely move closer to \$1.30/lb and higher this week. In **Canada** both MEK and MIBK prices are also scheduled to move higher, particularly the latter. MEK offers were relatively flat in February near CAN \$2.10 to CAN \$2.15/kg delivered. In March most observers anticipate mainstream prices will increase closer to CAN \$2.25/kg. MIBK prices jumped higher to near CAN \$3.15/kg in mid-February. But March hikes are expected to move distribution trucks to around CAN \$3.60/kg and higher delivered.

Aromatic Solvents

Market Summary

Refinery outages and logistic delays after mid-February wintery weather contributed to climbing energy and spot barge values. WTI crude prices moved over \$60/bbl and ended last week at \$61.50/bbl. RBOB prices also firmed and on Friday were reported at \$1.95/gal. Observers last week noted an uptick in chemical demand for both toluene and MX. Margins for toluene conversion processes remained healthy with climbing benzene and PX prices reported some sources. Several sellers moved their prices higher in February and some announced additional adjustments for March.



Production

Several Texas and Louisiana based refineries were impacted by the winter storm and subsequent power outages. While many plants have begun their restart process, several observers noted it would likely be several weeks and possibly into April before production is fully restored. Prior to the storm, Marathon had a planned six-week turnaround scheduled to begin mid-February.

Toluene barge prices

2/22-2/26	Bids cts/gal	Offers cts/gal
Monday	226	239
Tuesday	224	239
Wednesday	232	246
Thursday	231	248
Friday	230	246

Spot barge prices firmed last week amid tightening supply because of regional outages and healthy demand; although no trades were confirmed. In Europe spot prices continued to climb higher and were assessed near \$655/mt CIF ARA. In Asia prices also moved higher and ended the week near \$780/mt FOB Korea.

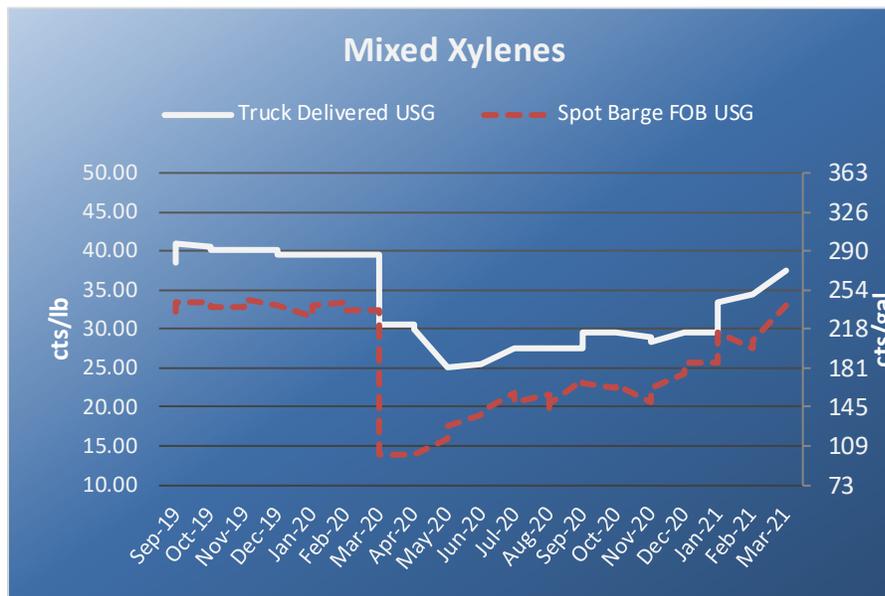
Mixed Xylenes (MX) barge prices

2/22-2/26	Bids cts/gal	Offers cts/gal
Monday	224	240
Tuesday	220	238
Wednesday	227	241
Thursday	240	240
Friday	230	245

MX spot prices climbed sharply higher post-storm after softening during the first half of February. Traders reported a prompt trade on Thursday at \$2.40/gal FOB USG. In Europe spot prices climbed to the low \$700/mt FOB NWE range. In Asia offers ended the week around \$795/mt FOB.

US Terminal Markets

Many prominent sellers increased their prices in early February and last week several suppliers announced additional adjustments for March. Citgo will increase its toluene and MX prices 3 cts/lb effective March 6th. It last moved its offers up 4 cts/lb on January 30th. PBF Energy increased its toluene and MX prices up 4 cts/lb effective February 1st. Most ARO 100 and ARO 150 sellers have also announced March increases. ExxonMobil and Flint Hills Resources plan to move their prices up 5 cts/lb while Total has announced a 3 cts/lb hike for both products. In February ExxonMobil and Total moved their ARO 100 and ARO 150 prices up 2 cts/lb while Flint Hills Resources increased offers by a penny.



Offers in the **USG** climbed higher in late February after some influential marketers made upwards adjustments in response to strengthening barge values. Last week toluene and MX prices were widely reported at 36 cts/lb and 35 cts/lb FOB USG respectively. Tauber announced it will move its MX price up a penny on March 1st moving both its toluene and MX offers to 36 cts/lb FOB. In mid-February toluene and MX prices were widely reported near 33 cts/lb and 32 cts/lb FOB respectively. ARO 100 and ARO 150 prices are also expected to increase this week. Sources reported ARO 100 offers would likely increase to near 41 to 43 cts/lb delivered Houston, up from between 36 and 40 cts/lb noted in early February. ARO 150 prices are expected to increase to near 42.50 and 44.50 cts/lb delivered, up from between 37.50 and 41.50 cts/lb noted in early February.

In the **Midwest** offers will likely widen after a prominent seller makes upward adjustments. Mainstream toluene offers ended February around 32 or 33 cts/lb FOB USMW. Sources noted offers would likely widen to between 32 and 36 cts/lb FOB in early March. MX prices ended February around 33 or 34 cts/lb FOB. March offers are expected to move higher to between 33 and 37 cts/lb FOB. ARO 100 and ARO 150 prices are also scheduled to increase in March. Competitive ARO 100 offers will likely move up 3 to 5 cts/lb to near 44 to 46 cts/lb FOB Chicago area. Mainstream ARO 150 prices are expected to move to near 45.50 to 47.50 cts/lb on the same basis.

Similarly, in the **Northeast** prices are expected to increase on the upper end this week. Toluene and MX offers in February consolidated around 34 or 35 cts/lb FOB for the former and 35 to 37 cts/lb for the latter FOB USNE. March offers are expected to expand with toluene offers moving to between 34 and 38 cts/lb FOB and MX prices to between 35 and 40 cts/lb FOB. ARO 100 and ARO 150 prices will also move higher with scheduled hikes. Competitive ARO 100 offers for March delivery were assessed near 45 to 47 cts/lb FOB while ARO 150 prices were noted between 46.50 and 48.50 cts/lb. More competitive ARO 100 and ARO 150 offers were assessed around 43 cts/lb and 44.50 cts/lb and attributed to importers.

Mainstream offers in the **Southeast** also appear poised to move higher this month. Observers noted competitive toluene offers would likely expand to between 36 and 42 cts/lb delivered. MX offers also expected to widen to between 37 and 42 cts/lb delivered this week. Mainstream ARO 100 and ARO 150 prices from national suppliers

will firm with the former moving to near 47 to 49 cts/lb delivered. ARO 150 prices for March were noted around 48.50 to 50.50 cts/lb delivered. More competitive ARO 100 and ARO 150 offers from regional spot marketers were noted closer to 43 or 44 cts/lb for the former and 44.50 to 46 cts/lb for the latter.

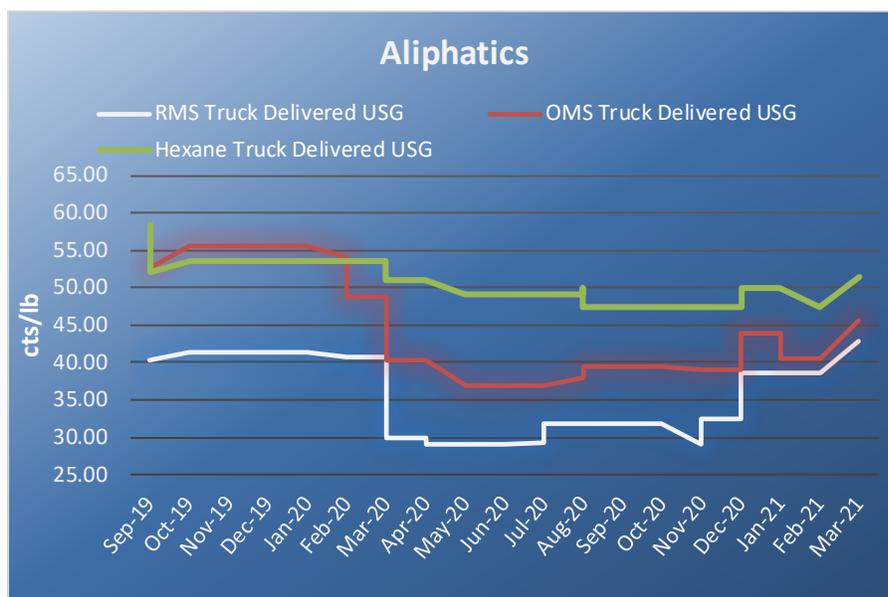
Canadian Terminal Activity

Markets in the Canada appeared mostly balanced and mainstream prices were reported as largely unchanged. Competitive toluene and MX offers were noted as flat and assessed around CAN 73 to CAN 75 cts/lb FOB E. Canada for the former and around CAN 76 to CAN 78 cts/kg for the latter. One distributor reported that both toluene and MX offers would likely firm in March on elevated upstream costs. Competitive ARO 100 and ARO 150 prices were also reported as flat with the former noted near CAN 86 cts/kg and the latter at CAN 94 cts/kg FOB respectively.

Aliphatic Solvents

Market Summary

Unplanned outages because of the winter storm coupled with increased crude and clean product values prompted sellers to increase their offers in February and prompted one major seller to announce additional hikes for early March. The winter storm that resulted in mass power outages across the state of Texas caused several unplanned shutdowns and sources report that while most have begun the restart process that it could take several weeks to resume full production. Most observers noted that demand remained soft, but noted interest could begin picking up in some regions later this month. Crude prices spiked over \$60/bbl before easing to near \$61.50/bbl on Friday. Heating oil futures ended the week near \$1.85/gal. Spot heating oil and jet fuel prices were noted around \$1.75/gal and \$1.67/gal respectively.



Production

Several refineries, including ExxonMobil's Baytown and Beaumont refineries and Shell's Deer Park refinery were shut down because of the winter storm and power outages.

US Terminal Markets

Mainstream prices moved higher last week after some sellers pushed through increases. Calumet and ExxonMobil announced 5 cts/lb hikes effective February 22nd and 25th respectively. Citgo moved its offers up 4 cts/lb on February 20th. ExxonMobil announced an additional 5 cts/lb increase effective March 5th.

Most offers in the **USG** climbed higher last week with scheduled increases. Distributors noted mainstream regular mineral spirits prices between \$2.60 and \$2.70/gal FOB USG, up from between \$2.35 and \$2.45/gal reported in early February. One reseller confirmed noting its regular mineral spirits costs increased to near \$2.80/gal delivered Houston last week. More competitive offers lingered around \$2.60/gal delivered last week but are poised to increase to around \$2.75/gal and higher this week. OMS prices also moved higher with offers last week noted around 44 to 46 cts/lb delivered. Hexane and heptane prices also moved up with the former noted around 49 to 51 for the former and between 50 and 53 cts/lb for the latter.

Similarly, in the **Midwest** prices also increased last week. Several distributors reported most regular mineral spirits prices increased from around \$2.40 to \$2.50/gal FOB reported in early February to nearer \$2.60 to \$2.70/gal. One distributor confirmed regular mineral spirits offers last week around \$2.90/gal delivered Ohio, but noted that its costs would likely increase to nearer \$3.15/gal by the end of this week. OMS offers were noted around 48 cts/lb delivered Chicago area last week. Most hexane and heptane prices also firmed with the former moving to around 50 to 52 cts/lb delivered and the latter to between 50 and 53 cts/lb.

Most prices in the **Northeast** also moved higher in late February or will increase this week. Distributors reported most regular mineral spirits offers would consolidate between \$2.60 and \$2.75/gal FOB USNE by the end of this week; although some observers noted that offers could increase even further if ExxonMobil's March initiative is fully realized. Offers in February lingered around \$2.30 to \$2.45/gal FOB for most of the month, but elevated crude and clean product values and tightening supply prompted sellers to push through hikes last week. OMS prices moved to around 45 or 46 cts/lb FOB. Hexane and heptane offers from national suppliers also increased to around 50 to 52 cts/lb for the former and near 50 to 53 cts/lb for the latter. More competitive offers from importers were noted in the mid 40 cts/lb FOB range.

Similarly, offers in the **Southeast** also increased last week and could firm further this month. Resellers reported mainstream regular mineral spirits prices moved to between \$3 and \$3.10/gal delivered USSE. More competitive offers around \$2.85/gal lingered last week, but are expected to increase this week. Distributors noted that February initiatives successfully moved OMS offers higher, too. Distributors last week reported mainstream OMS offers around 50 cts/lb delivered. Distribution hexane and heptane offers increased to near 53 to 55 cts/lb for the former and between 54 and 56 cts/lb for the latter. More competitive hexane and heptane offers were noted nearer 47 or 48 cts/lb delivered.

Canadian Terminal Activity

Prices in Canada also increased last week despite ongoing tepid demand. Regular mineral spirits offers began increasing and will continue to firm through this week. Most distributors noted March regular mineral spirits offers between CAN \$1.20 and CAN \$1.35/kg delivered E. Canada, up from around CAN \$1.10/kg reported in early February. OMS prices moved higher and were widely reported in the low to mid CAN \$1.40/kg delivered range last week. Similarly, hexane and heptane prices were also stronger with offers for the former noted around CAN \$1.55/kg and for the latter nearer CAN \$1.60/kg.

NOTICES

Check out the new Chemical Intelligence webpage at www.chemicalintelligence.com! Like us on Facebook and follow us on Twitter!

- Please direct all comments and/or questions about this report to Ashley Rock at arock@chemicalintelligence.com or George West at gswest@chemicalintelligence.com

Domestic Solvents Units Planned & Unplanned Outages					
Company	Product	Location	Cap. (mt/yr)	Dates	Details
Lucite	MMA	Beaumont, TX	135,000	2/14	Shutdown - Weather
Dow	MMA	Freeport, TX		2/18	FM – Winter Storm
Celanese	MIBK			2/18	FM – Winter Storm
ExxonMobil	Various	Beaumont, TX		2/16	Plant Shutdown - Weather
ExxonMobil	Various	Baytown, TX		2/16	Plant Shutdown - Weather
Lyondell	IPA	Channelview, TX		2/18	FM – Winter Storm
Monument	IPA/MIBK	Brandenburg, KY		2/18	FM – Winter Storm
Monument	IPA/MIBK	Houston, TX		2/18	FM- Winter Storm
Shell	Ace	Freeport, TX	180,000	2H Dec	FM
Ineos	Ace	Mobile, AL	320,000	Oct 1	FM

Current Exchange Rates		
Currency	USD/1 unit	1 unit/USD
Euro	1.21	0.83
UK Pound	1.40	0.71
Canadian Dollar	0.79	1.27
Japanese Yen	0.01	106.38
Swiss Franc	1.10	0.91

For information regarding this report, please contact Ashley Rock or George West at (281) 444-2872. Fax: (281) 840-4458 E-mail: ARock@chemicalintelligence.com

www.chemicalintelligence.com

Unauthorized reproduction or retransmission prohibited without prior consent.
All information and conclusions in this report are obtained from market sources in good faith and *Chemical Intelligence* accepts no liability arising from reliance on anything contain herein.