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SPOT PRICES						
Click for Price History			Price Range		Four weeks ago	US CTS/LB
N-BUTANOL:						
FD NWE	EUR/TONNE	+20	1120-1160	+10	1100-1150	69.11-71.58
ISOBUTANOL:						
FD NWE	EUR/TONNE	+10	1000-1060	n/c	990-1060	61.70-65.41
2EH:						
FD NWE	EUR/TONNE	+30	1390-1440	n/c	1360-1440	85.77-88.85
DOP:						
FD NWE	EUR/TONNE	n/c	1510-1540	n/c	1520-1550	93.17-95.02
DINP:						
FD NWE	EUR/TONNE	n/c	1530-1570	n/c	1540-1580	94.41-96.87

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

Subscriber note: The deltas in the Oxo-Alcohols (Europe) weekly report dated 8 January 2014 reflect changes from 18 December as 25 December-1 January was a non-publishing week. For more information, please check the publishing schedule at www.icispricing.com.

January prices increase on higher propylene



European oxo-alcohols prices have risen following the €20/tonne increase in the January propylene contract, sources said this week. While buyers confirmed that the feedstock increase had been passed on by suppliers, some producers said they were targeting larger increases for January to improve their margins.

Two European producers announced in mid-December that their oxo-alcohols prices would increase with effect from 1 January or as existing contracts permitted. Oxea announced that it would raise its off-list prices for n-butanol (NBA), isobutanol (IBA) and 2-ethylhexanol (2-EH) by €80/tonne. Perstorp said it would increase its NBA and 2-EH prices by €85/tonne, citing higher operational costs relating to raw materials, energy and logistics.

One producer said this week that it had focused its efforts on raising prices at the low end of the spectrum, and had achieved average price increases of €40/tonne for January. The source indicated prices at €1,140-1,170/tonne FD NWE for NBA, €1,000/tonne and above for IBA, and €1,400/tonne and above for 2-EH. Demand is returning to normal levels this month, the producer said.

A Russian producer said it expects prices to increase by a minimum of €50/tonne, based on the rise in propylene costs and buyers' need to rebuild their inventories this month. However, a third producer indicated stable spot prices at €1,090-1,100/tonne FD NWE for NBA and €990-1,000/tonne for IBA. In the case of NBA, this was below the level described by the majority of market participants.

A reseller said its NBA and IBA prices had mostly risen by €15-20/tonne for January, with producers being unsuccessful in their efforts to achieve larger increases. NBA prices are in the mid-€1,100s/tonne FD NWE, while IBA prices are in the low €1,000s/tonne, the source said. Larger increments were seen on 2-EH in response to healthy demand, bringing prices to €1,380-1,400/tonne at the low end, the source said.

Buyers said that price rises had been limited to a pass-through of the feedstock cost increase. One said that 2-EH prices are now around the €1,400/tonne FD NWE mark, with demand being better than at the start of previous years.

Another buyer confirmed that offtake is high as consumers rebuild their stocks, while a third said the adder for its 2014 contracts has been reduced compared with 2013 on account of the well-supplied market.

Asia-Pacific

Asian spot prices were largely stable for the week ended 3 January amid subdued trade activity. The majority of market participants remained at the sidelines, waiting for a clearer price direction. Demand has started to ease, especially in the key China market, with the approach of the Chinese Lunar New Year holiday at end-January. Buying interest was kept

low as end-users were unwilling to build up inventories because downstream facilities will be either operating at lower rates or be shut during the Lunar New Year holiday. Regional suppliers continue to face squeezed margins because of high production costs.

Americas

US oxo-alcohols prices did not change this week, with little market activity during the holiday season. As the new year begins, producers and buyers are discussing proposed price increases. In late December, an oxo-alcohols producer which had previously held off on announcing a price increase sent out a proposed increase of 4 cents/lb on NBA and IBA and 5 cents/lb for 2-EH, effective 1 January. Earlier in December, two other producers had proposed price increases of 8 cents/lb for NBA, IBA and 2-EH effective 1 January, while a third was aiming for a 3 cent/lb increase on 1 January and a further 5 cents/lb on 15 January.

Plasticizers

Participants in the European plasticizers market said that rollovers and modest increases are expected in most cases for January prices. Many accounts were still under negotiation this week.

Upstream

Crude oil futures gained amid continued supply disruptions from Libya and from South Sudan. The Iraqi government's loss of control over the city of Fallujah added to the bullish tone. Meanwhile, oil flows from Iraq to Turkey along the Kirkuk-Ceyhan pipeline were halted for around 48 hours, after it was sabotaged.

Analysts' predictions for this week's US stock figures were that they would show a draw on crude stocks of about 900,000 bbl, a build on distillate of around 1.90m bbl and a build on gasoline of around 2.30m bbl.

Crude oil	8 Jan*	31 Dec	18 Dec	11 Dec
ICE Brent	107.63	110.80	109.63	109.70
WTI	93.72	98.42	97.80	97.44

Front month - \$/bbl

*Afternoon trading

Supply in the European propylene market is being viewed as tight following some strike-related stoppages and an unplanned cracker outage in France, coupled with a fresh focus on lighter feedstock cracking by some producers. Demand is better than expected as players seek alternative supplies to cover the hiccups in supply amid a general restocking of inventories. The January contract settled at €1,130/tonne FD NWE, up by €20/tonne.

There has been no news yet regarding the European January orthoxylene (OX) contract, but overall sentiment remains steady-to-firm in line with balanced domestic availability, downstream inventory restocking for the new year, and healthy pricing and sentiment in the Asian market.

FEEDSTOCK PRICES (PROPYLENE)

Click for Price History				Price Range	
CONTRACT	FD NWE JAN	EUR/TONNE	+20.00	1130.00-1130.00	+20.00

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