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CONTRACT PRICES						
Click for Price History			Price Range		One year ago	US CTS/GAL
FOB RDAM Q1	EUR/TONNE	+37.00	445.00-445.00	+37.00	370.00-370.00	182.28-182.28

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

Prices firm slightly but overall market deemed stable

The European methanol market has seen slightly firmer prices this week, but is described by all sources as generally stable.

The market is in more or less the same situation as in December, with stable demand and no significant changes to supply.

There is no real pressure in either direction on prices, and sources expect current levels to persist for at least a few weeks, with some even predicting stability until around the end of February.

With prices at historically high levels and demand not expected to increase, the likelihood of prices increasing is small, barring a significant plant outage.

Yet supplies are also fairly snug, with the Oman Methanol Company still in force majeure, and so any decreases are also deemed unlikely, for the time being.

Furthermore, three domestic producers are scheduled to undergo maintenance turnarounds in the second quarter (more below). One source said it had already seen signs of these producers making preparations for this period of reduced domestic output, which could support prices in both the first and second quarters.

Many sources have previously warned of the risk of demand erosion as a result of the high contract price, but as yet no signs of such have been heard. Any impact on demand will likely take some time to emerge.

Further adding to the stability in the market is the fact that the net contract price is more or less aligned with spot prices. This removes the opportunity to take advantage of a spot-contract spread.

Recent quarterly contract prices

€/tonne FOB Rotterdam

Q1 2013	Q2 2013	Q3 2013	Q4 2013
370	390	390	408



Production

Three domestic turnarounds are scheduled as follows: Statoil's 900,000 tonne/year plant in Tjeldbergodden, Norway, for three to four weeks from the end of April. BPRP's 300,000 tonne/year plant in Gelsenkirchen, Germany, for around 25 days in May. Mider Helm's 660,000 tonne/year plant in Leuna, Germany, for around six weeks from the end of May.

Ar-Razi Saudi Methanol is running its 1.7m tonne/year No 5 methanol plant in Al-Jubail at full capacity after restarting the unit last week. The plant was taken offline in early November 2014 for maintenance.

International Methanol Co restarted its 1m tonne/year methanol plant at Al-Jubail in Saudi Arabia this week. The plant was taken off last week for technical reasons.

US market

US methanol spot barge prices continued to inch up, despite little trading. Sources said harsh winter conditions in the US Northeast continue to provide some support for prices.

Asia-Pacific markets

Despite ongoing regional plant outages, Northeast Asia methanol import prices fell on the back of weak demand closer to the Lunar New Year holiday. Coal-based production rates were also heard to be running at relatively high levels.

SPOT PRICES

Click for Price History			Price Range		One year ago	US CTS/GAL
FOB RDAM T2	EUR/TONNE	+2.50	391.00-393.00	+3.00	315.00-315.00	160.16-160.98

European deals were done for January loading at €391.00-392.50/tonne FOB Rotterdam, and a February deal was done at €393.00/tonne FOB Rotterdam.

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