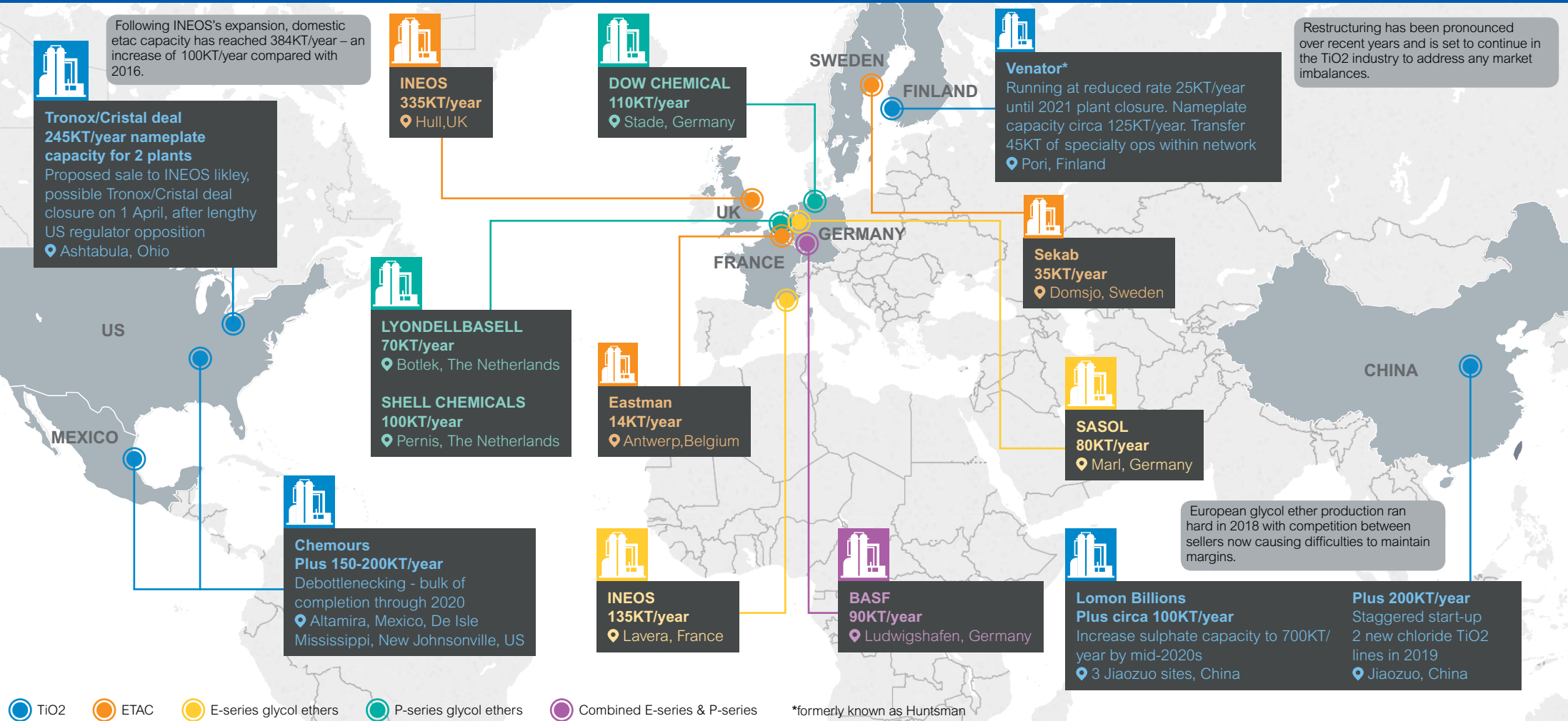


PAINTS AND COATINGS INDUSTRY NEEDS STRONG Q2 TO EASE RECENT DOWNTURN IN RELATED MARKETS

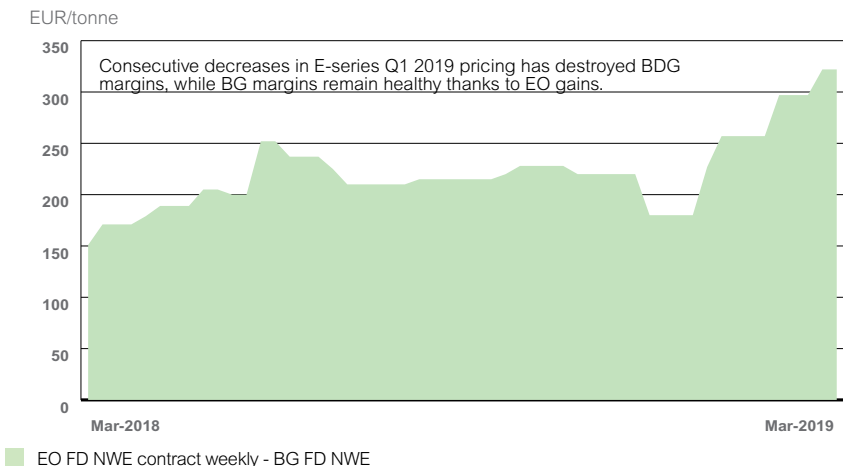
Key commodities for the paints and coatings sector, ethyl acetate (etac), glycol ethers and titanium dioxide (TiO2) are facing a downturn in pricing due to ample supply and low demand in early 2019. Can Q2, the peak demand season for the sector, bring enough demand to balance European supply and stabilize pricing?

By Eashani Chavda, Nick Cleeve and Heidi Finch

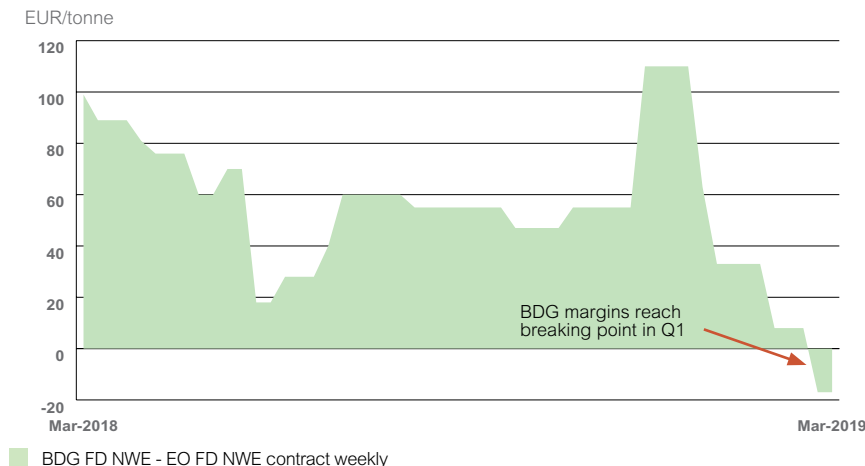
LENGTHY SUPPLY IMPACTS PRICING FOR THE ETAC, GLYCOL ETHERS AND TIO2 MARKETS IN Q1 2019



Feedstock spread - EO & BUTYL GLYCOL (BG)

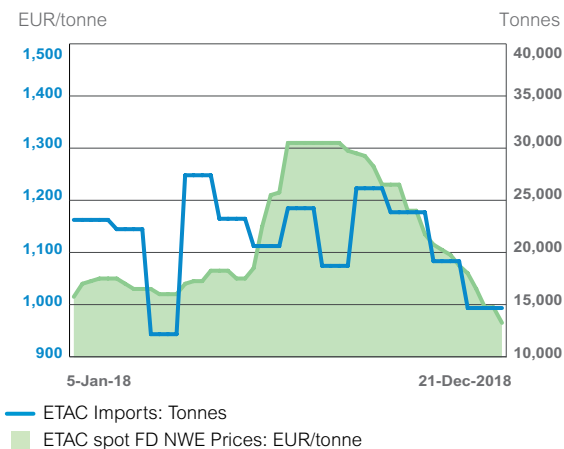


Feedstock spread - EO & BUTYL DI-GLYCOL (BDG) NWE



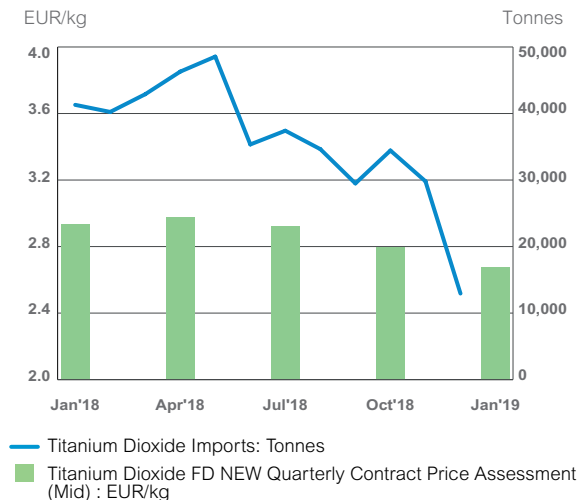
Oversupply, low demand and falling feedstock costs drove glycol ethers spot prices down in Q1. An upcoming cracker turnaround season is expected to tighten feedstock supply, which could shift price sentiment this year.

Europe ETAC spot prices vs imports 2018



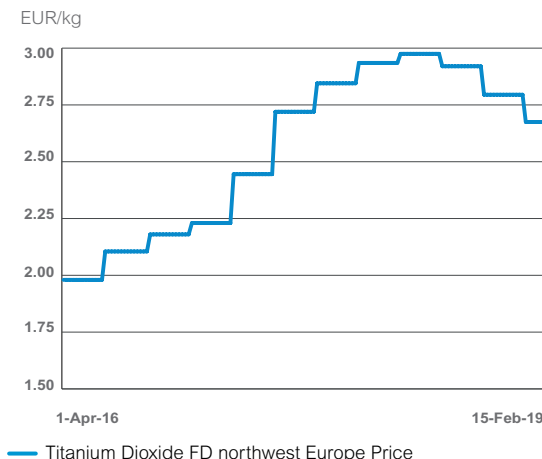
Imports are influenced by seasonal demand, which is typically higher March-July and Sep-Oct with a peak in June and July. The arbitrage between European and Asian prices is also influential.

Europe TiO2 contract price Vs imports 2018



Europe Q1 2019 TiO2 contract prices fell for the third consecutive quarter, amid ample supply from domestic and import sources and reduced activity.

Europe TiO2 market faced significant price swings from Q2 2016-Q1 2019



Price sentiment could stabilize in Q2 2019, if demand were to pick-up seasonally and the market were to be balanced.

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Drawing on the knowledge, expertise and reach of a global network of reporters, our coverage of the petrochemical industry spans more than 180 chemicals, including TiO₂, E-series glycol ethers: butyl glycol (BG) and butyl di-glycol (BDG) and ethyl acetate (etac).

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