

SPOT PRICES						
			Price Range		Four Weeks Ago	US CTS/lb
PE LDPE GP Film						
FD NWE	EUR/tonne	+20	1250-1320	+40	1250-1300	61.18-64.60
FOB NWE	USD/tonne	+40	1270-1300	+40	1230-1260	57.61-58.97
Ex-Works Russia	RUB/tonne	+1000	95000-109500	n/c	95000-107000	73.07-84.22

DOMESTIC PRICES						
			Price Range		Four Weeks Ago	US CTS/lb
PE LDPE GP Film						
FD EU	EUR/tonne	+35	1510-1520	+35	1430-1445	73.90-74.39
FD UK	GBP/tonne	+25	1300-1310	+25	1220-1235	73.76-74.33

NOTE: Please click [here](#) for full details on the criteria ICIS pricing uses in making these price assessments.

Overview

- February ethylene contract up €35/tonne
- PE prices already up
- Demand good
- Imports reduced in volume

Polyethylene (PE) buyers are under strong pressure to accept higher prices in February, and all sources – both buyers and sellers – agreed a minimum of the increase in the ethylene contract would be transferred to PE pricing in February.

A couple of buyers said some sellers were prepared to settle at plus €35/tonne for the month if buyers settled early, but most said they were being faced with much bigger hikes. Some said they could realistically expect an increase of €50-60/tonne. Sometimes targets differed according to the grade, said buyers.

Some sellers were looking for more, but a couple have informed buyers of a €50/tonne hike, and said they had had some success already at this level.

Several sellers said they were tight on some grades, and not far off closing order books.

Concerns over security of supply seem to be behind the current strong market.

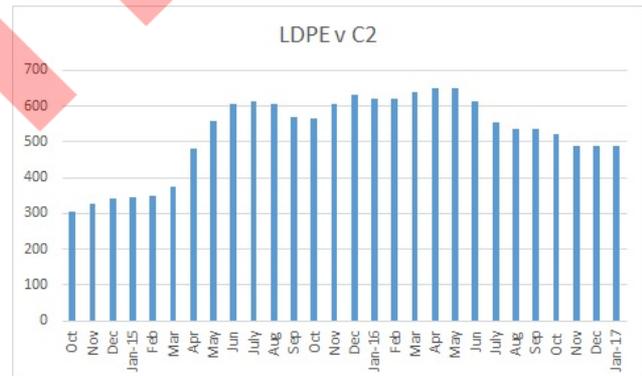
Upcoming planned cracker maintenance outages are expected to affect some PE supply later in the quarter and during the second quarter, and a lower volume of imports is also affecting sentiment.

While demand is good, according to most sellers, and buyers are still buying what they can, many buyers said they had good stock levels.

If producers manage to raise prices by more than the €35/tonne rise in the new ethylene contract, this will be the first time margins have improved since March 2016. They were at their highest in April and May, and have stabilised during some periods since then, but they ended 2016 at their lowest point that year.

Several sources said the amount of the price hike in February depended on how demand fared throughout the month.

The spread between monomer and polymer was stable in November, December and January. While it declined from the middle of 2016, it is still significantly higher than the end of 2014, before the supply issues of 2015 affected pricing.



The accompanying chart shows the current delta between ICIS low-end, low density polyethylene (LDPE) FD (free delivered) EU gross prices compared to the prevailing ethylene contract price.

The above FD EU and GBP prices are reported on a gross basis and are subject to discounts, depending largely on volume. FD NWE and FOB prices are not subject to discounts.

Planned cracker outages

Company	Location	Timing
Total	NC3, Antwerp, Belgium	March-May
Dow	Terneuzen 2, NL	1 March-15 April
SABIC	Beek 3, NL	March-May
ExxonMobil	Gravenchon, France	March-April
OMV	Schwechat, Austria	March-May

Polyethylene Europe

INEOS	Cologne Germany	5,	Sep-Oct
Borealis	Porvoo, Finland		Aug-Oct
Versalis	Porto Marghera, Italy		Q3

Polymer production at these sites will be clearly affected during these maintenance outages but PE sellers canvassed said they have made provision for these planned outages and will be able to cover all contractual sales. Outages by and large have not been confirmed by the producers concerned.

Low density polyethylene (LDPE)

The very low spot LDPE prices still being offered last week have disappeared but a wide spread was confirmed this week.

For monthly business, there was some evidence of a plus €35/tonne for the month, but this was by no means widely offered throughout Europe and most sellers were targeting much more – up to €95/tonne in one case. Some sources suggested €35/tonne was an offer that would not be available for the whole month.

Some sellers said that exports of LDPE have been strong so far in 2017.

Other regions

Asia

LDPE prices in Asia were mainly stable to up by \$10/tonne. Some sellers said they were confident of a strong return to the market after the Lunar New Year holidays as they had not experienced the sharp drop-off in demand that often occurs during that period. Asian ethylene spot prices are very firm.



© 2017 ICIS

Russia

LDPE prices were marginally up at the lower end of the price range this week. One domestic producer, Gazprom Neftekhim Salavat, increased its prices to roubles (Rb) 95,000-97,000/tonne, from Rb94,000-95,000/tonne last week. In contrast, the country's leading supplier, SIBUR, did not announce changes in its prices set at Rb105,500-109,500/tonne. Resellers of LDPE produced by Kazanorgsintez and Ufaorgsintez were understood to be still selling at some Rb97,000-107,000/tonne. Russian numbers include 18% VAT.

Upstream

Ethylene

The European ethylene contract price for February settled at an increase over January largely in line with feedstock developments in January when compared with December. Supply and demand are currently balanced, but the outlook for February could be tighter as cracker maintenances get under way from early March. Spot prices are relatively stable in limited trade.

Naphtha

The European naphtha market is benefiting from a narrower price spread with propane as more petrochemical producers switch to maximising naphtha as a cracker feedstock.

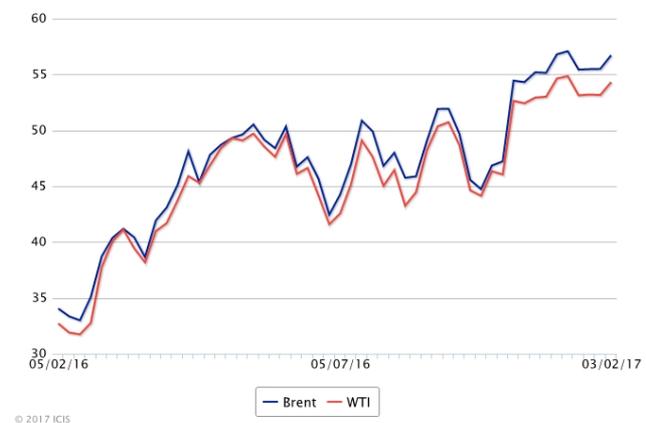
Naphtha*	3 February	27 January
	\$505-508/tonne	\$506-507/tonne
	CIF NWE	CIF NWE

*noon on Friday

Crude Oil

Crude futures prices were up over the week. Initially, gains followed a drop in the US dollar value due to concerns over US President Trump's comment that the euro was significantly undervalued. Signs that OPEC members and Russia were complying with agreements to curb output added further upward pressure. However, increases were limited by unexpected increases in US crude and oil product stocks. Towards the end of the week, news that the US was considering new sanctions against Iran added additional support to prices. *Afternoon trading

Crude oil	3 Feb*	27 Jan	20 Jan	13 Jan
ICE Brent	56.74	55.52	55.49	55.45
WTI	54.33	53.17	53.22	53.15



© 2017 ICIS

Follow me on Twitter: @Linda_ICIS

Polyethylene Europe

SPOT PRICES						
			Price Range		Four Weeks Ago	US CTS/lb
PE LLDPE Hexene C6						
FD NWE	EUR/tonne	n/c	1250-1300	+30	1250-1270	61.18-63.62
PE LLDPE Octene C8						
FD NWE	EUR/tonne	+20	1320-1350	+30	1300-1320	64.60-66.07
PE LLDPE Butene C4						
FD NWE	EUR/tonne	+50	1190-1210	+30	1140-1180	58.24-59.22

DOMESTIC PRICES						
			Price Range		Four Weeks Ago	US CTS/lb
PE LLDPE Hexene C6						
FD EU	EUR/tonne	+35	1580-1590	+40	1500-1510	77.33-77.82
PE LLDPE Octene C8						
FD EU	EUR/tonne	+35	1915-1920	+35	1835-1845	93.72-93.97
PE LLDPE Butene C4						
FD EU	EUR/tonne	+45	1450-1460	+50	1360-1370	70.96-71.45
FD UK	GBP/tonne	+35	1250-1260	+35	1160-1170	70.93-71.49
PE LLDPE But Cast Stretch Film						
FD EU	EUR/tonne	+45	1450-1460	+50	1360-1370	70.96-71.45

Linear low density polyethylene (LLDPE)

The main feature of the LLDPE market this week was tightness in the C4 (butene based) sector.

Imports were perceived to be down in volume, and prices were up. While an increase of €35/tonne was talked as potentially possible for LDPE, sellers were adding margin to C4 LLDPE prices and the minimum target heard was €50/tonne. One supplier was targeting an €80/tonne increase. Supply in both cases was restricted.

The C6 (hexene sector) was less clear, and some sources saw standard C6 LLDPE sometimes offered at the same price as C4 LLDPE.

Spot C4 LLDPE prices moved up sharply.

Others said it was too early in the month to see where prices would finally settle for February but sources did not expect to be paying less than the €35/tonne increase of the February ethylene contract.

Metallocene linear low density polyethylene (MLLDPE) spot prices were up as imports were more expensive. Local supply in Europe was also said to be tighter, with one major producer informing customers that it was practically sold out of one of its main grades.

Please note that discounts for C8 (octene based) LLDPE domestic prices are larger than for other grades. Spot prices are net of discounts.

Asian LLDPE prices were stable to up by \$10/tonne.

SPOT PRICES						
			Price Range		Four Weeks Ago	US CTS/lb
PE HDPE Injection						
FD NWE	EUR/tonne	n/c	1170-1220	+10	1150-1200	57.26-59.71
FOB NWE	USD/tonne	+50	1230-1240	+30	1180-1210	55.79-56.25
Ex-Works Russia	RUB/tonne	n/c	88500-95000	-3000	89000-98000	68.07-73.07

DOMESTIC PRICES						
			Price Range		Four Weeks Ago	US CTS/lb
PE HDPE Injection						
FD EU	EUR/tonne	+45	1425-1435	+45	1335-1370	69.74-70.23
FD UK	GBP/tonne	+40	1230-1240	+40	1140-1170	69.79-70.36

Polyethylene Europe

SPOT PRICES						
			Price Range		Four Weeks Ago	US CTS/lb
PE HDPE Blow Moulding						
FD NWE	EUR/tonne	n/c	1230-1280	+20	1210-1260	60.20-62.64
FOB NWE	USD/tonne	n/c	1240-1260	n/c	1240-1260	56.25-57.15
Ex-Works Russia	RUB/tonne	n/c	87500-98000	n/c	89000-99000	67.30-75.38

DOMESTIC PRICES						
			Price Range		Four Weeks Ago	US CTS/lb
PE HDPE Blow Moulding						
FD EU	EUR/tonne	+35	1435-1445	+40	1355-1365	70.23-70.72
FD UK	GBP/tonne	+35	1240-1245	+35	1160-1170	70.36-70.64

SPOT PRICES						
			Price Range		Four Weeks Ago	US CTS/lb
PE HDPE Film						
FD NWE	EUR/tonne	n/c	1200-1250	+20	1185-1220	58.73-61.18
FOB NWE	USD/tonne	n/c	1250-1270	n/c	1250-1270	56.70-57.61

DOMESTIC PRICES						
			Price Range		Four Weeks Ago	US CTS/lb
PE HDPE Film						
FD EU	EUR/tonne	+35	1450-1460	+40	1370-1380	70.96-71.45
FD UK	GBP/tonne	+35	1255-1260	+35	1170-1180	71.21-71.49

High density polyethylene (HDPE)

Imports were still a concern for traders, and it was not possible to refresh imported volumes at today's spot prices. Several were taking the plunge however, as they saw European prices rising, and envisaged firmness in the coming weeks.

Spot prices were up in most cases, and while HDPE injection levels were creeping up, sources said low-priced offers in December, and even January, had left buyers' inventories comfortable.

Imports at producer sources were also limited in volume, according to several sources, and they pointed out that Europe needed imports to function efficiently.

The gap between Asia and Europe still favoured imports moving towards Asia, said sources.

A couple of producers said HDPE pipe exports were among their strongest export grades this year.

Please note that FD EU prices above are quoted for freely negotiated business, and are not representative of ethylene-based formulas. FD EU and UK prices are subject to discounts.

Asia

HDPE prices were mainly stable to up by \$20/tonne.

Russia

HDPE injection prices were down at the upper end of the price range this week. One domestic manufacturer, Gazprom Neftekhim Salavat, refrained from changing its prices set at Rb88,500-90,000/tonne, but resellers of material produced by Kazanorgsintez were heard to be selling at Rb92,000-95,000/tonne.

HDPE blowmoulding prices stabilised. One domestic producer, Gazprom Neftekhim Salavat, did not change its prices set at Rb87,500-90,000/tonne after a price cut of Rb1,000/tonne last week. One local producer, Stavrolen, cut its blowmoulding prices to Rb92,000-94,000/tonne, from Rb94,000-96,000/tonne last week. However, this downward price review remained within the current price range. Resellers of material produced by Kazanorgsintez were heard to be still selling at Rb96,000-98,000/tonne. Russian numbers include 18% VAT.

FEEDSTOCK CONTRACT PRICES						
			Price Range		One Year Ago	
Ethylene						
FD NWE FEB	EUR/tonne	+35	1020.00-1020.00	+35	830.00-830.00	

[Full Report List](#) | [Methodology](#) | [Publishing Schedule](#) | [Glossary](#)

KEY PRODUCTS & SERVICES

[ICIS News](#) | [Supply & Demand](#) | [Analysis & Forecasting](#) | [Training](#) | [Consulting](#) | [Magazine](#)



Quadrant House, The Quadrant,
Sutton, Surrey. SM2 5AS. UK

Website: www.icis.com

ICIS Customer Support

Asia & Middle East	+65 6588 3955
Europe & Africa	+44 20 8652 3335
toll free US & Canada	+1 888 525 3255
or Americas	+1 713 525 2613
csc@icis.com	

For information about multiple subscriptions and licenses to this information product, or for permission to photocopy or redistribute individual reports, please call the relevant office:

Singapore	+65 6789 8828	sales.ap@icis.com
London	+44 20 8652 3335	sales.uk@icis.com
Houston	+1 713 525 2600	sales.us@icis.com

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

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

Visit www.icis.com/moreondashboard to find out more.

Publisher
Rob Kolkman, Managing Director,
ICIS

Editor

Linda Naylor +44 20 8652 3174
linda.naylor@icis.com