

October 24, 2022

In This Issue

- Truck costs could move sharply higher in response to a potential rail strike as well as severe droughts that are impacting barge traffic along the Mississippi River
- Easing propylene costs continue to pressure acetone and IPA prices lower
- Several sellers scheduled October toluene and MX increases due to firming spot barge values
- Regular mineral spirits prices remain volatile due to fluctuating clean product values

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Price Assessments

US Net Contract (cts/lb)

			Sep	Aug	Jul
Phenol	52.25 - 57.25	↓	55.00 - 60.00	74.37 - 79.37	105.33 - 110.53
Acetone [^]	40.00 - 41.00	↓	44.00 - 45.00	45.00 - 45.00	43.50 - 43.50
IPA	50.00 - 55.00	↓	57.00 - 60.00	58.25 - 61.00	60.25 - 65.25
MEK	140.00 - 150.00	↔	140.00 - 150.00	140.00 - 165.00	190.00 - 195.00
MIBK	80.00 - 85.00	↓	85.00 - 90.00	85.00 - 95.00	90.00 - 95.00

US Large Volume Spot

	FOB USG Barge		FOB USG Export (\$/MT)		CFR NE Asia (\$/MT)		FOB NWE (\$/MT)	
Acetone (cts/lb)	33 - 35	↓	718 - 728	↔	620 - 630	↑	850 - 860	↑
Toluene (cts/gal)	425 - 435	↑	1280 - 1290	↑	933 - 943	↓	1180 - 1190	↑
Xylenes (cts/gal)	445 - 460	↑	1341 - 1351	↑	987 - 997	↓	1150 - 1160	↓

US Spot Truck/Rail (cts/lb)

	DEL USG		DEL USMW		DEL USNE		DEL USSE	
Oxygenated								
Acetone	50.00 - 53.00	↔	52.00 - 55.00	↔	52.50 - 55.00	↔	54.00 - 56.00	↔
IPA	51.00 - 57.00	↓	54.00 - 61.00	↓	52.00 - 62.00	↓	55.00 - 63.00	↓
MEK	132.00 - 160.00	↔	140.00 - 168.00	↔	140.00 - 165.00	↔	140.00 - 168.00	↔
MIBK	100.00 - 110.00	↔	105.00 - 115.00	↔	105.00 - 115.00	↔	108.00 - 120.00	↔
Aromatic								
Toluene	64.00 - 65.00	↑	62.00 - 68.00	↑	63.00 - 69.00	↑	65.00 - 70.00	↑
Xylenes	66.00 - 67.00	↑	64.00 - 71.00	↑	65.00 - 72.00	↑	67.00 - 73.00	↑
ARO 100	66.00 - 71.00	↓	69.00 - 75.00	↓	69.00 - 76.00	↓	69.00 - 77.00	↓
ARO 150	69.50 - 74.00	↓	73.00 - 79.00	↓	71.00 - 80.00	↓	71.00 - 81.00	↓
Aliphatic*								
MS HI	68.50 - 74.00	↑	69.25 - 75.00	↑	69.00 - 74.00	↑	69.50 - 75.00	↑
MS OMS	87.00 - 90.00	↔	90.00 - 93.00	↔	89.00 - 92.00	↔	92.00 - 94.00	↔
Hexane	84.00 - 87.00	↔	87.00 - 90.00	↔	85.00 - 88.00	↔	85.00 - 90.00	↔

Canada Spot Truck/Rail (CAN cts/kg)

	DEL E. CAN		DEL W. CAN		Upstream Costs	
Oxygenated						
Acetone	168 - 178	↔	173 - 183	↔	CGP Contract cts/lb (Sep)	42.50
IPA	168 - 173	↔	173 - 178	↔	RGP Spot cts/lb	13.00
MEK	400 - 450	↔	405 - 455	↔	RBOB near month cts/gal	266
MIBK	290 - 300	↔	295 - 305	↔	Heating Oil cts/gal	383
Aromatic						
Toluene	182 - 188	↑	187 - 193	↑	US Benzene Cont. cts/gal	289
Xylenes	187 - 191	↑	192 - 196	↑	US Benzene Spot cts/gal	320
ARO 100	190 - 200	↓	195 - 205	↓	FOB Korea Benzene Spot \$/mt	855
ARO 150	200 - 210	↓	205 - 215	↓	FOB Rotterdam Benzene \$/mt	880
Aliphatic*						
MS HI	205 - 215	↓	210 - 220	↓		
MS OMS	260 - 265	↔	265 - 270	↔		
Hexane	250 - 255	↔	255 - 260	↔		

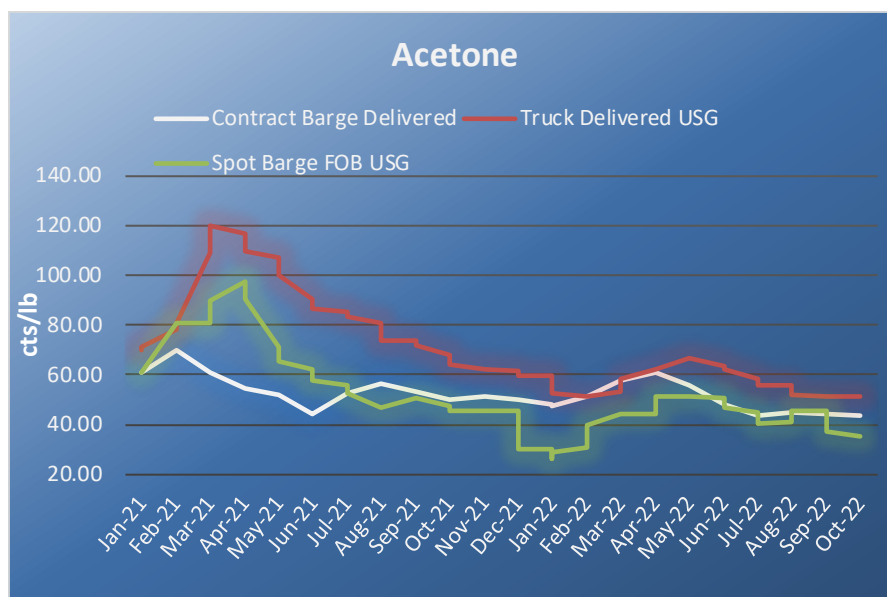
Prices in italics subject to change *HI = "regular" with aromatic content above 8%, OMS = aromatics below 0.01%
*AVG is the average of high and low at end of month; ^ Barge contracts to MMA accounts

Acetone

Market Summary

Bearish sentiment prevails in acetone markets despite reports of tightening supply in response to slowing downstream phenol demand. Eroding feedstock propylene costs and steady to slow demand offset curtailed operating rates and pressured competitive offers lower. Sources noted a large producer completed a turnaround in September and has resumed production, although some claim at reduced rates because of slower phenol demand. In addition, other producers with captive phenol demand also slowed production. Import activity remains muted, although on paper arbitrage remains

open from Asia. However, with inventory drawdowns beginning and unpredictable shipping delays many potential importers remain on the sidelines. Domestic spot barge prices have moved back lower after firming last month.



In overseas markets prices appeared stable to firm from early October assessments. In Europe domestic spot offers firmed slightly to near Euro 970/mt FD NEW, up from around Euro 850/mt noted in early October. In Asia spot prices appeared largely unchanged with offers noted near \$800/mt CFR SE Asia and around \$625/mt CFR CMP. Domestic spot markets in China trended higher through most of last week after declining earlier in the month. In the East spot ex-Yanshan and Shandong reported rose a total of CNY 150/mt to CNY 6,250/mt. Prices ex-Huadong were up CNY 50/mt and CNY 6,050/mt. In the South offers ex-plant were noted also roughly CNY 50/mt higher at CNY 6,200/mt.

Contract

October acetone related MMA contract negotiations are underway. September large buyer contracts settled at split level of 44 cts/lb and 45 cts/lb delivered barge, flat to slightly down from the August settlement of 45 cts/lb.

Derivative

In the US methyl methacrylate demand appeared slower; however sources reported export oriented interest remained strong. In Europe, higher costs prompted some producers to curtail operating rates. In Asia overall demand remained slow, which also prompted producers to reduce production. In the US operating rates appeared mostly stable despite slowing interest for some applications.

Feedstock

Spot and futures **natural gas** prices fell last week due to improved supply. Henry Hub spot prices tumbled nearly a dollar to \$6.47/MMBtu. The November NYEMX contract also slid 97 cts/MMBtu to end the week at \$6.435/MMBtu. Supply continued to improve with net injections of 111 Bcf during the week of October 14th, which increased working stocks to 3,3342 Bcf. **Refinery grade propylene** spot prices continued to migrate lower on improved supply. Delivered pipeline prices slid to around 15 cts/lb while railcar prices were noted last at 28 cts/lb. The delta between pipeline and railcar also narrowed after hovering in the low to mid 20 cts/lb range for most of the year. September polymer and chemical grade propylene contracts settled down 5 cts/lb at 44 cts/lb and 42.50 cts/lb respectively.

US Gas Stocks as of 08/28/2022

Total for lower 48 States	2,579
Change from prior week	60
Compared with last year	-9
Compared with 5 year average	-12

Gas and Crude Prices

	Price
WTI October, 2022 Contract	\$92.50
Near-Month Gas Contract	\$9.47
NYMEX Natural Gas: September, 2022	\$9.38
AECO/NGX Spot Price - Settlement	CAD/GJ \$2.65
AECO/NGX Near-Month: September, 2022	\$4.95

Acetone and Phenol Production

Sources note a large producer resumed operations after a September turnaround, but some noted that it operates at reduced rates because of slow captive phenol demand. In Asia, Ineos Phenol agreed to acquire Mitsue Phenols Singapore LTD from Mitsui Chemicals for \$330 million. The plant has a capacity of 410,000 mt/yr cumene, 310,000 mt/yr phenol, 185,000 mt/yr acetone, and 150,000 mt/yr BPA. In Asia several plants reduced operations because of slowing acetone and phenol demand. Sinopec Mitsui Chemicals reduced operations at its 190,000 mt/yr phenol and 114,000 mt/yr acetone plant in Chiba, Japan earlier this month. Mitsui Chemical reduced operations at its 200,000 mt/yr phenol and 120,000 mt/yr Osaka, Japan plant in mid-October. LG Chemical began a maintenance outage at its 300,000 mt/yr phenol and 180,000 mt/yr acetone plant in mid-October.

Large Volume Activity

Import activity thinned in recent months because of higher costs in Europe and vessel delays in Asia. Import prices were notionally assessed in the mid to upper 30 cts/lb DDP USG range. August import surpassed 3,100 mt according to US ITC data with the bulk (2,000 mt) originating in Finland followed by nearly 1,000 mt from Saudi Arabia. Domestic large volume spot prices were noted nearer 33 cts/lb FOB USG, down around 2 to 5 cts/lb from early October assessments.

US Terminal Markets

Activity in the **USG** appeared quiet with most local marketers reporting to slow demand to start Q4. Competitive prices were noted in a slightly wider range with more aggressive prices moving one or two pennies lower than previously reported values. While several observers continued to note mainstream prices around 48 to 50 cts/lb FOB USG, some noted more competitive bulk offers nearer 46 or 47 cts/lb FOB Houston. One distributor corroborated by noting offers around 50 cts/lb delivered Dallas last week. Similarly, prices in the **Midwest** appeared steady to soft heading into the latter half of October. While several local marketers noted offers around 49 or 50 cts/lb FOB Chicago, some noted more competitive offers dipped nearer 47 or 48 cts/lb FOB on the same basis. One regional distributor noted that even with lower prices end users appeared wary about restocking given recession fears. In the **Northeast** activity also appeared muted with many distributors noting that demand seemed slower than typical for this time of year. Most observers continued to note as needed buying among end users and reported that competitive prices appeared to originate with more aggressive sellers trying to move product. Last week most offers were noted around 49 to 51 cts/lb FOB with pockets of reports of more aggressive offers nearer

47 cts/lb FOB. Similarly, in the **Southeast** competitive prices also ebbed slightly lower amid falling costs and slowing demand. Last week resellers noted mainstream offers around 49 to 52 cts/lb FOB USSE. One distributor confirmed offers near 53 cts/lb delivered last week, down a penny from early October prices. It noted more aggressive offers nearer 51 cts/lb on the same basis for spot trucks. In **Canada** prices were reported in a wide range. While most observers noted mainstream offers around CAN \$1.60 to CAN \$1.65/kg FOB E. Canada, a few distributors claimed more aggressive offers began to move nearer CAN \$1.50/kg on the same basis.

Phenol

Market Summary

Although spot benzene prices rebounded some, spot phenol prices ebbed lower on slowing overseas and downstream demand. October prices for midsized buyers were assessed around 52.25 to 57.25 cts/lb delivered railcar. Large volume spot prices were reported around 47 cts/lb FOB USG, down around 5 cts/lb from early October assessments.

In Europe spot prices moved higher last week with offers noted near Euro 1,671/mt FD NWE, up around Euro 50/mt. Large volume spot prices were reported around \$1,540/mt FOB Rotterdam. In Asia spot prices also firmed and were noted near \$1,330/mt CFR SE Asia or around \$1,195/mt CFR CMP. After stabilizing mid-month domestic spot prices in China came under modest downward pressure last week in some regions. Demand in the East thinned with offers ex-Huadong noted down CNY 50/mt near CNY 10,500/mt. Prices ex-Yanshan and Shandong were relatively stable near CNY 10,750/mt. Offers ex-plant in the South were also steady near CNY 10,500/mt.

Feedstock

Spot benzene prices moved higher last week in response to stronger upstream energy values. Domestic spot prices ended the week in the low \$3.20/gal FOB USG range according to some sources. The October benzene contract settled 28 cts/gal lower at \$2.89/gal FOB. In Europe spot benzene prices ended the week nearly \$100/mt higher around \$880/mt FOB Rotterdam. In Asia spot prices eased slightly to \$855/mt FOB Korea.

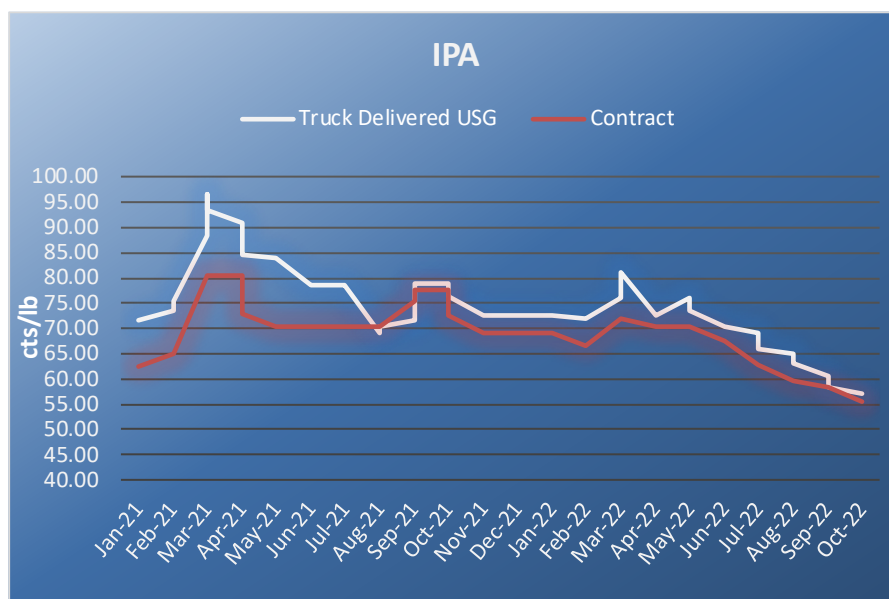
IPA

Market Summary

Falling costs, tepid demand, and increased competition among sellers vying to move volume before year's end contributed to falling prices last week. Many observers noted spot prices continued to slide closer to the 50 cts/lb FOB mark while offers from larger sellers remained assessed in the mid 50 cts/lb FOB range. Most observers continued to opine competitive offers would dip into the upper 40 cts/lb range by early November. Interest began to wane in late spring and never recovered. One distributor noted demand was nearly 25% slower this year compared with historic averages.

Most marketers did not appear optimistic conditions would improve in the final quarter and remained pessimistic for early 2023 as well. Import opportunities continue to trickle in, but activity is not robust. In Europe mainstream prices appeared relatively unchanged with domestic spot offers noted near Euro 1,290/mt FD NWE last week. Export offers were assessed around \$1,170/mt FOB Rotterdam according to some sources.

Mainstream offers in the **USG** continued to move lower amid lackluster regional conditions. Local distributors noted offers from large influential sellers in the mid 50 cts/lb FOB Houston range last week, down several pennies from September assessments. More competitive spot offers, were assessed nearer 51 or 52 cts/lb FOB with some reports of unconfirmed deals down in the upper 40 cts/lb FOB range. Most offers in the **Midwest** also moved lower in October. While offers from larger sellers remained assessed around 57 or 58 cts/lb FOB Chicago, more competitive spot prices moved to around 52 or 53 cts/lb FOB. One distributor confirmed offers last week near 54 cts/lb delivered Chicago, down around a penny from early October levels. Similarly, in the **Northeast** while most offers from large sellers appeared largely unchanged after easing heading into October, spot prices dipped another penny lower on enhanced competition and tepid demand. Offers from most larger sellers were noted in the mid to upper 50 cts/lb FOB range, but some observers noted that sellers were matching lower offers to some larger accounts. Spot prices were noted around 51 or 52 cts/lb FOB USNE, down one or two pennies from assessments earlier in the month. A few resellers claimed more aggressive deals were done near or sub 50 cts/lb FOB, but the details remain unconfirmed. Low-end offers in the **Southeast** also softened heading into the latter half of the month. While many larger distributors noted mainstream prices from established suppliers near 60 cts/lb FOB USSE, spot prices were assessed around 53 or 54 cts/lb FOB on the same basis with some reports of low-end trades done around 52 cts/lb FOB. In **Canada** markets also appeared soft with lackluster demand and adequate supply. Most local distributors noted mainstream offers around CAN \$1.60/kg FOB E. Canada with more aggressive offers noted in the low to mid CAN \$1.50/kg FOB range.

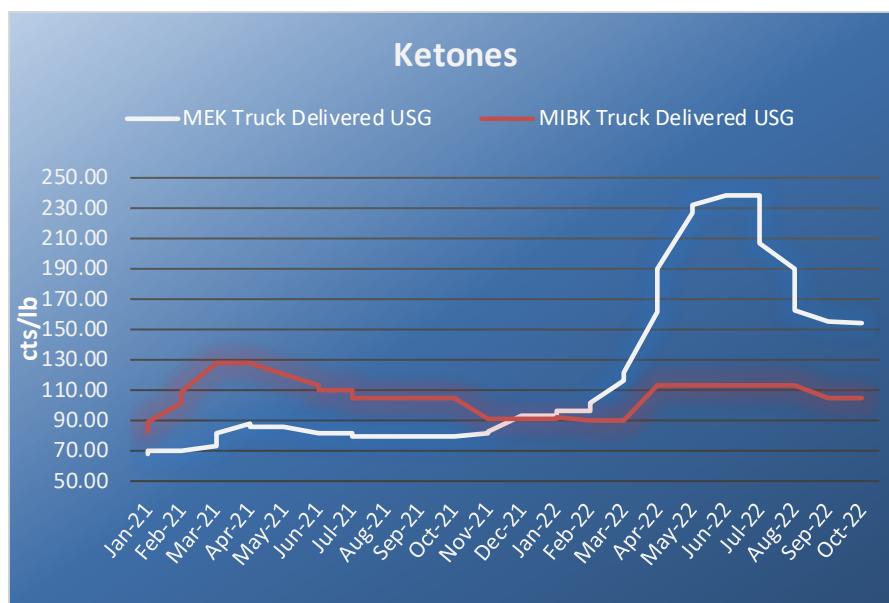


Ketones

Market Summary

Domestic **MEK** activity remains quiet despite balanced to snug markets. An influx of imports in mid to late summer contributed to a rapid correction in prices with spot prices tumbling from the low to mid \$2/lb range to near \$1.30/lb range within a month. In the subsequent weeks prices have narrowed, however low-end prices have not come under further pressure due to tightening supply because of increased costs (either production or logistics). In Europe spot prices once again began to ease on slowing demand. In Europe spot prices dipped to around Euro 2,020/mt FD NWE, down nearly

Euro 200/mt from late September. Large volume spot offers were noted around \$1,885/mt FOB Rotterdam. In Asia supply tightened because of reduced operating rates and a turnaround by an influential exporter. Zhongchuang took its 100,000 mt/yr plant in Hunan, China offline in early September. It is suspected, but not confirmed, that it has resumed operations although exports may not have resumed as it builds up inventory. In addition, local observers noted that many other regional suppliers have reduced operating rates because of slow demand. Domestic **MIBK** activity also appears muted. Easing costs and slowing demand have pressured offers lower and many anticipate a decrease to Q4 contracts.



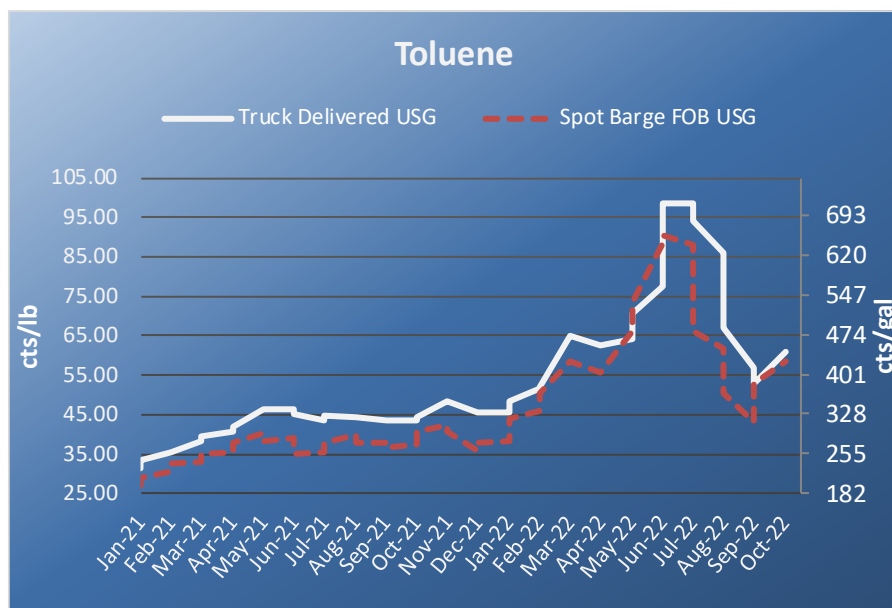
Ketone prices in the **USG** remained largely unchanged last week after moving lower in September. Most distributors continued to report mainstream MEK offers between \$1.30 and \$1.50/lb FOB USG with offers around \$1.40/lb and under attributed to spot marketers and above that level to more established suppliers. Several observers noted that some spot trucks were quoted around \$1.30 to \$1.35/lb FOB, but larger volumes were often noted above \$1.40/lb FOB. Competitive MIBK distribution offers remained mostly assessed around \$1 to \$1.05/lb FOB. Similarly, most MEK and MIBK prices in the **Midwest** remained stable amid quiet regional conditions. Most distributors continued to note offers from larger sellers near \$1.45/lb to \$1.50/lb FOB Chicago range while more competitive spot offers were reported around \$1.35 to \$1.40/lb FOB range. Most local observers noted overall demand appeared slower than typical for this time of year; although others reported that nontraditional suppliers may have also absorbed some business. MIBK offers were mostly flat and noted around \$1.05/lb FOB Chicago. Ketone prices in the **Northeast** also appeared mostly flat from previous assessments. Last week resellers continued to report most MEK offers between \$1.35 and \$1.50/lb FOB USNE. As in other regions offers around \$1.35 to \$1.40/lb FOB were mostly attributed to spot marketers for smaller volumes while offers nearer \$1.50/lb were attributed to more traditional marketers. MIBK prices consolidated in the low \$1/lb FOB range earlier in the month and remained largely unchanged last week. Competitive ketone prices in the **USSE** also remained mostly unchanged from early October assessments amid ongoing tepid regional activity. MEK prices were mostly noted around \$1.35 to \$1.50/lb FOB USSE according to local distributors. While most spot trucks were noted around \$1.40/lb FOB, some distributors noted pockets of more aggressive offers in the mid \$1.30/lb FOB range. MIBK offers also appeared unchanged with most distributors noting offers around \$1.05 to \$1.10/lb FOB, although others continued to note truck offers around 10 cts/lb higher. In **Canada** most ketone prices also were reported as stable. Competitive MEK offers were mostly noted around CAN \$3.90 to CAN \$4.30/kg FOB E. Canada

depending on supplier. Mainstream offers were mostly noted around CAN \$4.15 to CAN \$4.30/kg while offers below that level were attributed to spot marketers. Most MIBK offers remained unchanged, but some observers anticipate further downward pressure in November. Offers were mostly noted around CAN \$2.80 to CAN \$2.90/kg.

Aromatic Solvents

Market Summary

Stronger toluene and MX spot barge prices this month prompted several sellers, particularly marketers with spot exposure, to announce increases. Spot toluene and MX barge prices surged higher in late September after a relatively sharp correction from early summer highs that surpassed \$6/gal. Spot barge prices slid into the upper \$3/gal range before rebounding into the \$4/gal range late last month. Many marketers noted that while energy prices were relatively soft to start the month, barge toluene and MX prices moved higher because of strong demand from gasoline blenders due to low-cost light naphtha. OPEC's decision to cut



production rates pushed energy values higher earlier this month, but a withdrawal from domestic reserves pushed WTI crude prices back to \$85/bbl last week. November RBOB dipped to \$2.66/gal. While toluene and MX distribution prices moved higher this month, ARO 100 and ARO 150 prices corrected lower on improved supply.

Production

No major production issues were noted and most refineries continue to operate at healthy rates.

Toluene barge prices

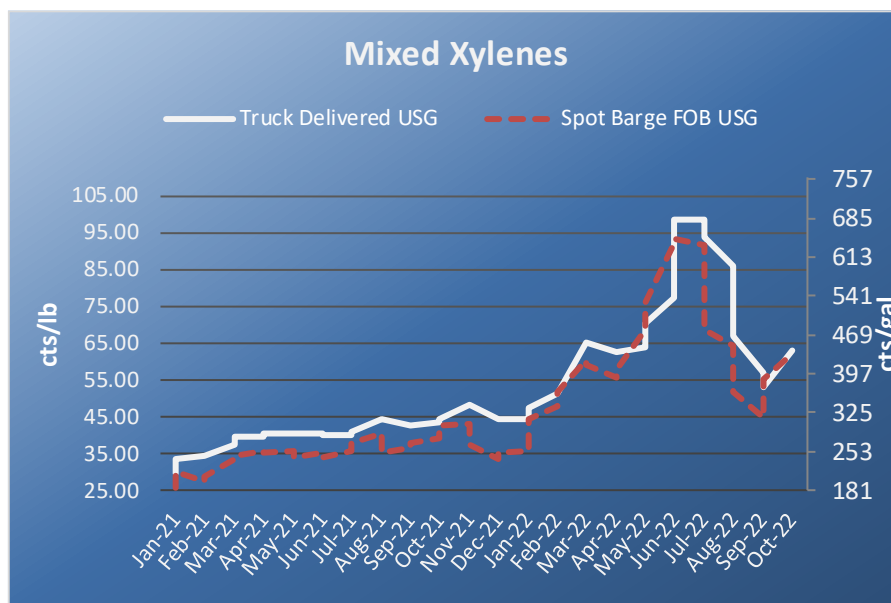
Large volume spot toluene prices firmed in mid-October. Prices rebounded to center on \$4.25/gal FOB USG in mid-October and remained in that range for most of the week amid limited activity. In Europe spot prices ended the week around \$1,185/mt CIF NWE. In Asia spot prices dipped to \$960/mt FOB Korea.

Mixed Xylenes (MX) barge prices

MX spot barge prices remained notably stronger than toluene because of healthy gasoline and chemical demand. Traders reported bids climbed to around \$4.50/gal FOB USG, up around 20 cts/gal from mid-October levels. In other global markets prices eased last week. In Europe spot prices dipped to around \$1,150/mt CIF NWE. In Asia spot prices slid to around \$991/mt FOB Korea.

US Terminal Markets

Many sellers announced or pushed through October nominations. Most of the sellers were spot marketers, but also some refiners made adjustments. Citgo announced 8 cts/lb toluene and MX increases effective October 22nd. Because of planned maintenance over the next several months, PBF Energy notified customers that it began enforcing 100% sales allocation based on actual sales between July 1st and September 30th of toluene and MX on October 1st. Mainstream ARO 100 and ARO 150 prices corrected lower at the beginning of October on improved supply. Flint Hills



Resources reportedly decreased its ARO 100 and ARO 150 prices 6 cts/lb to near 63 cts/lb and 66.50 cts/lb FOB Corpus Christi respectively. Total moved its ARO 100 price down 7 cts/lb and its ARO 150 offers 5 cts/lb lower to 69 cts/lb and 72 cts/lb FOB Port Arthur respectively. Delek confirmed its A104 price for October at 43 cts/lb FOB Big Spring, TX.

Regional toluene and MX prices in the **USG** continued to step higher after spot marketers made additional October announcements. Mainstream toluene prices last week moved to around 62 cts/lb FOB USG, up 2 to 4 cts/lb from early October levels. Competitive distribution MX prices moved to around 64 or 65 cts/lb FOB, up 4 or 5 cts/lb from the beginning of the month. Tauber increased its toluene price 4 cts/lb on October 1st, 2 cts/lb on October 12th and 2 cts/lb on October 19th to 62 cts/lb FOB. It moved its MX prices up 6 cts/lb on October 1st, 2 cts/lb on October 12th and 3 cts/lb on October 19th, which moved its posted price to 65 cts/lb FOB. The Plaza Group moved its toluene and MX prices up 4 cts/lb and 6 cts/lb on October 1st and then increased both products by 4 cts/lb on October 17th. Its toluene and MX prices as of last week were noted at 62 cts/lb and 64 cts/lb FOB respectively. Most ARO 100 and ARO 150 prices decreased at the beginning of the month. Last week distributors assessed competitive ARO 100 and ARO 150 offers around 66 or 67 cts/lb delivered Houston for the former and near 70 or 71 cts/lb for the latter.

In the **Midwest** mainstream prices are poised to move higher this week. Last week most resellers noted mainstream toluene offers around 60 to 63 cts/lb FOB USMW last week, unchanged from previous assessments. However, many observers noted offers would likely widen to between 60 and 68 cts/lb FOB this week after Citgo pushes through its increase and regional marketers with spot exposure make upward adjustments. One distributor noted its toluene costs at 66 cts/lb FOB Chicago last week. MX prices were assessed around 63 to 65 cts/lb FOB last week, but many also anticipate prices in the upper range will increase closer to 70 cts/lb FOB by the end of this week. One reseller reported its MX costs at 68 cts/lb FOB. Most ARO 100 and ARO 150 prices moved lower at the beginning of October. Offers last week were noted around 70 or 71 cts/lb delivered for the former and around 74 or 75 cts/lb for the latter.

Most toluene and MX offers in the **Northeast** also are expected to increase heading into this week. Most distributors reported toluene offers for the final week of October and into November would move to around 62 to 70 cts/lb FOB USNE after some refiners and several spot marketers make upward adjustments in response to stronger spot barge values. One distributor noted its costs at 64 cts/lb FOB last week, while another reported

offers closer to 67 cts/lb. MX prices are expected to widen to between 65 and 72 cts/lb FOB reported distributors. Last week some observers noted MX prices firmed to around 69 or 70 cts/lb FOB. Another reseller, however, reported offers closer to 66 cts/lb FOB. ARO 100 and ARO 150 prices consolidated lower in early October. Last week resellers noted offers from refiners around 69 or 70 cts/lb FOB for the former and around 72 or 73 cts/lb FOB for the latter. Import ARO 100 and ARO 150 prices were noted closer to 67 cts/lb and 69 cts/lb FOB respectively.

Toluene and MX prices in the **Southeast** also are expected to move higher this week as well. Offers began to firm last week after spot marketers made upward adjustments. Most observers noted mainstream toluene prices would likely consolidate between 63 and 68 cts/lb FOB while most MX prices would move to between 65 and 71 cts/lb FOB. Last week one reseller noted toluene and MX prices at 64 cts/lb and 66 cts/lb FOB, but noted its costs would likely move nearer 66 cts/lb and 68 cts/lb FOB by the end of this week. ARO 100 and ARO 150 prices, meanwhile, moved lower. Last week distributors noted offers from domestic suppliers around 70 or 71 cts/lb FOB for the former and around 73 to 75 cts/lb for the latter. Import offers, meanwhile, were assessed closer to 67 cts/lb and 69 cts/lb FOB.

Mainstream prices in the **Southeast** also firmed in response to stronger energy and spot barge markets. Last week distributors reported most toluene offers had consolidated around 62 to 64 cts/lb FOB USSE, up from lows of around 58 cts/lb noted in September. MX prices were mostly noted around 63 to 66 cts/lb FOB, also up from lows of near 58 cts/lb FOB reported last month. ARO 100 and ARO 150 prices also were reported as flat with competitive offers originating with importers. Last week ARO 100 offers were noted around 73 to 77 cts/lb FOB while ARO 150 prices were assessed between 75 and 82 cts/lb FOB.

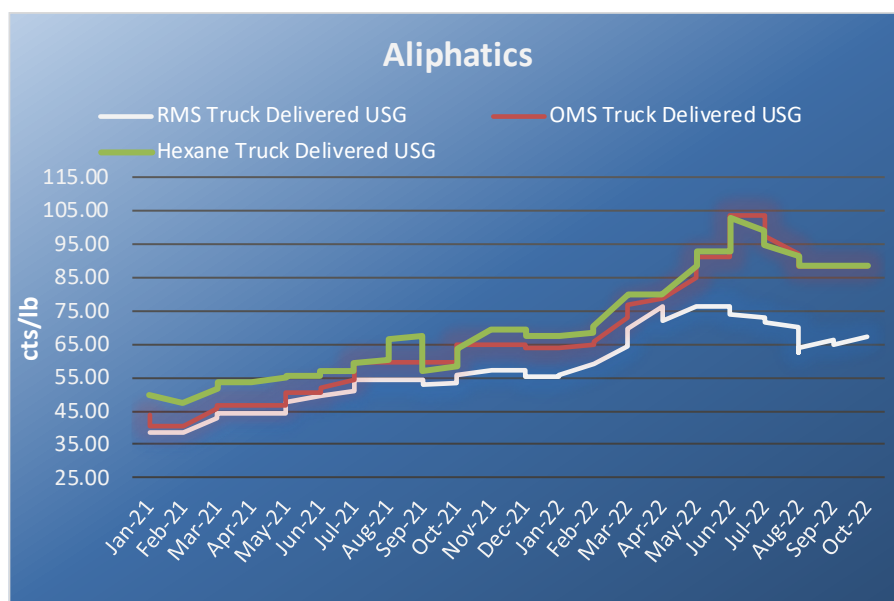
Canadian Terminal Activity

In Canada, prices increased on Saturday after moving lower in September. Local observers last week reported toluene prices would move up 20 cts/kg to near CAN \$1.77/kg while MX prices would increase to CAN \$1.82/kg FOB Sarnia. Most ARO 100 and ARO 150 prices would move to CAN \$1.85/kg and CAN \$1.94/kg FOB respectively. Local marketers reported that prices decreased in mid-September before rebounding higher this past weekend.

Aliphatic Solvents

Market Summary

Volatile crude and clean product prices impacted aliphatic markets in recent weeks, particularly regular mineral spirits. Regular mineral spirits prices linked to formulas firmed during the first half of October, but could ease in the latter half of the month if energy values continue to trend lower. Last week WTI crude prices dipped to \$85/bbl while November heating oil slid to \$3.83/gal. Spot clean product value prices, however, remained elevated. Spot heating oil and ultra-low sulfur diesel prices ended the week near \$4.15/gal and \$4.28/gal FOB NY Harbor respectively, up around 15 cts/gal from midmonth levels. Spot jet fuel prices were last noted around \$3.71/gal, up around 40 cts/gal from mid-October. Market conditions appeared balanced with pockets of tightness. Seasonal demand has slowed in most regions. Delek notified customers on Friday, October 21st that regular mineral spirits would be unavailable until further notice.



Production

No new issues were reported.

US Terminal Markets

Most offers in the **USG** appeared stable to strong last week despite slowing demand. Higher upstream costs to start October pushed regular mineral spirits prices higher while prices for most other products remained relatively stable. Last week distributors noted mainstream regular mineral spirits prices between \$4.30 to \$4.70/gal FOB USG depending on supplier. Observers attributed prices between \$4.30 and \$4.50/gal mostly to regional marketers while offers nearer \$4.70/gal were associated with national suppliers with a lower aromatic product. OMS prices remained largely unchanged and noted in the mid 80 cts/lb FOB range with most observers noting slowing demand. Most hexane and heptane prices also appeared stable with offers for both assessed around 80 to 82 cts/lb FOB on the low-end.

Regular mineral spirits prices in the **Midwest** consolidated higher after low-end offers firmed due to formula-based pricing. Last week local distributors noted most regular mineral spirits prices between \$4.30 and \$4.75/gal FOB USMW. While resellers noted offers around \$4.30/gal lingered, most assessed mainstream prices around \$4.50 to \$4.60/gal. Higher quality regular mineral spirits prices were reported closer to \$4.70/gal and higher. Competitive OMS prices were mostly reported as stable and noted near 88 to 90 cts/lb FOB Chicago. Local resellers noted interest remained light. Similarly, hexane and heptane prices also appeared mostly flat with most resellers noting low-end offers around 82 to 85 cts/lb FOB Chicago.

Similarly, in the **Northeast** while most prices appeared largely unchanged amid slowing demand, regular mineral spirits prices consolidated higher because of firming clean product values. Low-end prices climbed 15 to 20 cts/gal in October and last week were mostly noted around \$4.40 to \$4.75/gal FOB USNE according to some local observers. One distributor reported regular mineral spirits offers jumped from around \$4.20/gal midmonth to nearer \$4.40/gal last week. Most OMS prices were reported as mostly stable with competitive prices noted around 87 or 88 cts/lb FOB. Low-end hexane and heptane offers were mostly flat as well and noted around 82 to 85 cts/lb FOB.

In the **Southeast** regular mineral spirits prices also consolidated higher in recent weeks. Firming clean product values prompted formula-based sellers to adjust their prices higher and last week distributors noted mainstream offers around \$4.40 to \$4.75/gal FOB USSE, up around 15 cts/gal on the low-end from assessments noted earlier in the month. One reseller confirmed offers in the low \$4.40/gal FOB range last week, but also noted interest was very thin. Most OMS prices were reported as flat and assessed around 90 or 91 cts/lb FOB. Competitive hexane and heptane prices firmed slightly and were noted in the low to mid 80 cts/lb FOB range.

Canadian Terminal Activity

Activity in Canada also appeared light to start October and is expected to remain slow through the balance of the year. Mainstream offers appeared largely unchanged according to most observers with many noting prices around CAN \$2.05 to CAN \$2.15/kg FOB E. Canada. Competitive OMS prices were noted as mostly flat in October with observers last week reporting offers around CAN \$2.65/kg FOB on the low-end. Hexane and heptane prices also appeared mostly flat and were assessed around CAN \$2.55/kg FOB.

NOTICES

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- Please direct all comments and/or questions about this report to Senior Editor, Ashley Rock at arock@chemicalintelligence.com

**Domestic Solvents Units
Planned & Unplanned Outages**

Company	Product	Location	Cap. (mt/yr)	Dates	Details
Suncor	T/MX/A100/A150	Sarnia, ON		April	Planned t/r
Altivia	P/A	Haverhill, OH	306K/173K	Q2	Planned t/r
Olin	P/A	Freeport, TX	295K/180K	Apr-	Planned t/r
YNCC	BZ/T/MX	Yeosu, South Korea	120K/65K/45K	Feb 11-	Fire
Marathon	MX	Galveston, TX		Feb	Power Outage
Dow	MMA	Deer Park, TX	475,000	Feb 2022	Planned t/r
ExxonMobil	Aromatics	Baytown, TX		Dec 2021	Fire

Current Exchange Rates

Currency	USD/1 unit	1 unit/USD
Euro	1.02	0.98
UK Pound	1.22	0.82
Canadian Dollar	0.78	1.28
Japanese Yen	0.01	133.33
Swiss Franc	1.05	0.95

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