Polyvinyl Chloride Methodology

Polyvinyl chloride (PVC) is produced from the polymerisation of Vinyl Chloride Monomer (VCM). It is a versatile thermoplastic with a wide range of uses including pipes & fittings, profiles, cables, flooring, films & sheets. At least 50% of the market is driven by the construction/housing industry.

PVC is stable under normal temperatures and pressures but above 80 deg C the resin discolours and evolves hydrogen chloride. Repeated exposure to PVC dust can lead to skin irritation, dermatitis and conjunctivitis. Freshly manufactured PVC can contain traces of toxic VCM, a confirmed human carcinogen. Some progress has been made in reducing the levels of residual VCM in PVC.

ICIS pricing quotes polyvinyl chloride in Europe, US, Asia-Pacific, China, Middle East and Latin America.

**Frequency:** Published weekly on Fridays.

**Polyvinyl Chloride (EUROPE)**

**Weekly Price Assessments:**

Polyvinyl Chloride Spot Prices
- FD EU (EUR/MT & conversion to US CTS/LB)
- FOB NWE (USD/MT & conversion to US CTS/LB)
- FD RUSSIA (RB/MT & conversion to EUR/MT)

Polyvinyl Chloride (Pipe Grade) Gross (untaxed) Contract Prices
- FD NWE (EUR/MT & conversion to US CTS/LB)
- FD MED (EUR/MT & conversion to US CTS/LB)
- FD UK (GBP/MT & conversion to US CTS/LB)

Polyvinyl Chloride Feedstock Prices
- ETHYLENE CONTRACT PRICE FD NWE (EUR/MT & conversion to US CTS/LB)

**Polyvinyl Chloride (ASIA-PACIFIC)**

**Weekly Price Assessments:**

Polyvinyl Chloride Spot Prices
- CFR HONG KONG (USD/MT & conversion to US CTS/LB)
- CFR CHINA (USD/MT & conversion to US CTS/LB)
- CFR S.E.ASIA (USD/MT & conversion to US CTS/LB)
- FOB CHINA ETHYLENE-BASED (USD/MT & conversion to US CTS/LB)
- FOB CHINA CARBIDE-BASED (USD/MT & conversion to US CTS/LB)
Polyvinyl Chloride (China)

Weekly Price Assessments:

Polyvinyl Chloride Spot Prices
- CFR CHINA (USD/MT)
- FOB CHINA ETHYLENE-BASED (USD/MT)
- FOB CHINA CARBIDE-BASED (USD/MT)
- DEL CHINA (USD/MT)*

*This price is a tax-waived price in USD for export-oriented Chinese PVC producers

Polyvinyl Chloride Domestic Spot Prices

Delivered prices of domestic materials are from producers or 1st tier distributors in China. All ex-warehouse domestic spot prices are for close.

Carbide-based PVC
- East China (CNY/MT)
- North China (CNY/MT)
- South China (CNY/MT)

Ethylene-based PVC
- East China (CNY/MT)
- North China (CNY/MT)
- South China (CNY/MT)

Polyvinyl Chloride (USA)

Weekly Price Assessments:

Polyvinyl Chloride Domestic Contract Prices – Delivered
- PIPE Monthly (US CTS/LB & conversion to USD/MT)
- GENERAL PURPOSE Monthly (US CTS/LB & conversion to USD/MT)

Polyvinyl Chloride Spot Prices
- Delivered (US CTS/LB & conversion to USD/MT)

Polyvinyl Chloride Export Prices
- FOB USG (USD/MT & conversion to US CTS/LB)

Polyvinyl Chloride (MIDDLE EAST)

Weekly Price Assessments:

Polyvinyl Chloride Spot Prices
- CFR GCC* (USD/MT & conversion to US CTS/LB)
- CFR EAST MED (USD/MT & conversion to US CTS/LB)
- CFR PAKISTAN (USD/MT & conversion to US CTS/LB)
Polyvinyl Chloride (LATIN AMERICA)

Weekly Price Assessments:

PVC Pipe Grade Domestic Spot Prices
- DEL ARGENTINA (US CTS/LB & conversion to USD/MT)
- DEL BRAZIL (US CTS/LB & conversion to USD/MT)
- DEL COLOMBIA (US CTS/LB & conversion to USD/MT)
- DEL MEXICO (US CTS/LB & conversion to USD/MT)
- DEL VENEZUELA (US CTS/LB & conversion to USD/MT)

PVC General Purpose Domestic Spot Prices
- DEL ARGENTINA (US CTS/LB & conversion to USD/MT)
- DEL BRAZIL (US CTS/LB & conversion to USD/MT)
- DEL COLOMBIA (US CTS/LB & conversion to USD/MT)
- DEL MEXICO (US CTS/LB & conversion to USD/MT)
- DEL VENEZUELA (US CTS/LB & conversion to USD/MT)

PVC Pipe Grade Import Prices
- CFR CENTRAL AMERICA & CARIBBEAN (US CTS/LB)
- CFR CHILE (US CTS/LB)

PVC General Purpose Import Prices
- CFR CENTRAL AMERICA & CARIBBEAN (US CTS/LB)
- CFR CHILE (US CTS/LB)

Polyvinyl Chloride (RUSSIA AND FORMER SOVIET UNION)

Russia, CPT Moscow Spot Prices USD/TONNE
- PVC-S
- PVC-E

Ukraine, CPT Kiev Spot Prices USD/TONNE
- PVC-S
- PVC-E

Belarus, DDU Minsk, Spot Prices USD/TONNE
- PVC-S

Uzbekistan, DDU Tashkent, Spot Prices USD/TONNE
- PVC-S

Kazakhstan, DAF border, Spot Prices USD/TONNE
- PVC-S

Domestic prices

Countries:
Russia, CPT Moscow RB/TONNE, USD/TONNE
General Information:

**Assessment window:** Price assessments are based on information supplied by market participants through the week up to close of business on Fridays at 1700 hours in London, Singapore, Houston and Shanghai.

**Specification:** In Latin America, all grades assessed are general purpose and pipe, either black or white. All material quoted is prime resin. In Europe, quotes are based on standard pipe-grade PVC.

In China, all grades assessed are general purpose.

**Timing:** Cargoes loading or delivered four-six weeks forward from the date of publication except China domestic cargoes which are for loading or delivery one week forward from the date of publication.

**Terms:** 30-60 days after bill of lading date.

In the China report, in the DEL prices of the 1st tier distributors it is understood that cargoes will only be delivered after having received payment. China CFR prices assume that the buyer holds a letter of credit with terms between 30-90 days, delivered 30-60 days after bill of lading date. China FOB prices assume that the sellers hold a letter of credit with terms between 30-90 days, delivered 30-60 days after bill of lading date. FD CHINA is for Chinese PVC producers who sell to re-exporting PVC end-users in China in USD.

**Standard cargo size:** PVC is typically sold in parcels of between 500-1,000 tonnes. In the China report, the volume sizes are 50-500 tonnes for deals by producers and 1st tier distributors.

**Assessment basis:** In the European PVC Report, spot business primarily relates to imports into Western Europe from Central and Eastern Europe and deep-sea sources. The FOB range refers to exports from northwest Europe mainly to Turkey, but also to India, albeit to a lesser extent. Contract gross (untaxed) price quotes refer purely to regular business between producer and consumer on a contracted basis. This is normally agreed on a monthly basis, but the length of price agreements may vary depending on the dynamics of the market at the time. The European contract price
ranges refer to small-to-average volume players, who typically purchase 1,000-20,000 tonnes/year, depending on region.

The European report includes a formal Russian rouble-denominated PVC assessment. These figures are quoted on an ex-works/ex-warehouse (EXW/EXWH Central Russia) basis. Prices include 18% VAT.

In the Asia Pacific PVC report, spot business functions on a monthly pricing mechanism related to exports from Japan, Taiwan and Korea into Hong Kong, China, southeast Asia and non-China markets. Producers nominate target prices and these are applied or otherwise, subject to market conditions. Export prices are also reported on FOB CHINA ethylene-based and FOB CHINA carbide-based PVC as China has become a primary exporter of PVC. Prices that relate to domestic supplies in China are mentioned in the report text.

The US domestic PVC market functions on a monthly contract pricing mechanism for both pipe and general purpose grades. Contract prices are assessed based upon delivered prices to medium-sized accounts, purchasing 50m-100m lb of PVC resin per year. These prices do not include discounts.

Producers nominate target increases and these are applied or otherwise, subject to market conditions. Prices relate to domestic supplies from the USA, Canada and Mexico. Export prices are also reported on an FOB US Gulf basis. Latin America has historically been the major destination for US PVC exports, but US material is now shipped to countries all around the globe.

The Middle East PVC report covers ethylene-based pipe and general purpose grades in the GCC area, East Mediterranean (East Med) region, Pakistan and India. In addition, comments are made on the Turkish market. Prices are based on imported resin in the GCC, East Med and India. Prices in Pakistan are reported on a domestic/local price basis in the absence of deals, bids and offers. Offers and deals to India are also considered while assessing PVC prices in Pakistan.

Deals and discussions for carbide-based PVC resin are included in the commentary but do not form a part of the assessments because of differences in product characteristics between carbide-based and ethylene-based PVC grades.

The Latin America report offers assessments on pipe and general purpose grades for five countries that are net producers and CFR main port prices for one country (Chile) and one region (Caribbean) that are net importers. In Latin America, the report tracks monthly contract and spot price fluctuations and mentions key drivers for the changes. All grades assessed are either natural or black premium material. DEL quotes reflect trades within domestic parties, while CFR quotes reflect transactions sealed on imported material. Prices are monitored weekly based on reported business heard the previous week (Monday to Friday). Taxes are not
included in Latin American PVC price assessments. In particular, assessed prices in Brazil are before the PIS/Cofins taxes.

Standard cargo-size in Latin America: 10-500 tonnes, with the low end of the range describing smaller domestic shipments, and the high end reflecting large-volume imports.

In the China PVC report, spot business functions on a monthly pricing mechanism related to exports from Japan, Taiwan and Korea into Hong Kong and China. Export prices are also reported on FOB CHINA ethylene-based and FOB CHINA carbide-based PVC as China has become a primary exporter of PVC. Tax-inclusive EXWH prices of PVC producers and the 1st tier distributors are discussed in China price assessments. North China refers to Tianjin and Hebei, east China to Shanghai, Zhejiang, Jiangsu and Shandong, south China to Guangdong and Fujian.

All regional reports offer market commentary that includes details of traced transactions, news on the supply/demand balance, export/import information, contract price negotiations and general sentiment for price direction. Where applicable there is product information, comments on up and downstream market developments and general market intelligence. While deals confirmed with both buyer and seller are the preferred source of guidance in assessing prices, partially confirmed transactions, reported deals are also considered in the assessment process at the editor’s discretion. In the absence of trades, published prices may be adjusted on a notional basis or derived on a netback basis to accurately reflect the levels at which trading activity could take place.

18 August 2014