

Polyacetal (Asia Pacific)

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SPOT PRICES						
Click for Price History			Price Range		Four weeks ago	US CTS/LB
FOB NE ASIA	USD/TONNE	n/c	1500-1750	n/c	1500.00-1750.00	68.04-79.38
CIF CHINA	USD/TONNE	n/c	1400-1700	n/c	1500.00-1700.00	63.50-77.11

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

FOB NE Asia prices stable on firm feedstock costs, slow demand

Export and import prices of polyacetal, or polyoxymethylene (POM), in northeast Asia were assessed as stable amid prevailing buy-sell ideas.

Sellers were unsuccessful in increasing prices despite higher raw material costs, on the back of tepid demand.

The average production rate of Chinese plants was heard to be at around 65% capacity during the week.

In November, the production and sales of automobiles in China were at 2,134,300 and 2,043,900 units respectively, up 11.39% and 5.75% from October and up 21.17% and 14.12% year on year, according to China Association of Automobile Manufacturers (CAAM). For the first eleven months of 2013, the production and sales of automobiles reached 19,989,300 and 19,860,000 units respectively, up 14.34% and 13.53% year on year. In China, December statistics were not yet available. POM is used in the construction of automobiles.

The oversupply of material and stable-to-soft demand in the first quarter of 2014 is expected to offset the upward pressure from higher feedstock methanol prices, and lead to a rollover of POM prices, said market participants.

Natural-grade POM's pre-discounted contract prices in Europe were at €2.20-2.30/kg for the fourth quarter of 2013.

Northeast Asia

Export prices were stable amid thin trade. A Chinese distributor said it was selling K300 grades at \$1,300/tonne CFR China. The prices of this grade are not assessed in this report.

Some Taiwanese cargoes were heard sold at around \$1,700/tonne FOB Taiwan, according to a producer.

Traders said export prices would have to be at least at \$1,500/tonne FOB China to cover the costs of logistics and to break even, considering that the prices of Chinese domestic cargoes are at above yuan (CNY) 9,200-10,300/tonne ex-tank. The current exchange rate, a minimum transport cost of CNY200-300/tonne to the ports from the factories, and an export rebate of 13% are factored into the prices.



China

Prices were assessed stable. The market was largely unchanged from the end of last year. Trade was thin amid expectations of lower demand as the Lunar New Year holidays approach. Chinese distributors said they were selling South Korea-origin cargoes at \$1,300-1,400/tonne CFR China, but this could not be confirmed.

Prices heard by a distributor were varied, from buying ideas for local product at the import parity equivalent of \$1,100/tonne CFR China, to up to \$1,600/tonne CFR China for imported material. The same distributor also said a regional producer was selling material at \$1,650/tonne CFR China.

Domestic prices in January remained unchanged. The most expensive local material was last heard sold at yuan (CNY) 10,300/tonne ex-tank. The import parity price of local parcels is at \$1,375/tonne CIF China, which is much lower than the offers of international-origin cargoes, Chinese traders said. Buyers were not incentivised to buy these material unless the import prices matched the local prices.

Production news

China **National Bluestar** has kept its 60,000 tonne/year POM plant in Shanghai shut for scheduled annual maintenance since early December until February, said a source close to the company.

China's **Kaifeng Longyu Chemical** has pushed back the start-up of its new 60,000 tonne/year POM plant at Kaifeng, Henan province, to October 2014. The company source did not mention the reasons for the postponement, but market sources had said this was because of concerns about an oversupply in the domestic market.

China's **Tangshan Zhonghao Chemical** is expected to start up its new 40,000 tonne/year POM facility in Tangshan city, Hebei province in 2014.

China's **Yankuang Lunan** has started trial production at its new 40,000 tonne/year POM facility in Tengzhou city, Shandong province. Commercial production is expected to start in March or April, said a source close to the company.

Polyplastics plans to conduct a month-long turnaround at its 33,000 tonne/year POM plant at Kuantan in Malaysia in March

2014, a company source said. The exact dates have not been decided yet, the source added. Polyplastics had planned to start expansion work on the plant in end-November 2013, a company source said.

Expansion work for the POM plant is expected to be completed by 2014, the source said, but did not specify the exact date. Further details were not immediately available regarding the progress of the expansion works.

Polyplastics Taiwan plans to shut its 25,000 tonne/year POM resin facility at Daliiao district, Kaohsiung, in March 2014 for a one-week turnaround. This is a regular turnaround, but the maintenance schedule had been brought forward from the original plan of 2015 and shortened from a month to a week, a company source said.

(\$1 = CNY6.05)

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