

Editor Ron Coifman, ronald.coifman@icis.com

DOMESTIC PRICES (DELIVERED)						
80:20 TDI						
Click for Price History			Price Range		Four weeks ago	USD/MT
BULK	US CTS/LB	n/c	152-167	n/c	152-167	3351-3682
DRUMS	US CTS/LB	n/c	162-177	n/c	162-177	3571-3902
POLYMERIC/CRUDE MDI						
BULK	US CTS/LB	n/c	133-148	n/c	133-148	2932-3263
DRUMS	US CTS/LB	n/c	143-158	n/c	143-158	3153-3483
PURE						
DRUMS	US CTS/LB	n/c	145-160	n/c	145-160	3197-3527

EXPORT SPOT DRUM PRICES (FOB USG)						
80:20 TDI						
EXPORT/DRUMS	US CTS/LB	n/c	113-118	n/c	113-118	2491-2601
POLYMERIC/CRUDE MDI						
EXPORT/DRUMS	US CTS/LB	n/c	107-113	n/c	107-113	2359-2491

NOTE: for full details on the criteria ICIS pricing uses in making these price assessments visit www.icispricing.com and click on "methodology".

TDI – Positive sentiment – Jan hikes considered

The **US toluene diisocyanate (TDI)** market emerged from the year-end holidays on positive sentiment for January, with healthy business noted this month after an already strong December performance, according to industry participants.

Demand for flexible polyurethane (PU) products should remain healthy this month on restocking of inventories depleted in December and on white sales taking effect in February, sources said.

However, the cold snap in the US has slowed production of PU goods in some areas where workers were forced to stay home because of the snow and extreme cold weather, according to sources.

Mixed information has surfaced on the progress of discussions over the 10 cent/lb price increase intended for 1 January. Some buyers said an increase appears likely but not at the full proposed level, as an adequately supplied US market could dampen the initiative. A consumer said a hike of about 5 cent/lb or slightly smaller would be reflective of current negotiations. However, other TDI consumers said no increase was being implemented yet.

Once agreed, the implementation date of the increase under discussion is expected to vary depending on contract terms. For some buyers, implementation could be retroactive to 1 January, while for others a hike could take effect in February or later.

Sources said that firm feedstock costs are driving the increase initiative for TDI. However, some TDI consumers said that the hike was announced to pre-empt expected increases for feedstock toluene.

TDI markets are steady in Europe, Asia, the Middle East and Latin America. Activity in Asia ahead of the Lunar New Year holiday was subdued.



In feedstocks, **US prompt nitration-grade (n-grade) toluene spot** prices were discussed at \$3.60-3.70/gal FOB on 7 January, sources said, down from \$3.70-3.80/gal FOB the previous session on weak demand.

N-grade toluene price history

	01/07/13	30/07/13	16/08/13	10/09/13
N-grade toluene				
US\$/gal	3.55-3.63	3.82-3.92	3.80-3.90	4.10-4.25

NYMEX West Texas Intermediate (WTI) crude oil futures traded down in response to the weekly supply statistics from the Energy Information Administration (EIA) showing a substantial build in crude stocks at the Cushing, Oklahoma, delivery hub, overshadowing a drawdown in other regions. A substantial build in distillate and gasoline inventories also pressured WTI.

NYMEX natural gas futures rose on 8 January on bullish sentiment surrounding recent cold weather, though uncertain longer-term forecasts continue to cap the extent of upwards price movement.

NYMEX Closing Front Month	04 Dec	11 Dec	18 Dec	8 Jan
Crude Oil (US\$/bbl)	97.20	97.44	97.80	92.33
Natural Gas (US\$/MMBtu)	3.960	4.337	4.251	4.216

Outside the US, sources in **Latin America** said that January TDI offers are gauged at a rollover from December on lack of fresh information during the year-end holiday break, despite the price increase announcements in the US. South American buyers are expecting to discuss prices in the coming days.

TDI offers from Asia were assessed at \$2,500-2,550/tonne CFR South America in drums, while US product was at \$2,600/tonne CFR South America in drums.

Argentina last quoted TDI into neighbouring countries at \$2,900/tonne DEL in tank trucks. TDI was also offered at \$2,750/tonne DEL Chile and at \$2,900/tonne DEL Chile, depending on supplier.

In **Europe**, TDI contract indications point to steady pricing from December to January, amid adequate availability.

In **Asia**, TDI spot import prices in China for January rolled over from December, as buying interest wound down ahead of the Lunar New Year holidays.

In the **Middle East**, TDI prices on 2 January were assessed unchanged from 19 December, on the back of limited offers heard during the year-end holidays.

MDI – Upbeat Jan sentiment

Although some softening in demand was expected this month and for the quarter on seasonality after strong activity in December, **methyl di-p-phenyl isocyanate (MDI)** and PU market talk remains upbeat for January on brisk sales, according to sources.

Discussion on an MDI 3 cent/lb price increase for 1 January has not been finalised, as market sources gradually return to their posts from the year-end holidays. However, the initiative is gauged as weak on insufficient market support.

In **feedstocks**, **US January benzene spot** prices were discussed at \$4.90-4.95/gal FOB on 7 January, sources said, up from \$4.87-4.92/gal FOB on the previous day. Prices were moving up on short cover positions.

The **US January benzene contract** settled up by \$0.355/gal from December, on the back of tight supply.

Benzene contract price

	Oct	Nov	Dec	Jan
US\$/gal	4.37	4.10	4.485	4.84

Outside the US, MDI prices are assessed at \$2,400/tonne CFR **South America** in drums amid steady demand.

In **Europe**, January and first quarter MDI contracts are likely to roll over from December, amid low seasonal demand from the construction sector and ample availability.

In **Asia**, polymeric MDI (PMDI) spot price were heard lower in Asia as buying interest wound down ahead of the Lunar New Year holidays.

In the **Middle East**, PMDI spot prices import prices rose by \$40-80/tonne in the week ended 2 January, driven by higher increased feedstock costs, but deals were limited as buyers waited for European and Asian offers.

Pricing information from ICIS is also available via the Dashboard service.

The ICIS Dashboard is a platform that enables you to see pricing, news and analysis in a single screen.

Visit <http://www.icis.com/moreondashboard> to find out more.

[Price history](#) | [Related reports](#) | [Full report list](#) | [Price Alert](#) | [Plant performance data](#)
[Currency conversion \(real time\)](#) | [Glossary](#) | [Methodology](#) | [Latest product news](#) | [Find a supplier](#)

For information about multiple subscriptions and licences to this information product, or for permission to photocopy or redistribute individual reports, please call the relevant office:
London:+44 20 8652 3335,
sales.uk@icis.com
Houston:+1 713 525 2600,
sales.us@icis.com
Singapore:+65 6789 8828,
sales.ap@icis.com

Copyright violation is a serious offence. Any distribution or forwarding of information which is not expressly permitted by your subscription agreement is a copyright violation. ICIS pricing will be using software to monitor unauthorised electronic redistribution of reports. Copyright 2014 Reed Business Information Limited. ICIS pricing is a member of the Reed Elsevier plc group.

Customer Support Centre
+44 20 8652 3335 or toll free from US/Canada:+1 888 525 3255
ICIS pricing:www.icispricing.com
ICIS News:www.icis.com/news
ICIS website:www.icis.com

Sample