# The Methanol Report

***November 14, 2022***

## In This Issue

- US posted contract postings rollover this month as large volume spot prices come under pressure.

  The US barge market remain illiquid with a single deal reported early in the week for November at 98 cts/gal FOB Houston.
- Spot truck and railcar prices in the USG and USSE slip while other offers remain mostly stable this month.
- Spot CFR CMP drops to \$300/mt, offers CFR SE Asia down to \$365/mt and prices CIF NWE T2 lower at E 327/mt.

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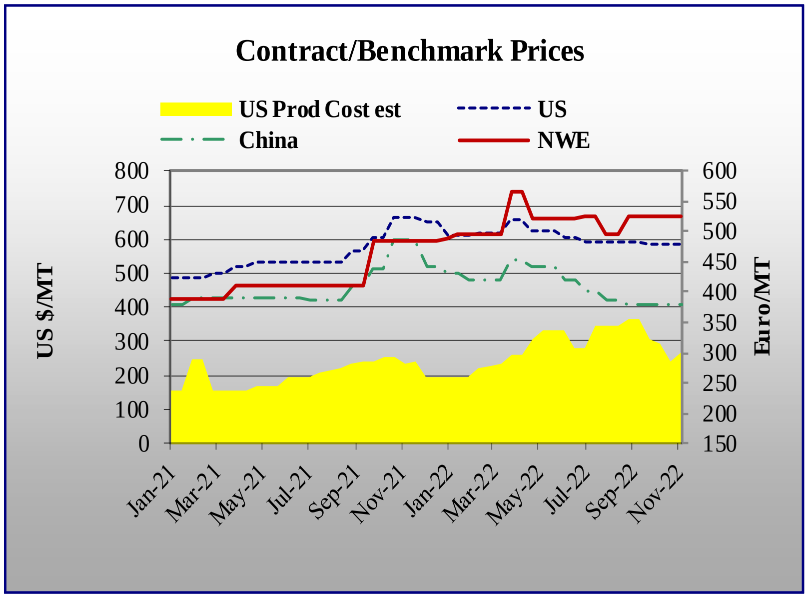
## Price Assessments

**US**
*(US cts/gal)*

| *USG Contract/Posted* | *14-Nov* | | *October* | *September* | Q3 Avg |
|---|---|---|---|---|---|
| List FOB USG | 175.00 - 176.00 | ⇔ | 175.00 - 176.00 | 176.00 - 180.00 | 178.50 |
| Weighted Contract Avg | 175.00 - 176.00 | ⇔ | 175.00 - 176.00 | 176.00 - 179.00 | 178.00 |
| Methanex MNDRP | 176.00 | ⇔ | 176.00 | 176.00 | 179.00 |
| SCC MPP | 175.00 | ⇔ | 175.00 | 180.00 | 178.00 |
| *Large Spot* | | | | | |
| Barges FOB USG | 97.00 - 98.00 | ↓ | 100.00 - 102.00 | 109.00 - 110.00 | 109.00 |
| Rail FOB USG | 109.00 - 111.00 | ⇔ | 109.00 - 111.00 | 116.00 - 118.00 | 114.50 |
| *Terminals* | | | | | |
| *To Distribution* | | | | | |
| Truck FOB Houston | 109.00 - 111.00 | ⇔ | 109.00 - 111.00 | 116.00 - 118.00 | 115.50 |
| Truck FOB S. LA | 109.00 - 111.00 | ⇔ | 109.00 - 111.00 | 116.00 - 118.00 | 115.50 |
| Truck & Rail FOB Bayonne | 124.00 - 128.00 | ⇔ | 124.00 - 128.00 | 124.00 - 128.00 | 128.33 |
| Truck & Rail FOB Perth Amboy | 124.00 - 128.00 | ⇔ | 124.00 - 128.00 | 124.00 - 128.00 | 128.33 |
| Truck & Rail FOB Wilmington | 122.00 - 124.00 | ⇔ | 122.00 - 124.00 | 122.00 - 124.00 | 123.50 |
| Truck & Rail FOB Chicago | 144.00 - 146.00 | ⇔ | 144.00 - 146.00 | 144.00 - 146.00 | 146.67 |
| *To Consumer* | | | | | |
| Truck FOB Houston | 112.00 - 115.00 | ⇔ | 112.00 - 115.00 | 118.00 - 120.00 | 117.67 |
| Truck FOB S. LA | 112.00 - 115.00 | ⇔ | 112.00 - 115.00 | 118.00 - 120.00 | 117.67 |
| Truck & Rail FOB Bayonne | 128.00 - 133.00 | ⇔ | 128.00 - 133.00 | 128.00 - 133.00 | 132.83 |
| Truck & Rail FOB Perth Amboy | 128.00 - 133.00 | ⇔ | 128.00 - 133.00 | 128.00 - 133.00 | 132.83 |
| Truck & Rail FOB Wilmington | 126.00 - 128.00 | ⇔ | 126.00 - 128.00 | 126.00 - 128.00 | 126.83 |
| Truck & Rail FOB Chicago | 146.00 - 149.00 | ⇔ | 146.00 - 149.00 | 146.00 - 149.00 | 149.17 |
| **Canada** (CAN \$/MT) | | | | | |
| Contract List FOB E. Can. | 695 - 695 | ⇔ | 695 - 695 | 670 - 670 | 680 |
| Contract List FOB W. Can. | 790 - 790 | ⇔ | 790 - 790 | 765 - 765 | 775 |
| Methanex WCDP | 790 | ⇔ | 790 | 765 | 388 |
| Spot Terminal Del. E. Canada | 670 - 730 | ⇔ | 670 - 730 | 670 - 720 | 703 |
| Spot Terminal Del. W. Canada | 765 - 790 | ⇔ | 765 - 790 | 745 - 780 | 773 |
| USG Rail est. del W. Canada | 637 - 646 | ⇔ | 637 - 646 | 670 - 679 | 522 |
| **Asia** (US \$/MT) | | | | | |
| Spot CFR China | 304 - 305 | ↓ | 311 - 313 | 322 - 325 | 309 |
| Spot CFR S.E. Asia | 364 - 365 | ↓ | 366 - 369 | 364 - 366 | 359 |
| Methanex ACP | 410 | ⇔ | 410 | 410 | 427 |
| **Europe** (Euro/MT) | | | | | |
| Contract List FOB NWE | *525 - 525* | ⇔ | *525 - 525* | 525 - 525 | 485 |
| Spot FOB NWE T2 | 326 - 327.5 | ↓ | 346 - 347 | 353 - 354 | 355 |
| Methanex ECP | 510 | ⇔ | 510 | 555 | 275 |

List (non-discounted) prices posted once nominations are made are subject to change.
*Figures in *italics* are preliminary based on nominations or estimates referenced in report

## *U.S. Market Summary*

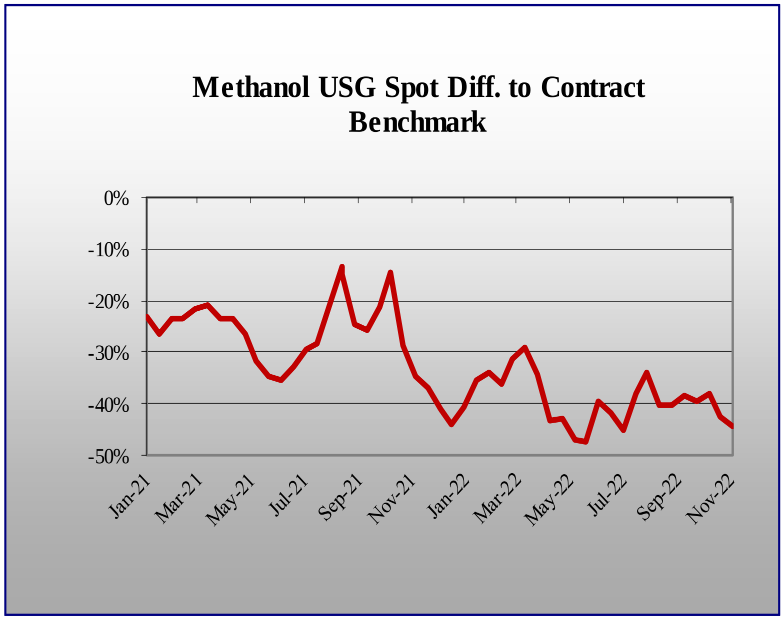



North American markets appear well supplied with production in the USG seemingly heathy and demand among large end users steady. Activity remained thin through last week and spot barge demand is lethargic leading to relatively illiquid conditions. Downstream housing and construction related sectors are still better supported than anticipated while seasonal demand continues to pick up, although some consumers reported working down inventories in anticipation of possible easing heading into December. As previously noted, upstream there were unconfirmed reports of producers raising rates following unplanned downtime or curtailments in prior weeks. As of late last week, there were no formal contract announcements for December, although despite the wide gulf between postings and prevailing large volume spot assessments, many observers expect few changes. This month US contract postings and net prices were unchanged after converging last month when two influential suppliers to the Americas announced disparate nominations following divergent nominations the month prior. Methanex confirmed rolling over its US non-discounted reference price of $1.76/gal effective November 1st after carrying the benchmark forward last month and dropping it 3 cts/gal in October. Southern Chemical Corp (SCC) confirmed rolling over its US Gulf benchmark of $1.75/gal on November 1st following a 5 cts/gal decrease last month and a 3 cts/gal increase the month prior. Other large suppliers to the Americas reported carrying prices forward or moving prices marginally lower this month depending upon the market after making minor changes last month. Several national distributors confirmed rolling over prices this month after many made downward price adjustments or rolled over following supplier-led nominations last month. Some suppliers in the USG and USSE confirmed making relatively small concessions after doing the same in October and backing off robust hikes in September. Several suppliers at inland locations confirmed holding prices steady once again this month after doing the same in October and making modest concessions in September. This month estimated net contract assessments near or above $1.14/gal (with discounts applied) remain very high relative to spot barge prices near or below $1/gal FOB USG from a historical perspective leading to reports of new contract negotiations involving discounts of 40% to 45% and some buyers shifting to more spot purchasing.

Regional production in the USG is healthy and there is no confirmation of any new rate cuts or downtime following a series of outages in prior months. The 1.7 mln mt/yr KOCH unit in Louisiana possibly had problems or went offline briefly in September, although customers suggest it is running this month (although more recent rumors suggest it might be running at a reduced rate). As previously noted, there were also reports the 900,000 mt/yr OCI unit was down from July 20th through August 10th and possibly again in September or last month. In its most recent quarterly disclosures Methanex confirmed its plants at Geismar were down in July and again in late September, although as of October 26th the company claimed both units were once again operating normally. In related news, during its quarterly report the company confirmed its new G3 unit was still expected to startup on schedule in Q4 of next year. Several sources also claimed the 1.7 mln mt/yr Fairway unit was also either down or reduced last month. As of Friday, there were no new major disruptions reported and nothing new listed by TCEQ. Production in the Caribbean was also likely reduced amid reports of unconfirmed rate cuts in August, although some sources claim rates were largely restored last month. The M2 and M3 units are reportedly operating as is Atlas and the new 1 mln mt/yr CGCL plant that was reportedly down in September of last year for a turnaround. However, some claimed the CGCL unit was cut back in September. There were reports of other units also lowering operating rates but no confirmation. Both Titan and M1 are still reportedly idled. In Venezuela some sources claim the 750,000 mt/yr Supermetanol unit was down for a planned turnaround in June. In Chile Methanex confirmed it recently restarted its Unit IV following downtime due to seasonal gas supply constraints.

Large volume spot prices in the USG drifted lower last week, although the market is still extremely illiquid and several major suppliers remain oversold. As previously noted, many observers believe posted benchmarks could come down next month, although at this point conjecture is still premature. To see the last price forecast please log into the client website at *http://www.chemicalintelligence.com*.

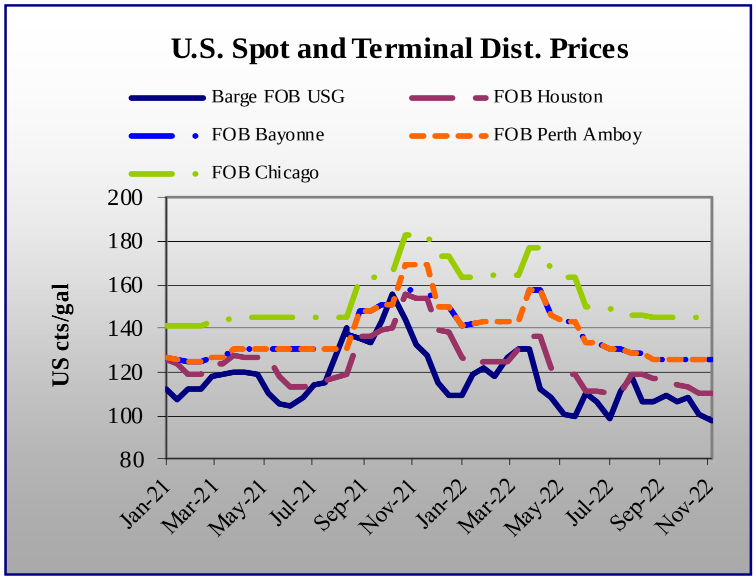
## *U.S. Large Volume Spot Market*




Large volume spot markets in the USG are somewhat illiquid with activity continuing to take the form of sporadic deals but few residual bids. On Monday traders reported little interest among buyers or sellers with November offers according to some observers dipping beneath 99 cts/gal. On Tuesday several sources reported at least one barge for November trading at 98 cts/gal FOB Houston. There were subsequent reports of offers at that level but no corresponding bids through Wednesday. On Thursday several sources reported confirmed best offers marginally higher at 99 cts/lb for November FOB Houston or St Rose, however there was once again no confirmation of confirmed bids. At the time some brokers and traders believed prices were likely to move lower. On Friday some sources claimed there were offers back at 98 cts/gal FOB Houston although one seller suggested there was an offer under that mark.

Despite easing through most of last week, large volume spot prices in the USG are still high relative to those in other major centers of trade. Exports continue to move regularly from the Caribbean and Venezuela, however spot netbacks are still unattractive. Estimated breakeven netbacks to Europe from the USG are assessed well below 90 cts/gal FOB (minus freight and duty) and estimated breakeven netbacks to China remain near 85 cts/gal with netbacks to Southeast Asia steady slightly above 90 cts/gal FOB.

## *U.S. Terminal Markets*




Regional truck and railcar spot markets are competitive across much of the country, although most suppliers reported carrying existing prices forward earlier this month. Some sellers report steady activity while others noted more sporadic sales through last week. Inland markets are still better supported relative to those in the USG and USSE according to both buyers and sellers. Downward pressure on prices was muted in parts of the Midwest and Northeast where sellers continued to work off old higher cost inventory. Supply is seemingly healthy, but there are also intermittent reports of rail delays and other logistical issues as well as concerns about low water levels impacting barge traffic in the coming weeks. Downstream demand is steady but sporadic among some end users with a rise in seasonal demand expected in the coming weeks, although many buyers continue to place orders on a just in time basis in anticipation of possible easing next month. Last week small volume US chemical sales posted a decrease as the American Railroad Association reported rail traffic dipping 3.2 % when compared to a year prior with the year-to-date total dropping to 2.3% net above last year's level. Large suppliers confirmed carrying prices forward this month. Methanex confirmed rolling over its prices this month after doing the same last month and adjusting down 3 cts/gal the month prior. This month Southern Chemical Corp confirmed rolling over its posted price following a 5 cts/lb drop last month and moving up 3 cts/gal in September. Associated distributors reportedly made modest downward adjustments or rolled over this month after doing the same last month following more widespread concessions the month prior. Other regional spot suppliers reported carrying offers forward or adjusting modestly lower this month after doing the same last month.

Spot truck and railcar markets are steady or under slight competitive pressure depending upon the region, although many buyers believe there is more downside risk in the weeks to come. Distributors and resellers in the **US Gulf** reported steady sales last week in most cases, although some suggested customers are less willing to take long positions. At the start of the month most suppliers confirmed carrying existing truck and railcar prices forward or making small concession after doing the same last month. Posted small volume spot prices consolidated slightly lower as well, although competitive offers are at a historically high premium relative to prevailing barge assessments. In the USG spot barge prices eroded last week despite somewhat illiquid conditions widening the gap with prevailing truck and railcar assessments. This month competitive pressure led to widespread reports of downward consolidation and there is conjecture about the likelihood for further erosion. Small volume demand is steady according to several sellers while availability is ample. Although some suppliers carried forward existing truck and railcar spot offers this month others confirmed making minor concessions. One large marketer confirmed dropping its posted truck and railcar price 2 cts/gal to $1.15gal on November 1st following a penny decrease last month. Others that previously reported holding starting truck offers at or above $1.17/gal FOB Houston also reported dropping the upper end of their price range. Whereas several consumers confirmed truck offers attributed to large distributors remained near or in limited instances above $1.15/gal FOB USG last week, others reported increasing competition among sellers leading to downward consolidation. A few noted single truck sales at $1.14/gal or $1.15/gal FOB Houston, although many resellers and other competitive buyers reported finding both rucks and railcar offered at $1.12/gal and $1.13/gal FOB. One active marketer was noted with truck offers at $1.11/gal and there were also several reports of limited truck quantities (but possibly multiple truck orders) at $1.10/gal FOB Houston. A few sources repeated unconfirmed rumors of railcars and possibly also trucks moving as low as $1.09/gal FOB last week.

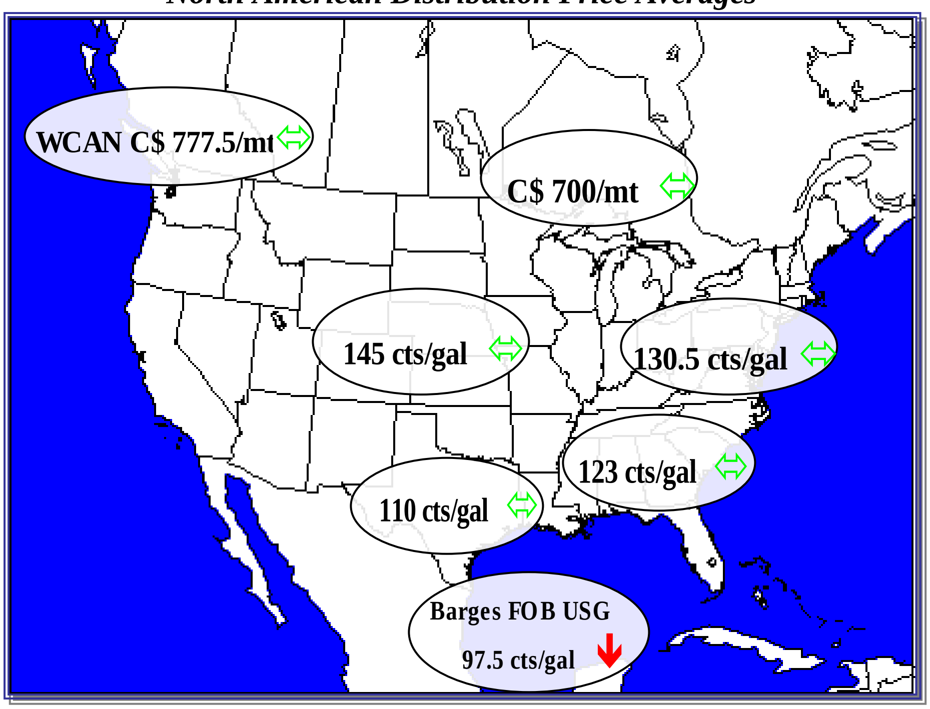
Several regional suppliers in the **Midwest** noted relatively static conditions and less competition among local suppliers through last week after most sellers carried forward existing truck and railcar offers at the start of the month. Spot truck and railcar availability remains healthy and there are no reports of delivery delays or other logistical issues, although some distributors continue to warn customers about the possibility moving forward due to disruptions involving low water levels and dredging impacting barge deliveries through the end of the year. Spot barge prices continued to drift lower making delivered costs more advantaged relative to prevailing offers but there are still no confirmed reports of marketers moving spot volume up the river and undercutting current offers. Demand is steady but seasonal needs are lagging expectations among some end users. Earlier this month most suppliers reported rolling over offers after doing the same last month and implementing minor 2 cts/gal concessions the month prior. At the upper end of the selling range some distributors are reported holding truck offers FOB Chicago in the high

$1.40/gal range. Others noted more frequent offers in the mid $1.40/gal range FOB Chicago. Last week two sellers confirmed truck offers at $1.48/gal FOB Chicago. At the low end of the selling range there are reports of trucks FOB Chicago moving to resellers at $1.45/gal or possibly $1.44/gal FOB Chicago while truck offers FOB Manly are noted in the low to mid $1.40/ga range. Competitive starting truck offers FOB Cincinnati are reported at a premium in the very low $1.50/gal range.

There were few material changes in the **Northeast** heading into November and many regional distributors reported carrying truck and railcar offers forward through last week. Downstream demand for spot truck and railcars is reportedly normal among many end users, although some confirmed working off existing inventories in anticipation of possible softening. Seasonal needs are slowly starting to ramp up according to sellers. Small volume spot availability is healthy and there are no reports of any delays or other logistical issues impacting supply. Last week competitive spot truck offers were assessed stable in the upper $1.20/gal range FOB New Jersey with the bottom of the selling range still near $1.28/gal amid congoing reports of possible deals involving multiple trucks or railcars nearer $1.27/gal. At the upper end of the selling range attributed to distributors supplying smaller end users, truck offers are reported at and above $1.30/gal FOB USEC. Mainstream offers attributed to large distributors are reportedly stable at $1.31/gal or $1.32/gal FOB New Jersey with fewer offers much above those levels.

Similarly, there were no major changes to either activity levels or small volume spot prices in **Southeast** last week after sellers confirmed carrying forward existing offers or moving slightly lower earlier this month. Spot truck and railcar spot availability is reportedly healthy and there is no confirmation of any material delays or shortfalls while downstream demand remains steady according to several regional distributors. Seasonal sales are still relatively slow with colder weather expected to help drive sales this week. Large distributors confirmed holding existing offers steady or making small concessions on November 1st after doing the same last month and dropping offers roughly 3 cts/gal on average in September. One large marketer in the region confirmed lowering its posted price 3 cts/gal to $1.21/gal on November 1st after rolling over the marker last month and moving it down 3 cts/gal the month prior. Other suppliers reportedly rolled over starting offers or made concessions of as much as 3 cts/gal to remain competitive. Competitive truck and railcar spot offers at the low end of the selling range last week were noted near $1.20/gal FOB Wilmington. Some local distributors and resellers reported holding truck prices relatively higher in the $1.22/gal to $1.26/gal range and responding to competition on a case-by-case basis. There were fewer reports of truck offers approaching $1.30/gal FOB.

***North American Distribution Price Averages***




** Terminal price average to distribution and **change from previous month** indicated by directional arrow unless otherwise listed.*

## *Far East Markets*

Activity in Northeast and Southeast Asia was thin through most of last week with supply and demand seemingly balanced, although demand picked up on Friday sending spot prices in China marginally higher. Upstream methanol inventories in Northeast Asia and in particular China rose again last week after drifting lower last month despite reduced production. Methanol operating rates in China are unchanged near 72% of installed capacity but Chinese inventories registered another 53,500/mt gain to 585,000 mts last week as availability was augmented by imports and downstream demand among some end users declined. Housing and construction related sales are slower and formaldehyde production remains curtailed due to seasonally slow wood products related needs as well as the impact from the rainy season on plywood production with operating rates steady near 30% of capacity in China. The acetic acid market is also still under pressure and spot prices are lower after the Tianjin Soda Plant along with the Guangxi Huayi Phase II and Shunda units reportedly restarted earlier this month, although other plants are down and overall operating rates declined. MTBE demand is seasonally subdued and operating rates in China reported dipped 5% to roughly 50% of capacity in the last two weeks. DME demand is reported seasonally steady. MTO related sales improved slightly with operating rates in China back above 78% of installed capacity. Qinghai Saltlake was reportedly shut for 12 days at the beginning of this month. Shenhua Xinjiang reportedly restarted on November 5th after downtime. Luxi Chemical and Jilin Chemical units are reportedly still down for maintenance. Regional methanol contract prices remain largely unchanged again this month following reports of rollovers last month. Methanex confirmed carrying forward its Asian posted price of $410/mt on November 1st after doing the same last month and moving the marker $10/mt lower the month prior. The company also confirmed rolling over its China posted price of $395/mt effective November 1st following a $20/mt increase last month and a rollover in September.

Regional availability improved as several plants restarted and imports augmented supply. In China the 600,000 mt/yr Henan Hebi unit is expected down this month for a turnaround. Also, in Henan the 300,000 mt/yr Xinlianxin unit as well as the 350,000 mt/yr Zhongxin unit were reportedly shutdown last month and have yet to restart. The large 1.2 mln mt/yr Jinmei Huayu unit in Shaanxi was reported down form October 25th through the middle of this month. The 600,0000 mt/yr Tongmei unit also in Shaanxi was reportedly down in August and is also slated to restart possibly this week. In Mongolia two 900,000 mt/yr Rongxin units reportedly went down August 16th for economic reasons and remain offline according to local sources. The 1 mln mt/yr China Coal facility in Erdos is reported down indefinitely. In Malaysia the 1.7 mln mt/yr Petronas unit reportedly went down September 26th for an undetermined time. The 850,000 mt/yr BMC unit in Brunei was expected down in mid-September for a 30-day turnaround that should have concluded, although sources claim a restart was delayed until possibly this week. In Iran the 1.65 mln mt/yr Bushr unit reportedly went down September 12th with a restart possible this week. The 2.3 mln mt/yr Kaveh complex was shut down on September 16th according to some sources with no restart noted at this time. Similarly, the 1.65 mln mt/yr Kimiya unit reportedly went down September 13th with a restart expected later that month. Observers also reported the 1.65 mln mt/yr Sabalan unit down on August 2nd with a restart earlier this month. In Egypt the 1.3 mln mt/yr Methanex facility reportedly began a turnaround at the end of July that was extended through “late October” according to recent financial disclosures (on October 26th it was “in the process of restarting”). It also confirmed completing a turnaround in New Zealand during Q3.

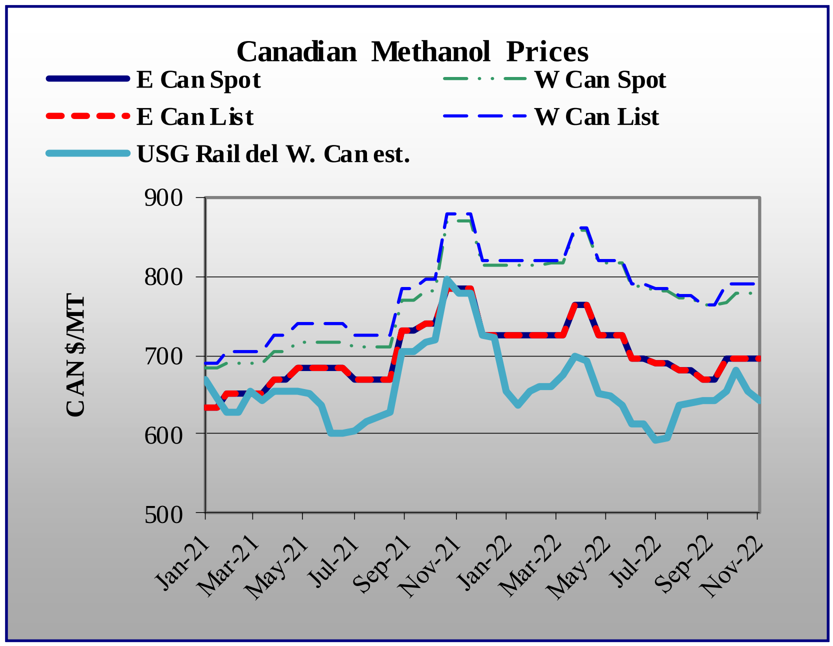
**Large volume spot** prices in Northeast Asia declined roughly $10/mt last week amid reports of increased near-term availability and thinning downstream needs. On Monday local sources noted best bids for prompt parcels CFR CMP near or below $308/mt with best offers near or above $310/mt. By midweek there were reports of softening leading to best bids dropping roughly $5/mt to $303/mt and best offers down by a similar magnitude nearer $305/mt. Later in the week regional sources reported prompt parcels offered near or slightly above $300/mt with best bids dipping beneath that mark CFR CMP. Domestic prices in China appeared largely unchanged since the start of November with minor fluctuations amidst ongoing tepid activity. Observers noted that some turnarounds and reduced operations offset sluggish demand and contributed to the price stability. Spot prices in Eastern markets were noted near CNY 2,750 to CNY 2,800/mt ex-terminal last week. Competitive offers in Central provinces were assessed around CNY 2,950 to CNY 3,000/mt. Offers in Northern China eased slightly last week to near CNY 2,600 to CNY 2,700/t ex-plant. Offers in the Northeast were noted closer to CNY 2,700/mt. Spot prices in Southeast Asia also came under pressure last week, although net decreases were less pronounced. Early last week several sources claimed large spot volume was offered on either side of $370/mt with best bids closer to $367/mt CFR SE Asia. On Wednesday some suggested best offers were down towards or below $370/mt with bids still $366/mt or possibly $367. By Friday traders reported less buying interest and best bids dipping to $364/mt with best offers also lower near $366/mt CFR SE Asia.

## *European Market*

Markets cooled in the last two weeks sending spot prices lower earlier this month before stabilizing somewhat last week. Demand is steady but unpronounced with high costs impacting sales amid ongoing concerns about consumption among some large end users heading into December. Seasonal demand is better supported by comparison. Regional availability is still constrained with imported volumes lagging and local production diminished (although not as curtailed as it was in Q2). As previously noted last month the EU confirmed placing methanol on its list of sanctioned products that can no longer be imported. Russia is a major producer and exporter of methanol with 12 plants and a total combined capacity over 5 mln mts/yr. Although Russian exports to Europe were lower in recent months it was regularly sending about 100,000 mts to Europe each month The 900,000 mt/yr Tomsk unit in Russia was reportedly down for a turnaround but restarted earlier last month. Local supply is still impacted by downtime in the Netherlands where both units at the 991,000 mt/yr BioMCN facility are still idled for economic reasons. Inland deliveries are once again limited due to low water levels with little expected to change heading into this week. Several sources are once again concerned about inland deliveries after water levels in main tributaries dipped after initially rising last month. On Friday levels at Kaub slipped back to 125cm with forecasts calling for little change through Monday. Regional contract prices for Q4 settled lower after dropping in Q3. On September 30th Methanex confirmed lowering its regional posted price Euro 45/mt to Euro 510/mt following a Euro 15/mt drop in Q3 and a Euro 65/mt increase for Q2. Other monthly indexes reportedly reflected rollovers for August and decreases for September and October.

**Large volume spot** markets came under pressure earlier this month as prompt needs thinned and suppliers lowered offers. On Monday traders noted prompt parcels FOB Rotterdam T2 bid near Euro 326/mt and offered at or above Euro 327/mt, down roughly Euro 20/mt from levels reported two weeks ago. Through midweek there were few changes reported and on Friday traders continued to report best bids between Euro 326 and Euro 326.50/mt with offers near or above Euro 327/mt.

## *Canadian Market*




Activity is steady across the country with frigid temperatures helping to drive sale across much of the West and relatively mild weather in parts of the East leading to slower seasonal demand among some end users since the start of the month according to local distributors. Last week, the American Railroad Association reported chemical rail traffic in Canada dipping another 3.9% when compared to a year prior with the year-to-date total extending its dip to -1.2% compared to last year. While demand is somewhat mixed depending upon the market, incremental availability is seemingly adequate across much of the country and there are no reports of major supply dislocations or delays. Imports are reportedly unabated and production in Alberta is steady absent any news to the contrary. As previously noted, in its recent quarterly disclosure Methanex confirmed the Medicine Hat plant experienced unplanned downtime in July but was back up the next month. Incremental volumes from the USG are somewhat more advantage following easing in the region, although there were no reports of spot imports leading to widespread price revisions last week. As of Friday, there are no new price revisions announced for December. Spot and contract prices remain steady after rolling over earlier this month and adjusting higher in October after major suppliers announced increases to make up for the decline in the Canadian dollar. Methanex confirmed rolling over its Western Canadian Distributor Price (WCDP) of CAN $790/mt effective November 1st following a CAN $25/mt increase last month. As of Friday, there were no new announcements for December, although many regional observers expect few changes even if spot and contract prices in the US trend lower.

Freezing temperatures are expected across the **West** this week and seasonal demand among oil gas gas service companies is healthy according to distributors. Regional availability of small spot quantities is adequate according to several resellers and there are no reports of any logistical issues. Most roads are clear and there are very few closures with minimal speed reductions noted in Alberta and BC this week. As noted, production at Medicine Hat is reportedly good following downtime several months ago. Imports in the form of spot railcars from the USG are still advantaged after prices in the region ebbed once again due to competitive pressure, although there were no reports of suppliers bringing in volume and undermining the market as of last week. Spot and contract prices are stable after major suppliers opted to carry existing offers forward earlier this month after implementing modest increases last month. Some sellers reported attempting to hold starting offers slightly higher in part to compensate for the rising value of the US dollar, although that dynamic changed slightly last week. This month Methanex confirmed rolling over its Western Canadian Distributor Price (WCDP) of $790/mt on November 1st after raising the benchmark CAN $25/mt last month and following a modest CAN $10/mt decrease the month prior. Other large regional suppliers reportedly also announced rollovers this month after moving higher last month. Spot truck offers are assessed stable to slightly higher depending upon the supplier. At the low end of the competitive range spot truck offers FOB Edmonton are reported in the low CAN $700/mt range with the bottom of the market possibly near CAN $715/mt or CAN $720/mt according to some observers. Less aggressive offers attributed to large distributors selling smaller end users are reported stable as well between CAN $775/mt and CAN $790/mt delivered.

By contrast markets in the **East** appeared less supported by comparison, although distributors and other marketers confirmed holding both contract and spot prices steady this month after pushing through modest increases last month many attributed to a need to compensate for the weaker Canadian dollar (relative to the USD). Demand among some large consumers is reported steady with housing and construction related sales still better than expected for this time of year according to some suppliers. Seasonal needs are still stifled to some degree by mild weather across much of Ontario and Quebec. As has been the case for several months, many smaller consumers reported buying on a just in time basis and working off inventories in anticipation of further easing. Small volume availability is seemingly healthy with domestic production augmented by steady imports and no reports of any major delivery delays or other logistical issues as of last week. Last month spot and contract prices reportedly moved up as much as CAN $25/mt before most sellers rolled this month. Methanex confirmed carrying forward its prices on November 1st after moving up CAN $25/mt last month and adjusting down CAN $10/mt in September. Other suppliers reportedly also rolled over spot prices this month after moving up as much as CAN $25/mt last month. Competitive truck prices delivered Quebec are assessed stable but in a wide range between CAN $650/mt and CAN $700/mt with mainstream spot truck offers attributed to less competitive accounts between CAN $675/mt and CAN $700/mt delivered Montreal. Earlier this month one small reseller in lower Ontario reported its truck costs unchanged in the mid CAN 70 cts/kg range (CAN $740 to $750/mt) delivered locally.

## *Derivative Markets*

Large downstream markets appear relatively well supported despite some ongoing concerns about demand destruction in some sectors heading into 2023. Housing and construction needs are seasonally thin and high costs continue to negatively impact wood products markets to some degree, although conditions are better than many expected. As previously reported, last month sources within North American wood products markets reported structural wood product prices stabilizing as diminished supply offset the seasonal downturn in parts of both the US and Canada. Other downstream sectors are reportedly steady with acetic acid needs improved following plant restarts, although spot prices in the USG were deemed flat since the start of the month. MTBE related sales are somewhat lethargic with fuel stocks higher and demand seasonally slow. Seasonal demand into windshield wash was trailing forecasts in some regions through last week, although winter weather is expected to lead to restocking efforts through the end of the month and into December.

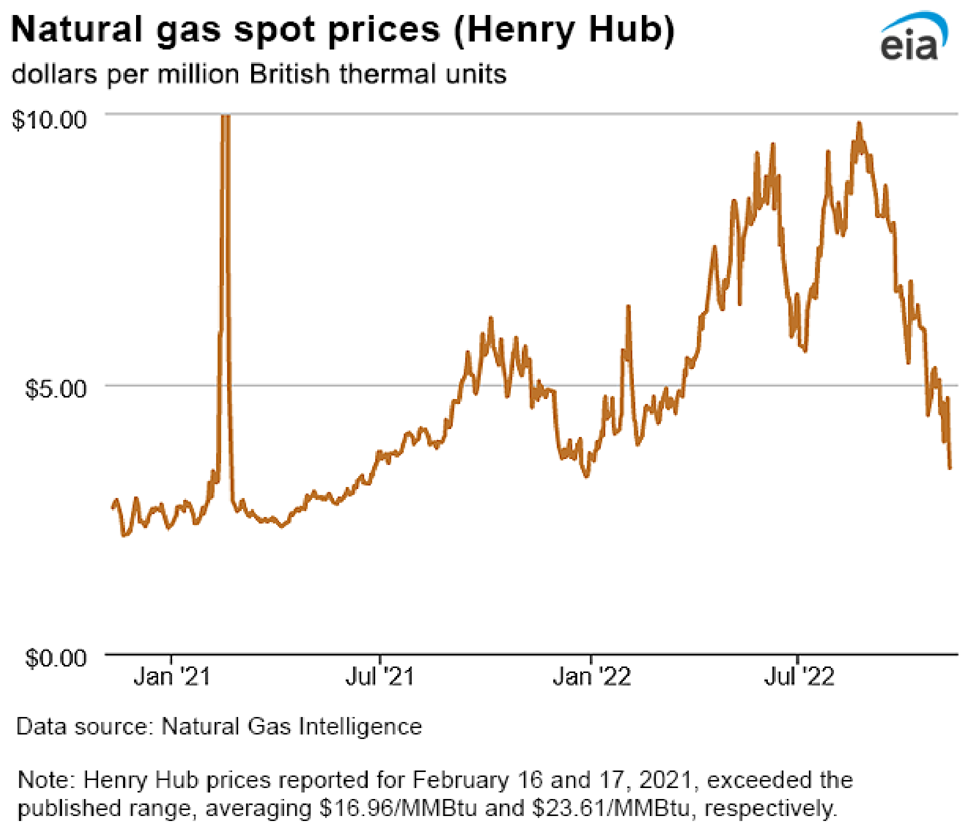
## *Natural Gas*

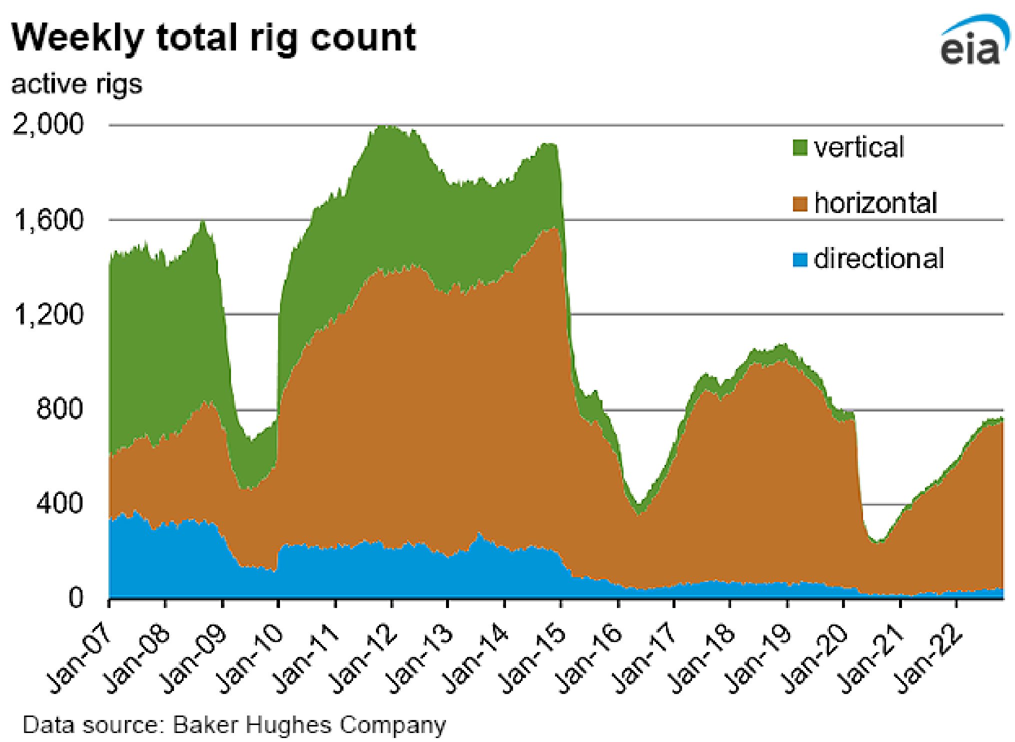
Crude prices ended the week higher, bolstered in part by positive economics news, while natural gas prices closed lower as The Henry Hub marker dropped over $1/MMBtu to their lowest point since December 2021 despite a recent surge in demand and a drop in supply. Moving forward cold weather across much of the US this week could propel natural gas prices back up. Upstream activity in North America remains healthy and rig counts still exceed levels posted a year ago, although counts dipped in Canada last week. Last week Baker Hughes reported US gas rigs flat at 155 rigs, which remains 53 rigs higher than last year (after trailing last year). Operating oil rigs rose by 9 to 622, which is a significant 168 rigs above last year's level (after a deficit most of the year). In Canada gas rigs dropped by 1 to 67 rigs, which is now the same as levels a year prior while oil rigs dropped by 8 rigs to 133, which is still 32 rigs above levels posted a year prior.

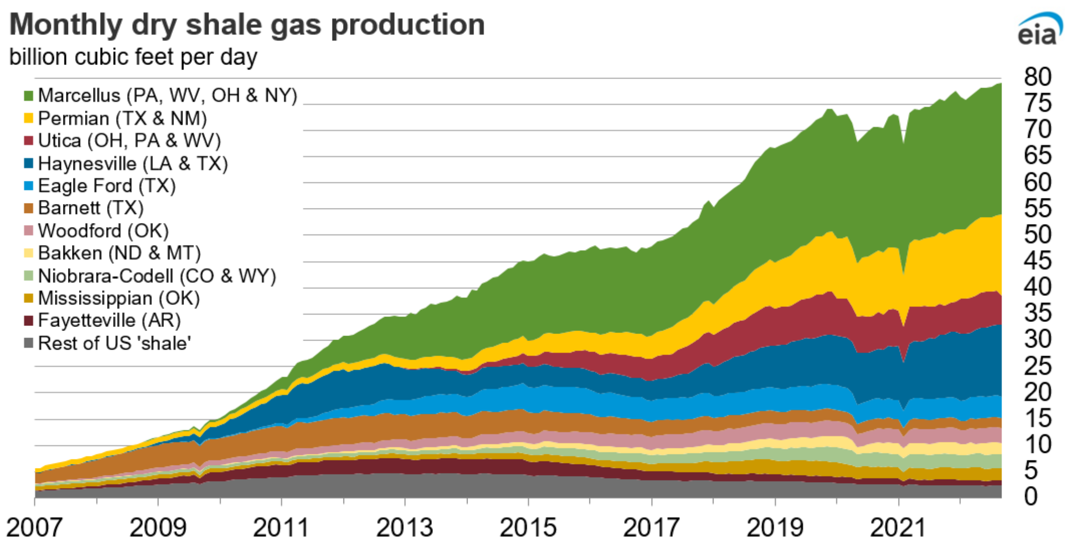
| US Gas Stocks as of 11/13/2022 | |
|---|---|
| Total for lower 48 States | 3,580 |
| Change from prior week | 79 |
| Compared with last year | -1 |
| Compared with 5 year average | -2 |

| Gas and Crude Prices | | |
|---|---|---|
| | | *Price* |
| NYMEX Natural Gas: January, 2022 | | $3.81 |
| NYMEX Natural Gas: February, 2022 | | $3.78 |
| NYMEX Natural Gas: March, 2022 | | $3.69 |
| AECO/NGX Spot Price - Settlement | *CAD/GJ* | $3.54 |
| NYMEX-WTI: January, 2022 | | $70.94 |

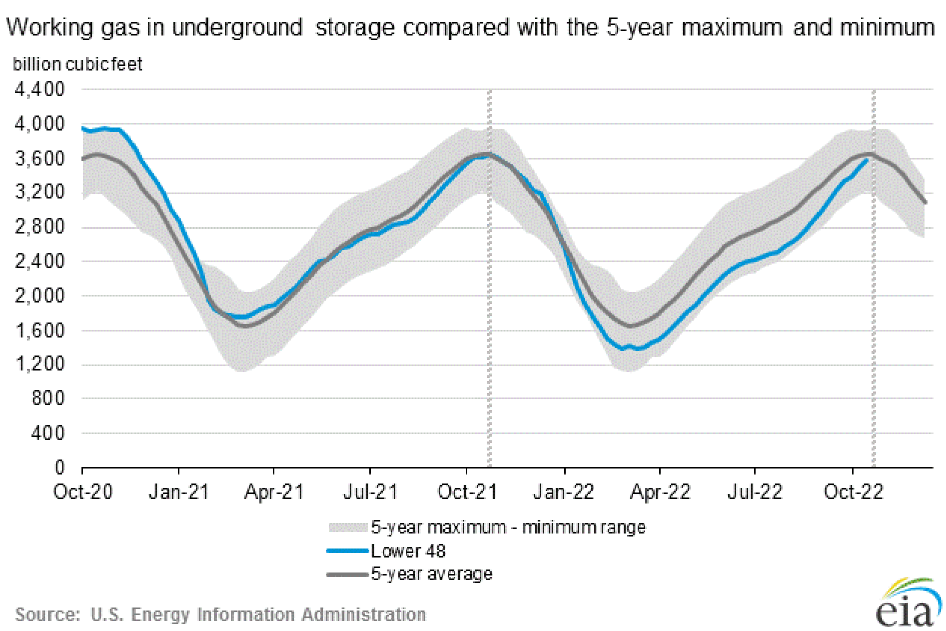
**EIA gas rig counts and historical data:**






Data source: Enverus state administrative data. Data are through September 2022 and represent EIA's official tight gas estimates but are not survey data. State abbreviations indicate primary state(s).
Note: Improvements to play identification methods have altered production volumes of various plays.



## Planned & Unplanned Methanol Outages

| Company | Location | Cap. (mt/yr) | Dates | Details |
|---|---|---|---|---|
| | | ***Americas*** | | |
| CGCL | Pt. Lisas, Trinidad | 1,000,000 | June, Jul 2022 | Poss RR |
| Fairway | Clear Lake, TX | 1,700,000 | Jan-Feb, Sep 2022 | T/R End January |
| KOCH Methanol | St. James, LA | 1,700,000 | May-June, Sep 2022 | RR May, Jul, Sep Maint. June |
| Lyondell | Channelview, TX | 780,000 | Jan 5-10, Sep 2022 | S/D early Jan, S/D Sep 19 unconf. |
| M4 | Pt. Lisas, Trinidad | 580,000 | July 2022 | RR |
| M5000 | Pt. Lisas, Trinidad | 1,900,000 | March 2022 | Rumor 5-day S/D late Mar, poss RR |
| Natgas | Beaumont, TX | 1,650,000 | May, Jul-Aug 2022 | S/D July ended Aug 10, RR possible |
| Methanex | Medicine Hat, Can. | 640,000 | July 2022 | Confirmed unplanned S/D |
| Methanex G1 | Geismar, LA | 1,100,000 | July 2022 | RR |
| Methanex G2 | Geismar, LA | 1,100,000 | June, Jul, Oct 2022 | RR reported, poss S/D July, Oct |
| Metor 1 | Jose, Venezuela | 750,000 | May 17-25 2021 | Planned T/R Jan, S/D Mar, May |
| Metor 2 | Jose, Venezuela | 850,000 | Feb-Mar 2022 | T/R 40 days |
| OCI | Beaumont, TX | 900,000 | Jul-Aug 2022 | RR reported May, TR Jul 20-Aug 10 |
| Supermetanol | Jose, Venezuela | 670,000 | June 2022 | Poss T/R |
| Titan | Pt Lisas, Trinidad | 850,000 | Mar 15 – 2020 | S/D indefinitely |
| | | ***Middle East/Iran/Africa*** | | |
| Ampco | Bioko, Eq Guinea | 1,000,000 | Feb 2020 | T/R reported Feb |
| Ar Razi I | Jubail, Saudi Arabia | 770,000 | 2021- | RR |
| Fanavaran | Bandar Imam, Iran | 1,000,000 | April 2021 | TR 25 days, RR |
| Bushr | Iran | 1,650,000 | Sep 2022 | T/R end Apr, Jul 2 wks, S/D Sep |
| Ibn Sina | Jubail, Saudi Arabia | 1,000,000 | Feb 2021 | T/R |
| IMC | Jubail, Saudi Arabia | 1,500,000 | Oct 25-Nov 15 2020 | T/R |
| Kaveh | Bandar Dayyer, Iran | 2,300,000 | Aug- Sep 2022 | S/D Jan, S/D Aug |
| Kharg | Kharg Island, Iran | 660,000 | May 15-Jun 18 2021 | T/R |
| Kimiya | Assaluyeh, Iran | 1,650,000 | Sep 13-24 2022 | S/D Dec-Feb ’22, RR, S/D Sep |
| Marjan | Bandar Imam, Iran | 1,700,000 | Aug 2022 | S/D Dec, restart Feb. S/D Aug |
| Methanex | Damieta, Egypt | 1,300,000 | Jul-Oct 2022 | T/R July 31-Oct |
| NOC | Marsa El Brega, Lib | 330,000 | Ongoing | RR since SU Mar 2013 |
| Qafac | Doha, Qatar | 1,000,000 | Oct 2020 | T/R Oct |
| Salalah | Oman | 1,300,000 | Feb 9-14, 2022 | Unplanned S/D |
| Sabalan | Iran | 1,650,000 | Aug-Oct 2022 | S/D Jan, S/D Aug |
| Zagros Unit 1 | Assaluyeh, Iran | 1,650,000 | Sep 5-19 2022 | Gas related S/D Dec, Sep |
| Zagros Unit 2 | Assaluyeh, Iran | 1,650,000 | Apr-May 2022 | Short S/D Mar, S/D Apr 12-May 6 |
| | | ***Europe*** | | |
| AzMeCo | Karadag, Azerbaijan | 720,000 | Ongoing | RR, TR May |
| BioMCN 1 | Defzijl, Netherlands | 991,000 | May- 2021 | S/D indefinitely, poss to mid-2022 |
| BP | Gelsenkirchen,Ger | 285,000 | May-Oct 2021 | T/R |
| Equinor | Tjeldbergodden, Nor | 900,000 | May 12- 2022 | Q2 T/R |
| Metafrax | Gubakha, Russia | 1,100,000 | June-July 2022 | 6-week T/R June |
| Mider Helm | Leuna, Germany | 660,000 | May 15-Oct, ‘21 | T/R May 2021 |
| Shchekinoazot | Russia | 500,000 | Sep 2022 | T/R Sep |
| Shell | Wesseling, Germany | 400,000 | Q2 2022 | T/R Q2 unconfirmed |
| Sibmetachem | Tomsk, Russia | 1,000,000 | Q3 2022 | TR poss Sep |
| SOCAR | Baki, Azerbaijan | 720,000 | Sep 2022 | T/R Sep, RR |
| Statoil/Equinor | Norway | 900,000 | May 202l | T/R May, S/D Jul 15-23 |

| | | | | |
|---|---|---|---|---|
| Tomsk Methanol | Tomsk, Russia | 900,000 | Sep-Oct 2022 | T/R Sep 2022, reported up early Oct |
| | | **South Asia** | | |
| BMC | Brunei | 850,000 | Sep-Oct 2022 | T/R Sep |
| KMI | Indonesia | 660,000 | Feb 2022 | T/R Feb 1 45-days |
| Methanex | New Zealand | 2,420,000 | 2021- | 520k S/D, others RR |
| Petronas 1 | Malaysia | 720,000 | Mar 2021 | TR Mar 45 days |
| Petronas 2 | Malaysia | 1,700,000 | May-July, Sep 2022 | T/R May 60-days extended, S/D Sep |
| | | **North Asia** | | |
| Anhui Haoyuan | Anhui, China | 400,000 | Jan 2022 | RR |
| Berun | Inner Mongolia | 1,000,000 | Nov 2021-Mar 2022 | S/D for 3-4 months |
| China Coal Yulin | Shaanxi, China | 1,800,000 | June 2022 | T/R 30 days |
| Chongqing | Chongqing, China | 850,000 | Dec 3-Jan 11 2022 | S/D |
| CNOOC | Hainan, China | 600,000 | Feb 2021 | 45 T/R |
| Dazhou Steel | Sichuan, China | 200,000 | Nov – Jan 2021 | T/R |
| Donghua Energy | Inner Mongolia | 600,000 | May 2022 | 50% May 9-19 |
| Eco Coal | Mongolia | 300,000 | March 2021 | T/R |
| ENN | Mongolia | 600,000 | Jul 12-Aug 12, 2021 | T/R |
| Gansu Huating | Gansu, China | 600,000 | Apr 9- May 18 | T/R |
| Guanxi Huayi | Guanxi, China | 1,800,000 | Marc 2022 | TR 20 days |
| Guotai | Mongolia | 400,000 | May 8-Jun 7, 2022 | T/R May |
| Hebi Coal | Henan, China | 600,000 | Feb 2022 | T/R 23 weeks Feb 25 |
| Hualu Hengsheng 1 | Shandong | 1,000,000 | Aug 5-Sep 5, 2021 | T/R |
| Hualu Hengsheng 2 | Shandong | 500,000 | Aug 5-Sep 5, 2021 | T/R |
| Hubei Sanning | Hubei, China | 350,000 | Jan 2022 | RR |
| Jiangsu Hengsheng | Jiangsu, China | 300,000 | Dec 9 – 2020 | S/D Dec |
| Jinmei Huayu | Shanxi | 1,200,000 | April 2021 | T/R |
| Jiuding | Inner Mongolia | 100,000 | Jan 21-Feb 5, 2021 | T/R |
| Juitai Energy | Mongolia | 1,000,000 | March 5-12 2022 | S/D, RR |
| KoYo Chem | Chengdu, China | 500,000 | Jan 2020 | S/D due to gas restrictions |
| Lutianhua | Sichuan, China | 400,000 | Jan 2020 | S/D due to gas restrictions |
| Ningxia Baofeng | Ningxia | 2,200,000 | May 2022 | T/R 25 days |
| Northwest Energy | Mongolia | 300,000 | March 2022 | Maintenance |
| Pucheng Clean En | Shaanxi, China | 1,800,000 | May 2022 | Short T/R |
| Qinghai Gulu | Qinghai, China | 800,000 | 2021-Mar 2022 | Restart expected March 2022 |
| Qinghai Zhonghao | Qinghai, China | 600,000 | May 7- Jun 7 2022 | T/R May |
| Rongxin | Mongolia | 900,000 | May 8-, 2022 | T/R May |
| Shaanxi Jingyi | Shaanxi, China | 260,000 | Feb 2021 | T/R |
| Shenhua | Xinjiang, China | 1,800,000 | May 25-Jul 15 2021 | T/R |
| Shilin | Mongolia | 300,000 | Jul 15-Aug 15, 2021 | T/R |
| Sichuan Jiuyuan | Sichuan, China | 500,000 | Dec 16-Jan 21, 2022 | S/D |
| Sichuan Luzhou | Sichuan, China | 400,000 | Dec-Feb 2022 | S/D |
| Tianjin Bohai | Tianjin, China | 500,000 | Jan 11-24, 2021 | T/R |
| Tongmei Guangfa | Shanxi, China | 600,000 | Mar 2022 | T/R 20 days |
| Xinjiang Xinje | Xinjiang, China | 300,000 | Feb 18-Mar 9, 2022 | T/R |
| Xinneng Energy | Mongolia | 600,000 | Mar 2021 | T/R |
| Yankuang Guohong | Shandong | 640,000 | Feb 8-15 2022 | S/D Feb, RR |
| Yankuang Rongxin | Mongolia | 1,800,000 | March 2021 | T/R |
| Yankuang Yulin | Shaanxi, China | 600,000 | Sep- 2021 | S/D Sep 2021, restarted Q2 |
| Yubei Chemical | Henan, China | 450,000 | Nov 29 – 2020 | S/D |
| Zhongyuan Dahua | Henan, China | 500,000 | Oct 19-Jan 8, 2022 | S/D |

| Current Exchange Rates | | |
|---|---|---|
| ***Currency*** | ***USD/1 unit*** | ***1 unit/USD*** |
| Euro | 1.03 | 0.97 |
| UK Pound | 1.18 | 0.85 |
| Canadian Dollar | 0.75 | 1.33 |
| Japanese Yen | 0.01 | 139.08 |
| Swiss Franc | 1.06 | 0.94 |

**NOTICES**

- Next month the NACD annual meeting will take place in Coronado California, for details and to register follow this link.
- Please note our change of mailing address: Chemical Intelligence 9901 Brodie Lane, Suite 160-881, Austin TX 78748

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