

Polypropylene US Price Forecast Methodology

25 April 2018



The ICIS Polypropylene (PP) price forecast report is a monthly publication that can be accessed via the Dashboard.

- The report forecasts a monthly PP price in the US Gulf for domestic homopolymer injection moulding grade using statistical modelling and market intelligence, and extends the historical gross prices reported in the ICIS Pricing report edited by Zachary Moore.
- The US price forecasts are made by Senior Consultant James Ray and Senior Analyst Stephanie Kirby, based in the ICIS office in Houston, Texas.
- Data is compiled in the first full week of each month so that a report can be produced and published in the second full week of the month covering a rolling 12 month period.
- US Gulf prices are published in in \$/tonne and cents/lb, bulk delivered.

Elements within the PP price forecast include:

- Oil price forecasts in the US.
- Supply-demand for US PP including imports and exports.
- US producer margins and commentary on the impact on propylene prices.
- Commentary on the impact of plant utilisation rates and production outages on PP availability.
- Current PP pricing in Europe and Asia.
- Arbitrage opportunities (if any) for current month PP between geographical regions based on (a) freight rates, (b) exchange rates, (c) new PP manufacturing units.
- Other related issues that impact price.

ICIS compliance protocols:

- a) The information gathered in the process of making this ICIS price forecast does not flow back to the ICIS price reporting editorial staff.
- b) Confidential information that is gathered by ICIS editorial staff in the process of price reporting is not permitted to be included in the ICIS PP price forecasting process.



Since January 2016, the price forecast series have been available through a 'Price Forecast' window on the ICIS Dashboard. The window enables price forecast series generated over the last 12 months to be charted and downloaded, along with up to 12 months' worth of price history.

Where a price forecast series is charted and downloaded in a currency other than its assessed currency, the 16:00 UTC foreign exchange rate, as provided by www.xe.com, from the first of the month in which the forecast series was generated is applied to all price forecasts within that forecast series. Where the first of the month is a non-publishing day, the prior publishing day's 16:00 UTC foreign exchange rate is applied. ICIS provides charting and downloads in alternate currencies as a guide only.

Our recommendation would be to chart and download in original assessed currency and to apply your own selected foreign exchange rates.

