



# ICIS

**Market intelligence for the energy, chemical  
and fertilizer industries**

# Powered by Data. Driven by Insight.



At ICIS, our aim is to give companies a **competitive advantage**. We deliver **trusted** pricing data, analytics tools, high-value news, analysis and independent consulting, enabling our customers to make **better-informed decisions** for trading and planning.

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about ICIS**

# How can we help?

## ► Purchase and trade

Inform your day to day trading activities and understand price drivers with immediate access to spot and contract price assessments for over 180 commodities

## ► Advise and support your business strategy

Understand market dynamics impacting your strategies and get support planning and implementing new projects to drive growth

## ► Improve your planning and forecasting

Understand short to long term trends to support your commercial decisions and inform your buying and selling strategy

## ► Increase your profitability

Make sense of business costs and margins to drive profitability

## ► Keep up to date with latest developments

React quickly to real time breaking news and maintain a competitive advantage



# Market intelligence to support your commercial planning & decision making



# Critical information as it's needed



## Transactional



### Pricing Intelligence:

- Chemical price reports
- Energy market reports
- Fertilizer price reports
- Chemical price alerts
- Price history



### News:

- Global real-time news service



## Short-Mid Term Planning



### Pricing Intelligence:

- Outlook chemical reports
- Outlook fertilizer reports
- Chemical forward curves
- Price history



### Analysis and Forecasting:

- Price forecast reports
- Margin reports
- Petrochemicals Analytics Solutions
- Power and Carbon Analytics
- LNG Solution
- Training & conferences



## Long Term Planning



### Analysis and Forecasting:

- Supply and demand database
- Annual studies
- Consulting
- Scenario Studies

# Expertise across upstream and downstream petrochemical markets

## ACIDS

Acetic Acid  
Acrylate Esters  
Acrylic Acid / Acrylate Esters  
Hydrochloric Acid

## ALCOHOLS

Ethanol  
Methanol  
Oxo-Alcohols

## AROMATICS & DERIVATIVES

Aromatics  
Benzene  
Cumene  
Cyclohexane  
Ethylbenzene  
Styrene  
Toluene  
Xylenes-Mixed Xylenes

## BASE OILS

Base Oils  
Paraffin Wax

## BUTADIENE/C4 & RUBBERS

Acrylonitrile Butadiene Rubber  
Butadiene  
Ethylene-Propylene-Diene Monomer  
Polybutadiene Rubber  
Styrene Butadiene Rubber

## FERTILIZER

Ammonia  
Phosphate  
Potash  
Sulphur  
Sulphuric Acid  
Urea

## INTERMEDIATES

Butanediol  
Epichlorohydrin  
Epoxy Resins  
Ethanolamines  
Maleic Anhydride  
Melamine  
Methyl Methacrylate  
Monopropylene Glycol  
Phthalic Anhydride  
Propylene Oxide  
Soda Ash  
Titanium Dioxide  
Vinyl Acetate Monomer

## OIL & FEEDSTOCKS

Ethyl Tertiary Butyl Ether  
Jet Kerosene  
Methyl Tertiary Butyl Ether  
Naphtha

## OLEFINS

Ethylene  
Propylene  
Raffinate

## PHENOLICS

Acetone  
Bisphenol A  
Phenol

## CHLOR-ALKALIS

Caustic Soda  
Ethylene Dichloride  
Methylene Chloride  
Vinyl Chloride Monomer

## FIBRE CHAIN

Acrylonitrile  
Adipic Acid  
Caprolactam  
Dimethyl Terephthalate  
Ethylene Glycol  
Ethylene Oxide  
Monoethylene Glycol  
Nylon  
Orthoxylene  
Paraxylene  
Polyester Staple Fibre & Filament Yarns  
Polyethylene Terephthalate  
Terephthalic Acid

## PLASTICS

Acrylonitrile-Butadiene-Styrene  
Engineering Plastics  
Ethylene Vinyl Acetate  
Plasticisers  
Polyacetal  
Polybutylene Terephthalate  
Polycarbonate

Polyethylene  
Polyethylene Pipe Grade  
Polymethyl Methacrylate  
Polypropylene  
Polystyrene  
Polyvinyl Chloride  
Styrene Acrylonitrile

## POLYURETHANE CHAIN

Isocyanates  
Polyols

## SOLVENTS

Aromatics and Aliphatic Solvents  
Butyl Acetate  
Ethyl Acetate  
Glycol Ethers  
Hexane  
Isopropanol  
Methyl Ethyl Ketone  
Methyl Isobutyl Ketone  
Naphtha Solvent  
Propylene Glycol Ether  
Solvents  
White Spirit

## OLEOCHEMICALS & SURFACTANTS

Alcohol Ethoxylates  
Biodiesel  
Fatty Acids  
Fatty Alcohols  
Glycerine  
Linear Alkylbenzene  
Soap Noodles  
Sorbitol

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# Asian surfactants – Market trends and outlook

Explore the surfactants market with ICIS

Malini Hariharan

Head of South Asia/Southeast Asia Markets

Kheng Wee Loy  
Markets Reporter

Jackie Wong  
Markets Editor

Yuanlin Koh  
Markets Reporter



# Agenda

Price trends and key price drivers

Demand and supply

Surfactant industry trends

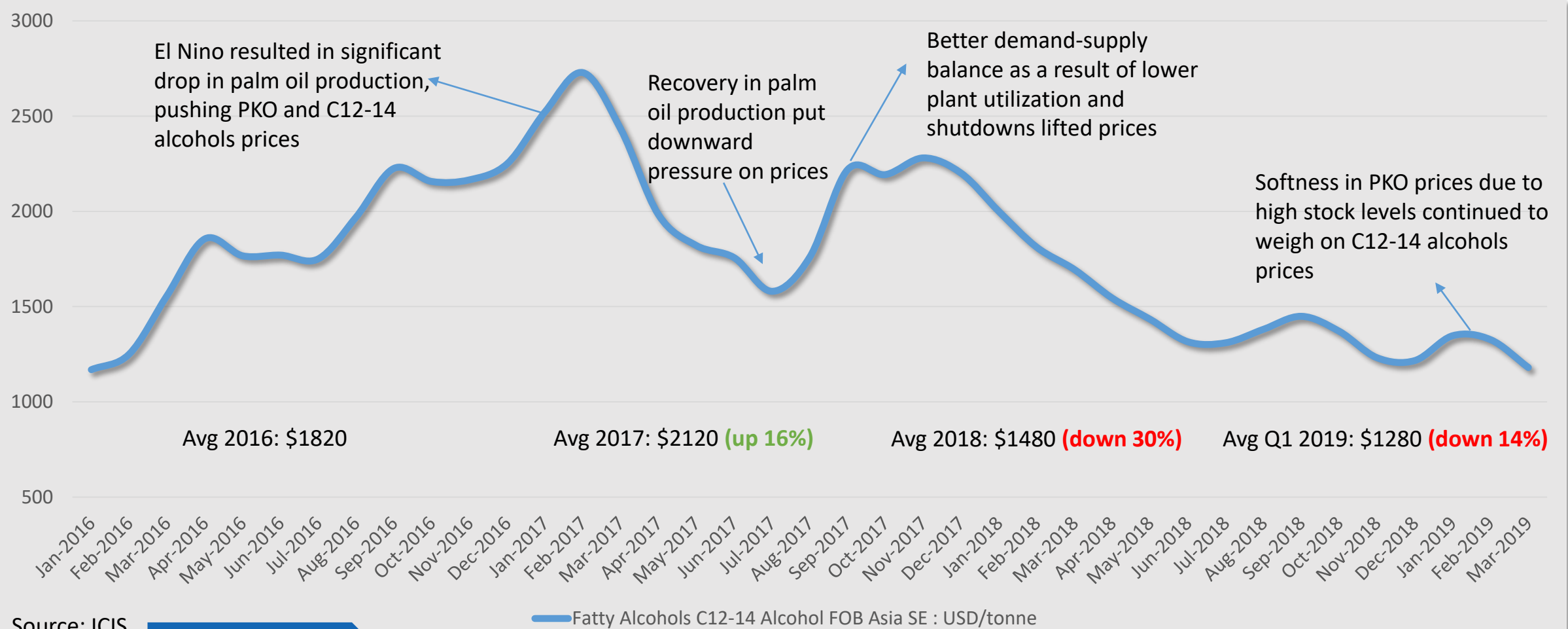




# Fatty alcohols



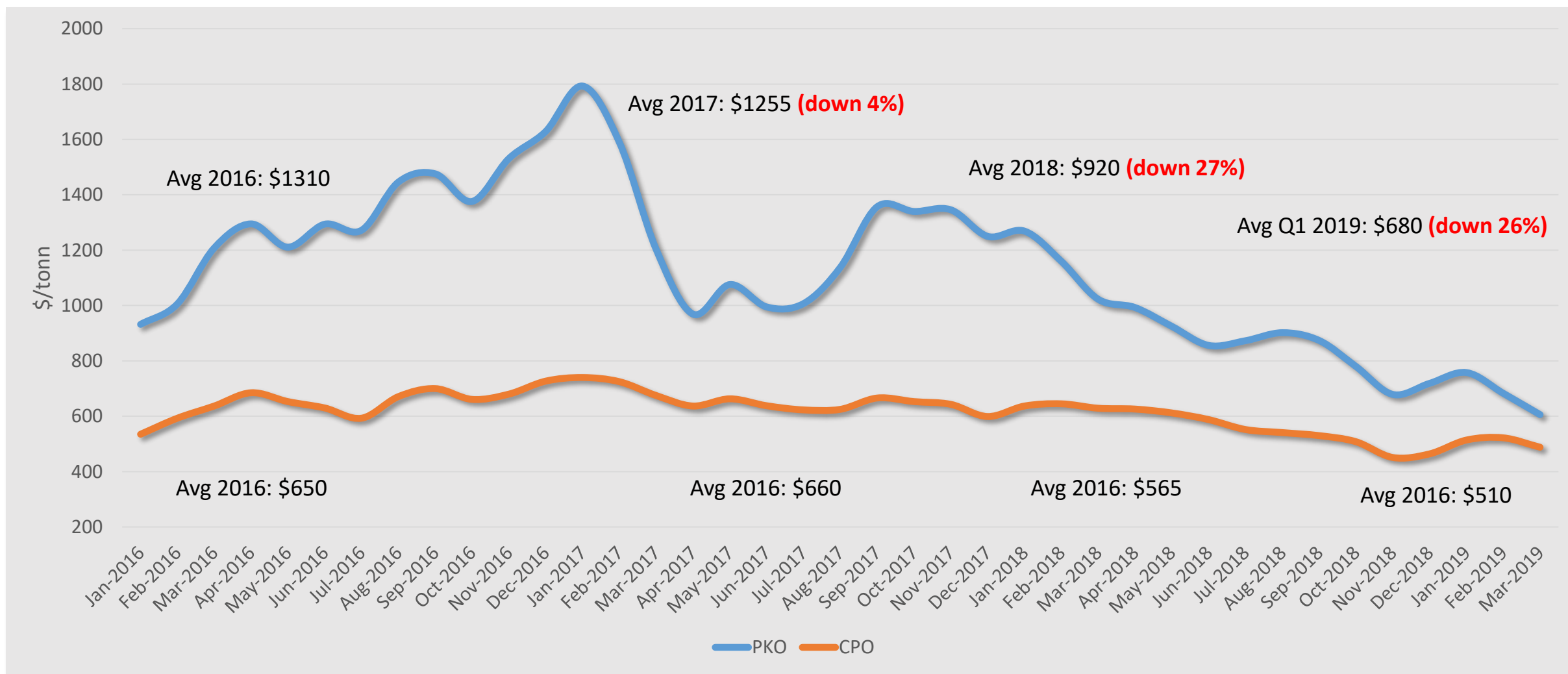
# Fatty alcohol prices drifted lower in 2018 and this trend has continued in Q1 2019



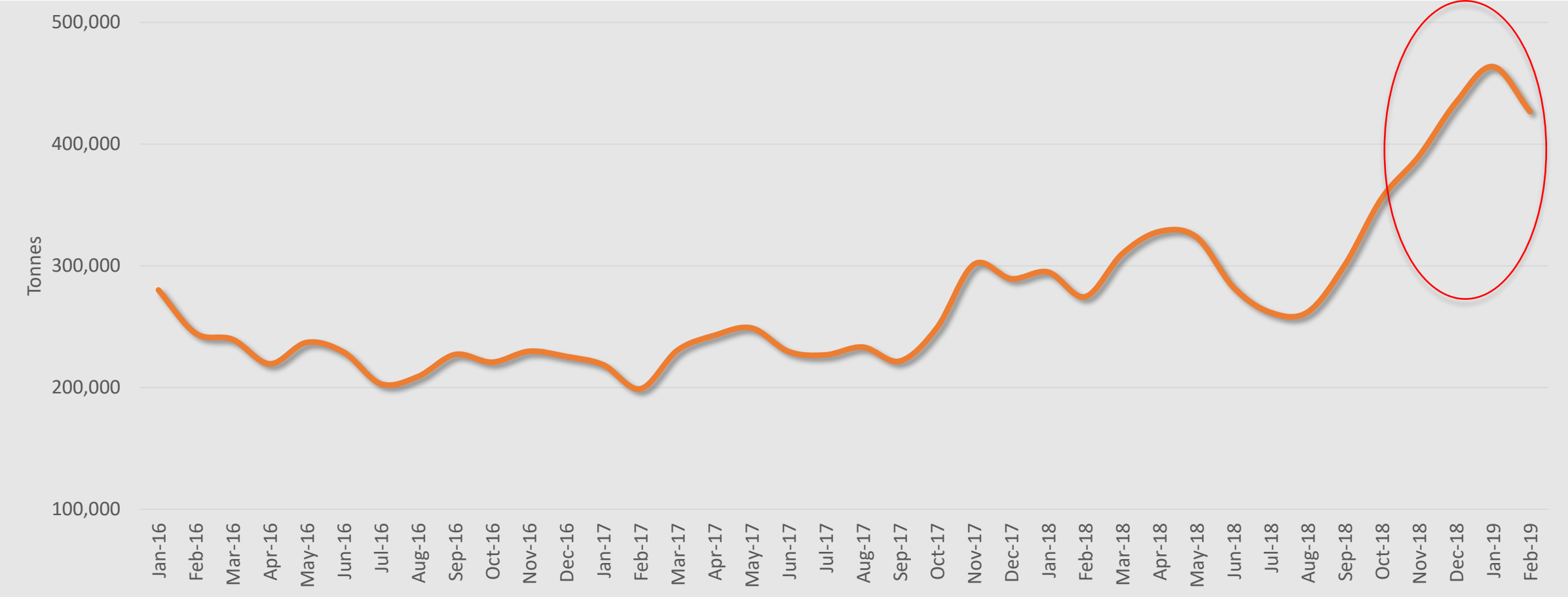
Source: ICIS

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High stocks despite declining production levels has put pressure on palm oil prices; situation could continue to H2



# Malaysia's PKO stocks are still quite high and keeping prices under pressure

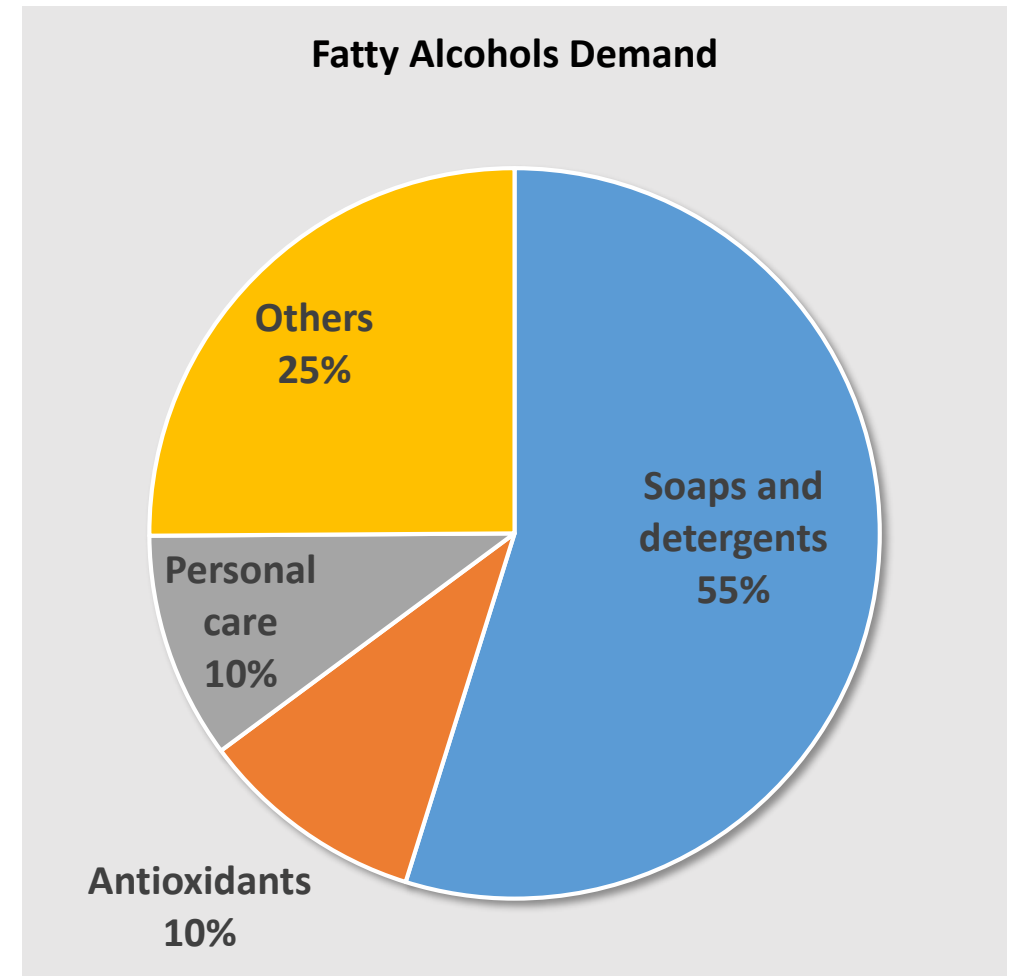


Source: MPOB



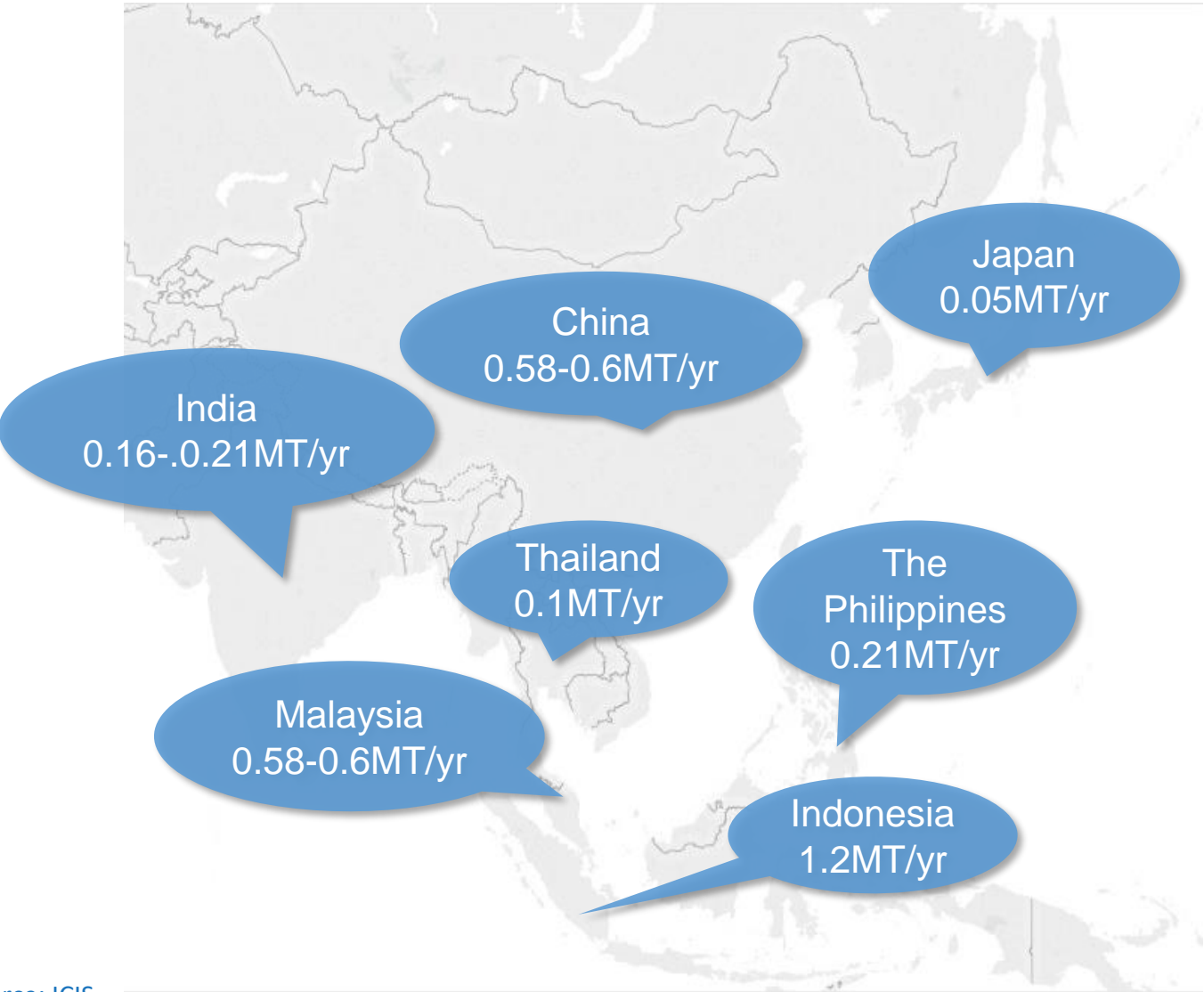
## Fatty alcohol demand prospects are strong with Asia expected to contribute most of the growth; but industry suffers from chronic overcapacity

- ▶ Soaps and detergents – a major segment
- ▶ Asia Pacific accounts for 35% of global demand
- ▶ Industry projected to grow to over \$7.5 billion in value by 2022
- ▶ Growth driven by personal care industry
- ▶ Growth from developing economies - expanding base of middle class population in countries such as India and Indonesia
- ▶ Southeast Asia accounts for around 80% of global natural fatty alcohols production
- ▶ Chronic overcapacity due to aggressive expansions brought onstream during 2015-16



Source: Industry

# Asia's fatty alcohols production capacity grew by 50% during the last 5 years well ahead of demand growth



Region	2013 Capacity (MT/yr)	2016 Capacity (MT/yr)
Asia Pacific	2	3
Global	2.6	3.6

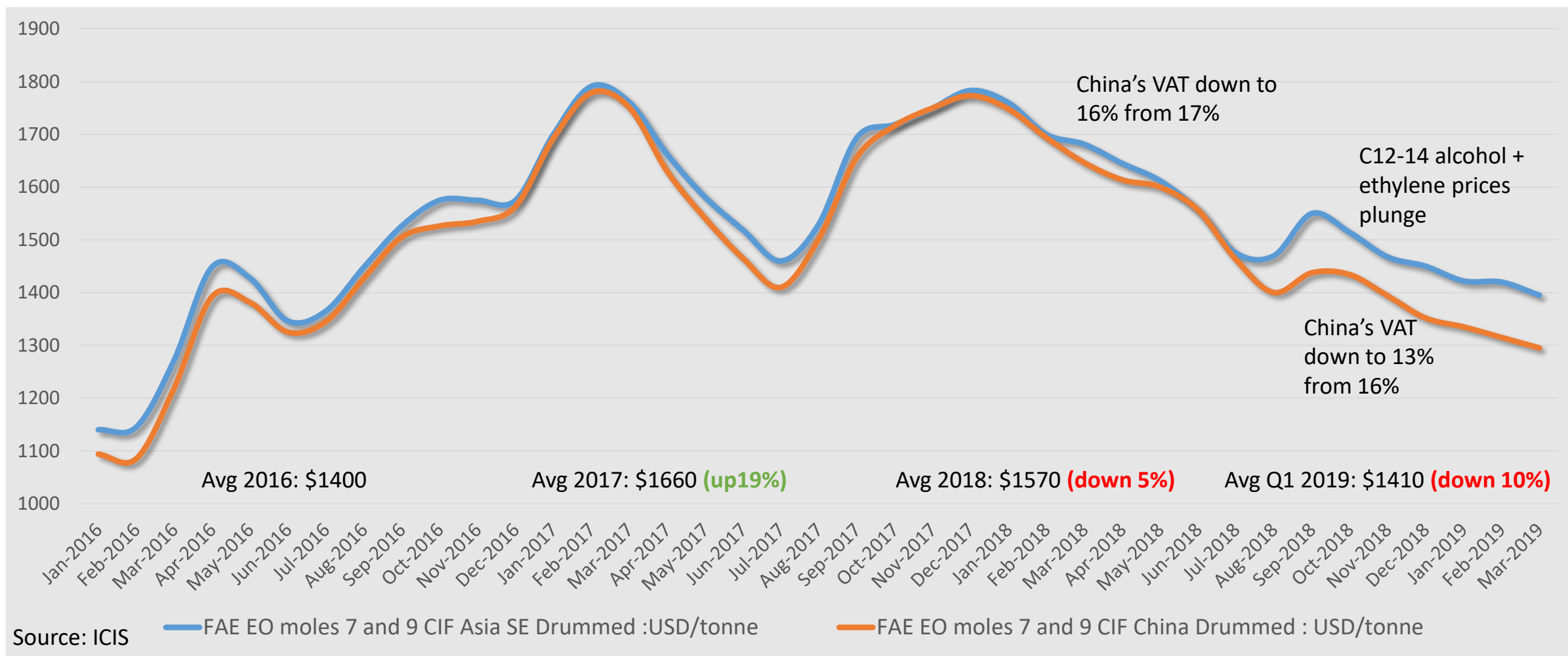
- Overcapacity issue to persist in the near term
- Possible comeback for natural alcohols vs synthetic alcohols
- Capacity losses in the alcohols market restoring some balance
- Fatty alcohols prices continue to track palm oil prices closely

# Fatty alcohol ethoxylates (FAE)





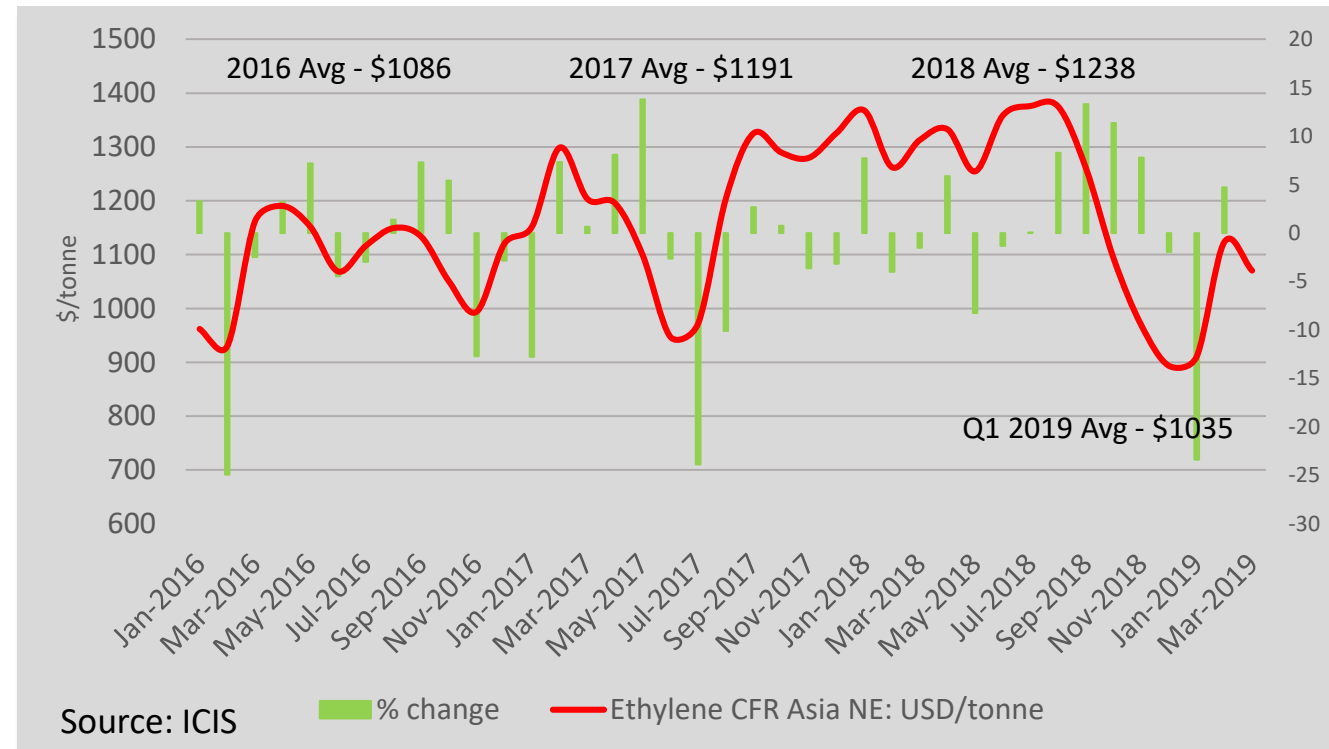
## F&E trapped in a downturn through most of 2018; prices at a 2.5 year low



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## F&E spot markets to continue to reflect developments in feedstock prices; uncertain prospects for H2

- ▶ **Recent decline in C12-14 alcohol prices** to have lingering effects on F&E
  - ▶ Upstream PKO stocks high in SE Asia
  - ▶ However, El Nino may kick in 2019
- ▶ EO and ethylene markets currently under pressure
- ▶ Producers focusing on home markets on as these offer better realisation
- ▶ **Swing performance** (e.g. nonylphenol ethoxylate, polyethylene glycol)



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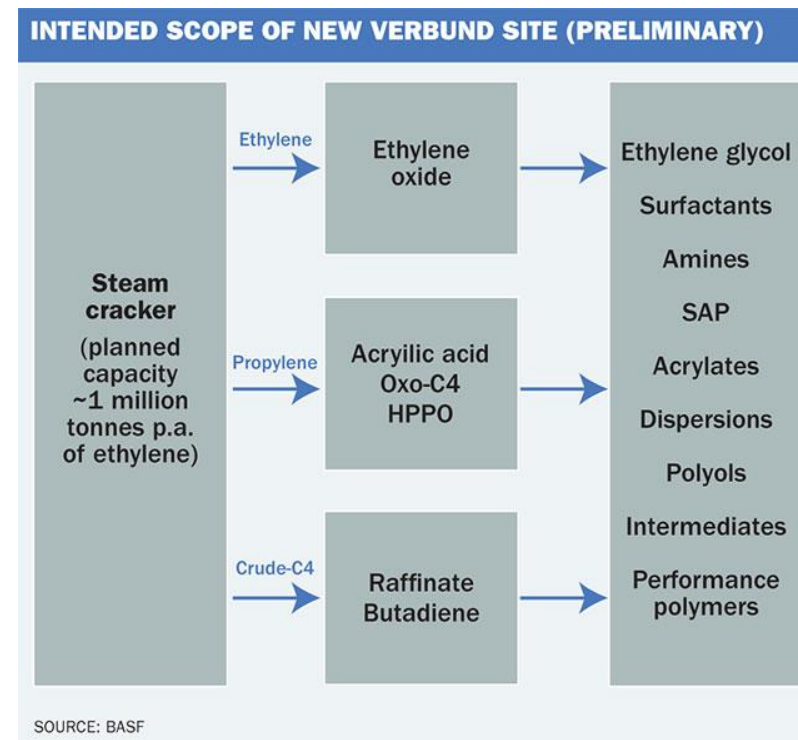
## New ethoxylation investments gather pace

- ▶ **Sasol** to commission an alkoxylation facility of 150,000 tonnes/year in Nanjing, Jiangsu, China this year
- ▶ BASF has announced plans for a new Verbund project at Guangdong, China
  - ▶ First plants will start around 2026, if feasible

## Shale gas led cracker projects spur interest in EO/ EOD projects in the US

- ▶ **INEOS Oxide** announces major plans for the US Gulf coast
  - ▶ Targeted to be operational in 2023
  - ▶ EO capacity around 520,000 tonnes/year; site will also house ethoxylate capacity

\*EOD: EO-derivative



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**NEWS**

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#### INEOS Oxide move forward on project to construct Ethylene Oxide and Derivative facility on the U.S. Gulf coast

© Tuesday, 05 June 2018 • INEOS Oxide, INEOS Home

INEOS Oxide today announces that following a detailed study it is moving forward with the next stage of its project to construct an Ethylene Oxide (EO) and Ethylene Oxide Derivatives (EOD) facility on the U.S. Gulf Coast. It is planned that the asset will be operational in 2022.

Frederick Rulander, COO INEOS Oxide North America, said "This exciting project for INEOS is an important part of our expansion plans in the U.S. It allows us to address a fast growing EO merchant market as well as our own requirements. The project builds on our experience in Europe as the largest EO and Ethoxylate producer."

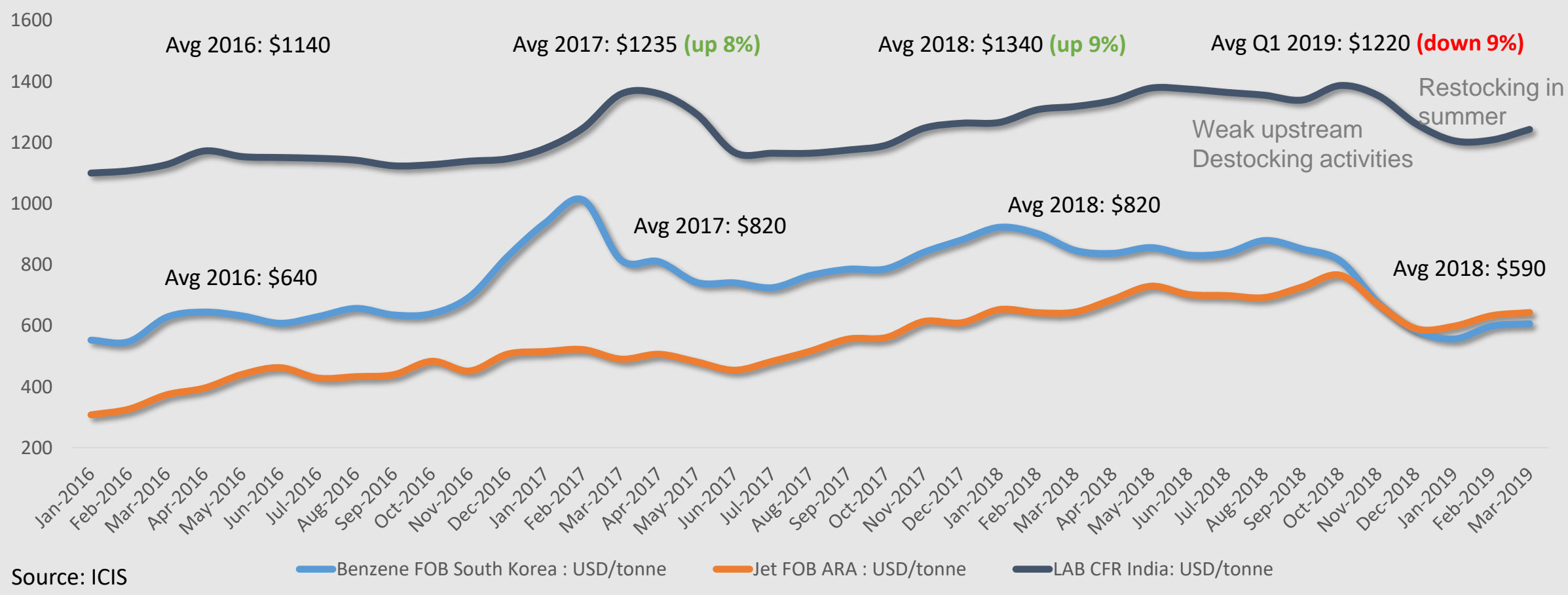
INEOS Oxide is moving forward with the next stage of its project to construct an Ethylene Oxide (EO) and Ethylene Oxide Derivatives (EOD) facility on the U.S. Gulf Coast.

# Linear alkylbenzene (LAB)





# LAB prices have taken a cue from developments in feedstock markets



Source: ICIS

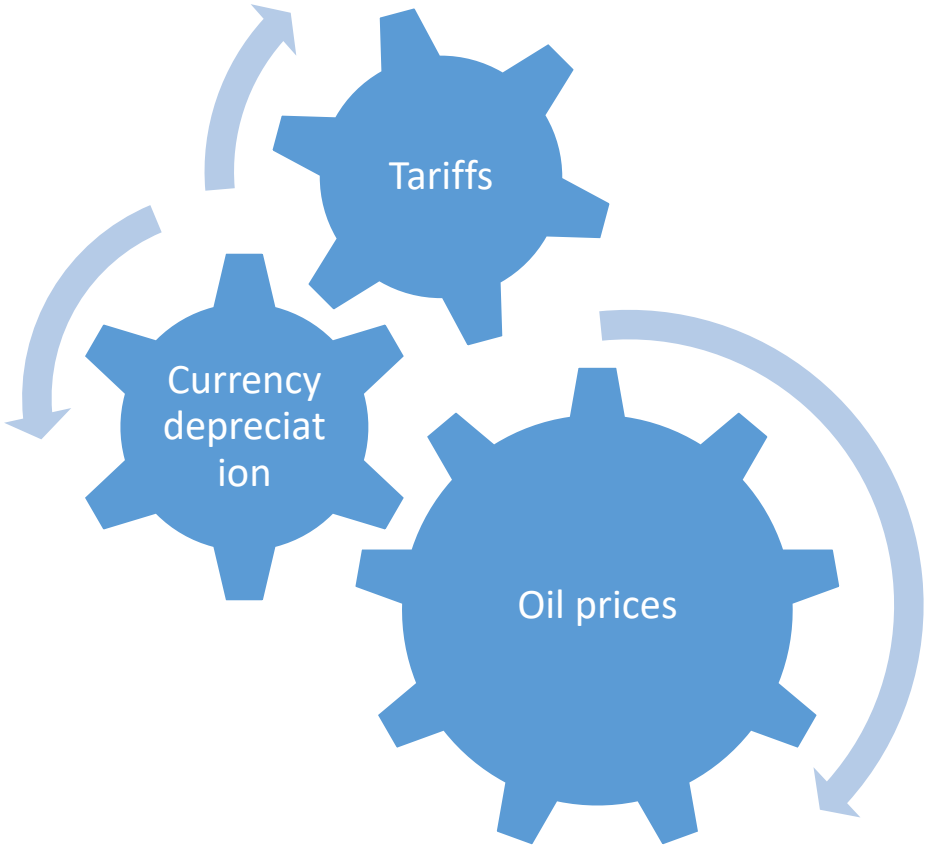
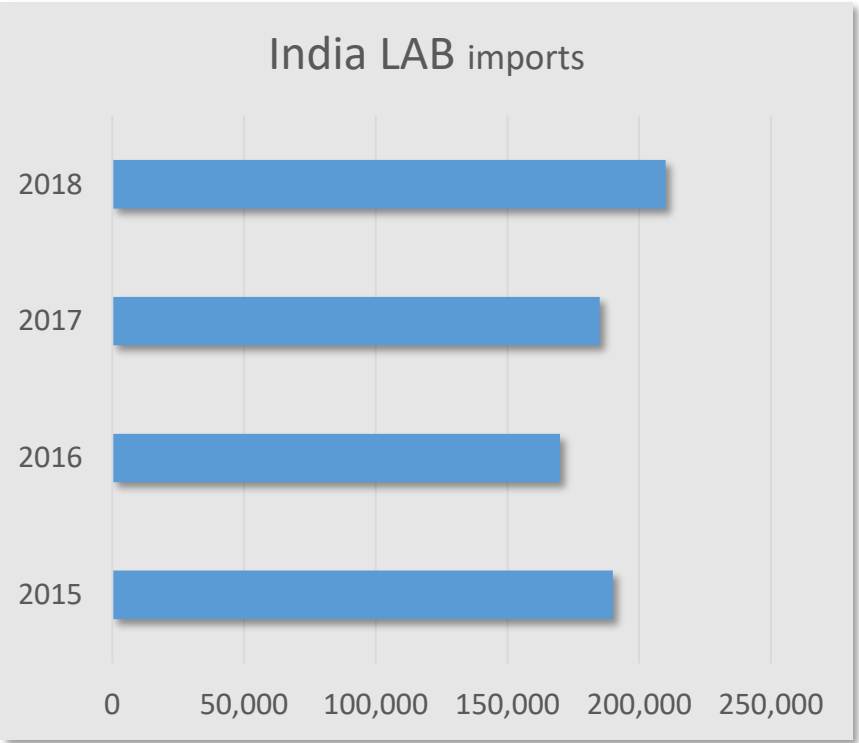
— Benzene FOB South Korea : USD/tonne

— Jet FOB ARA : USD/tonne

— LAB CFR India: USD/tonne

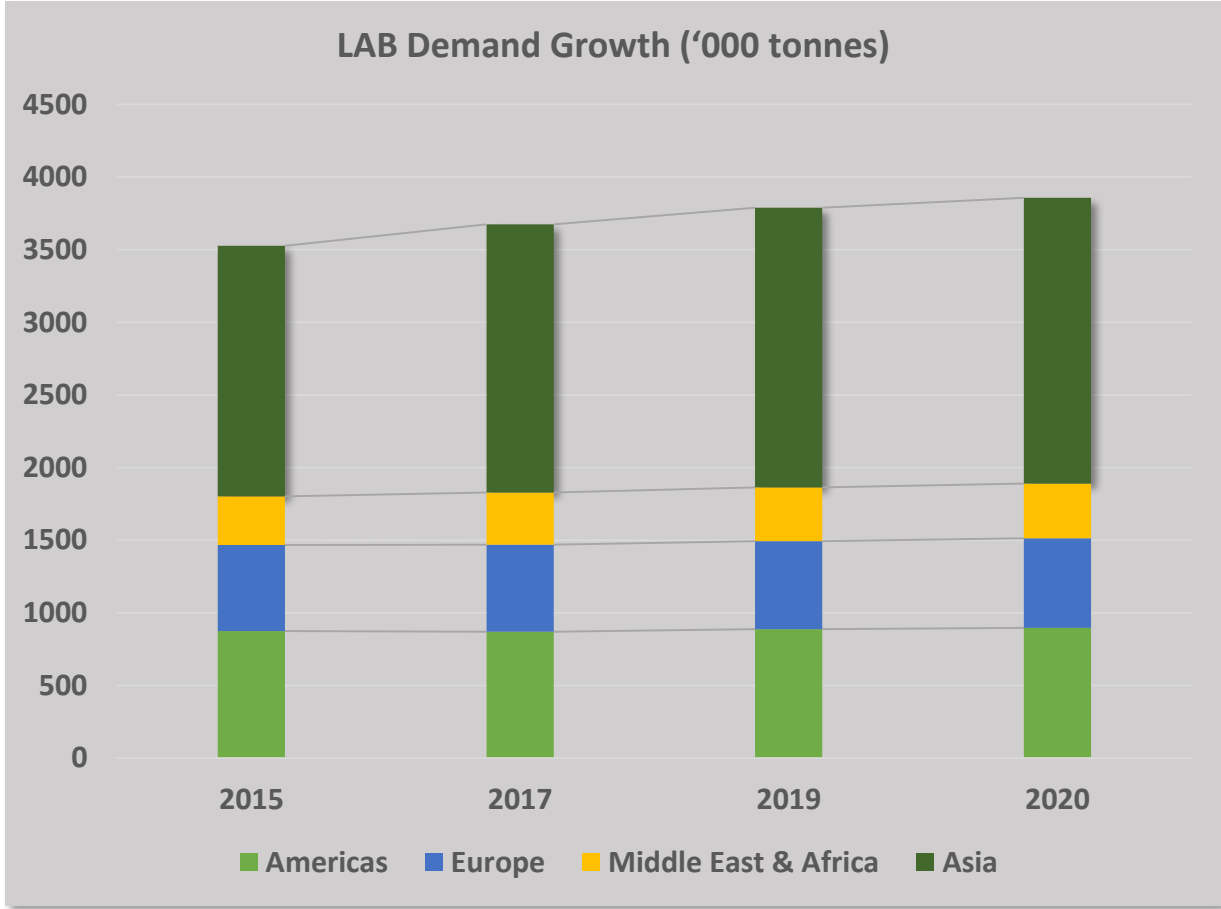
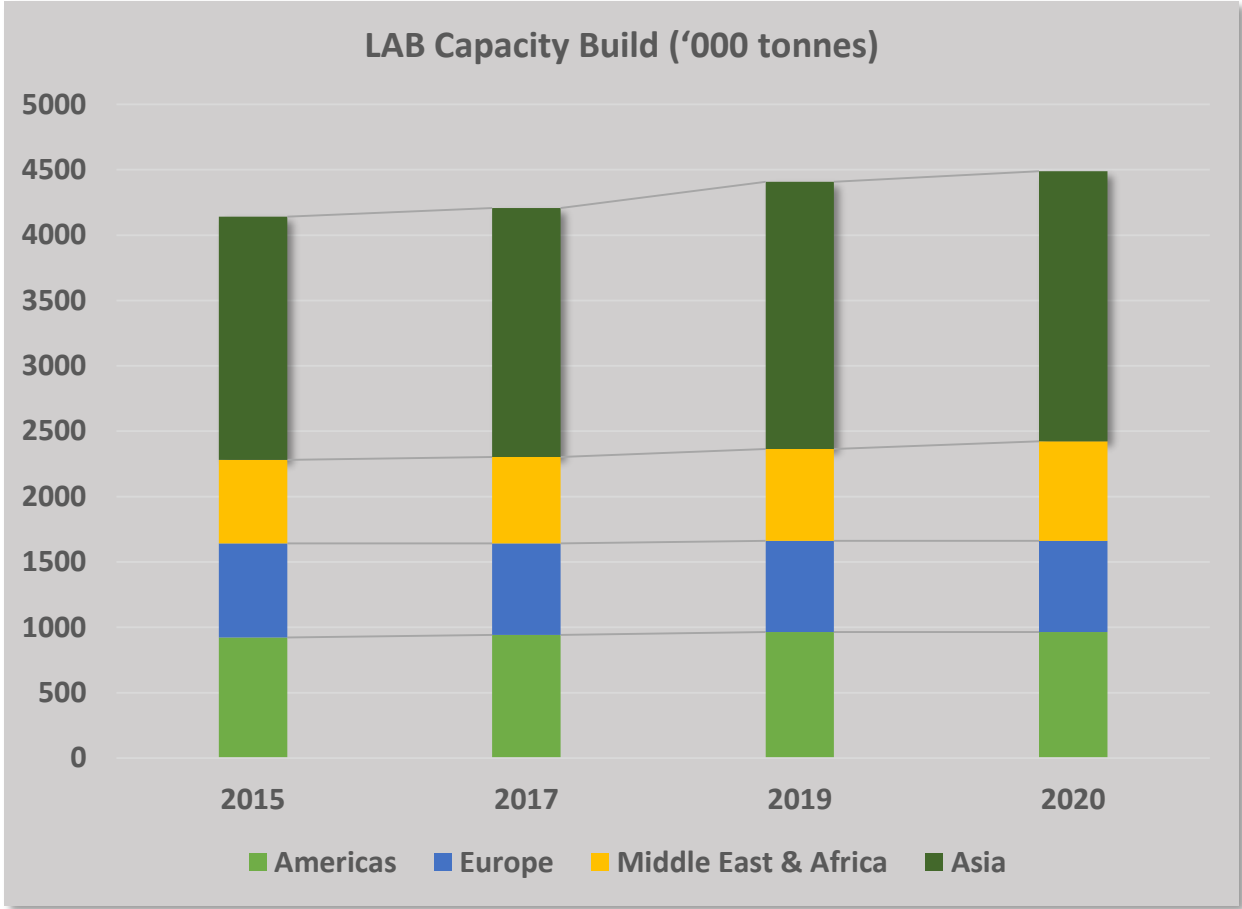
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Outlook cautiously bullish as demand expected to pick up; support could also come from upstream market developments



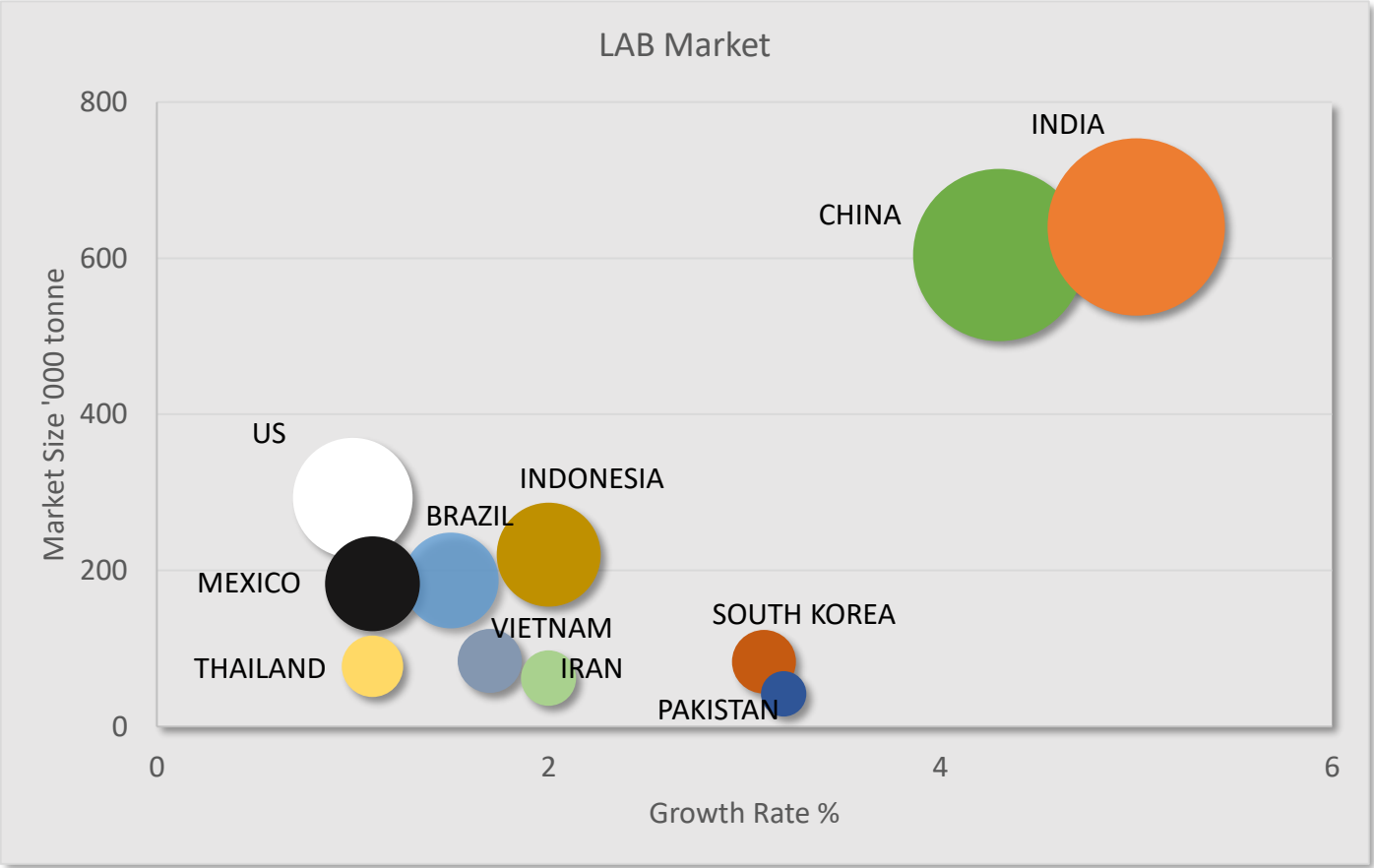
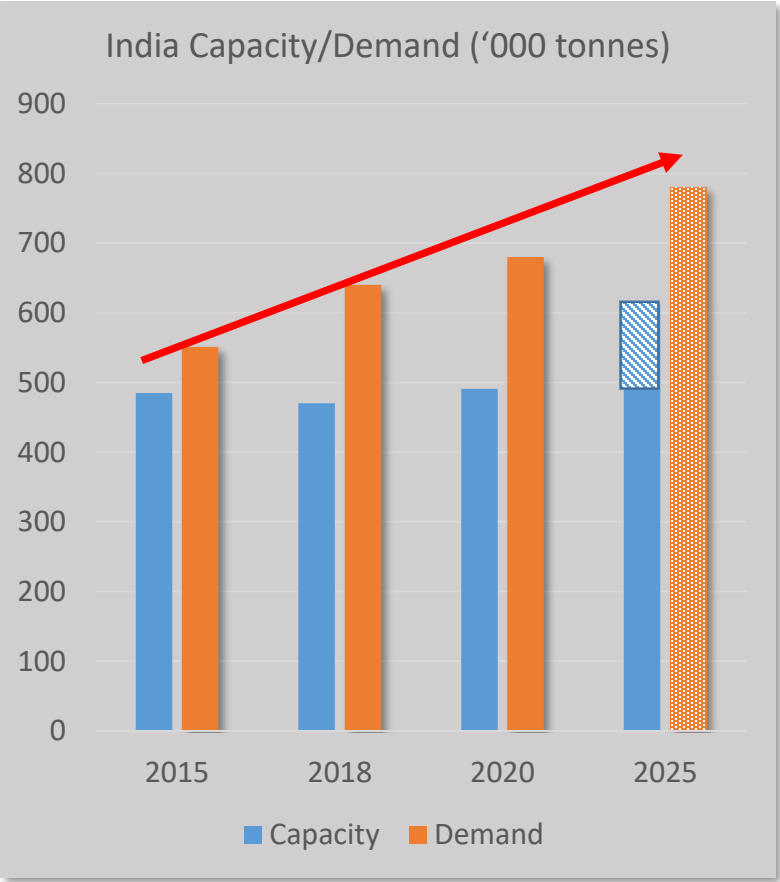
Country of export to India	ADD levied (US\$/tonne) in 2017
China	23.78
Qatar	46.49
Iran	71.80

LAB investment activity focused Asia and the Middle East; Asia is the fastest growing region and its share in global capacity and demand is gradually rising

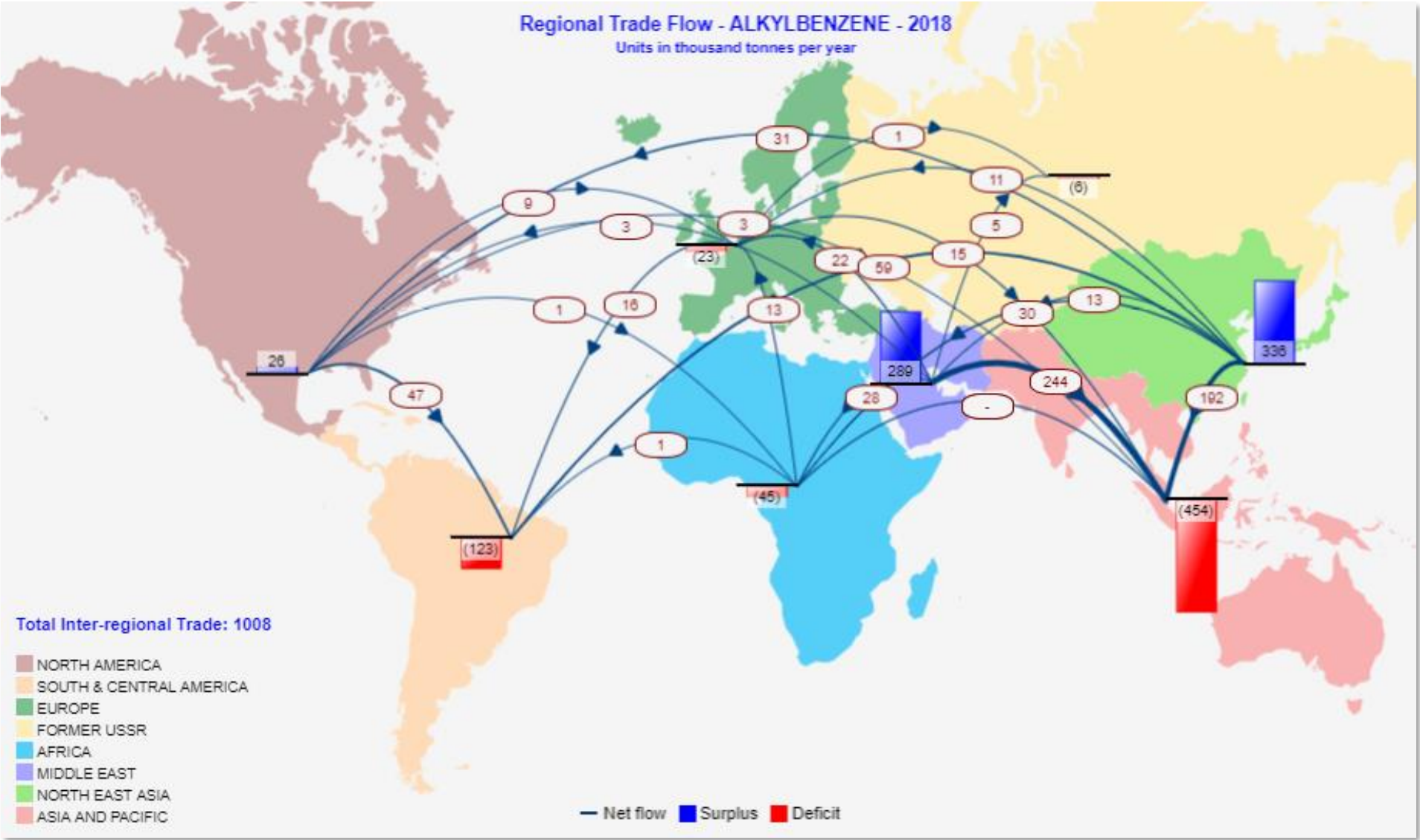




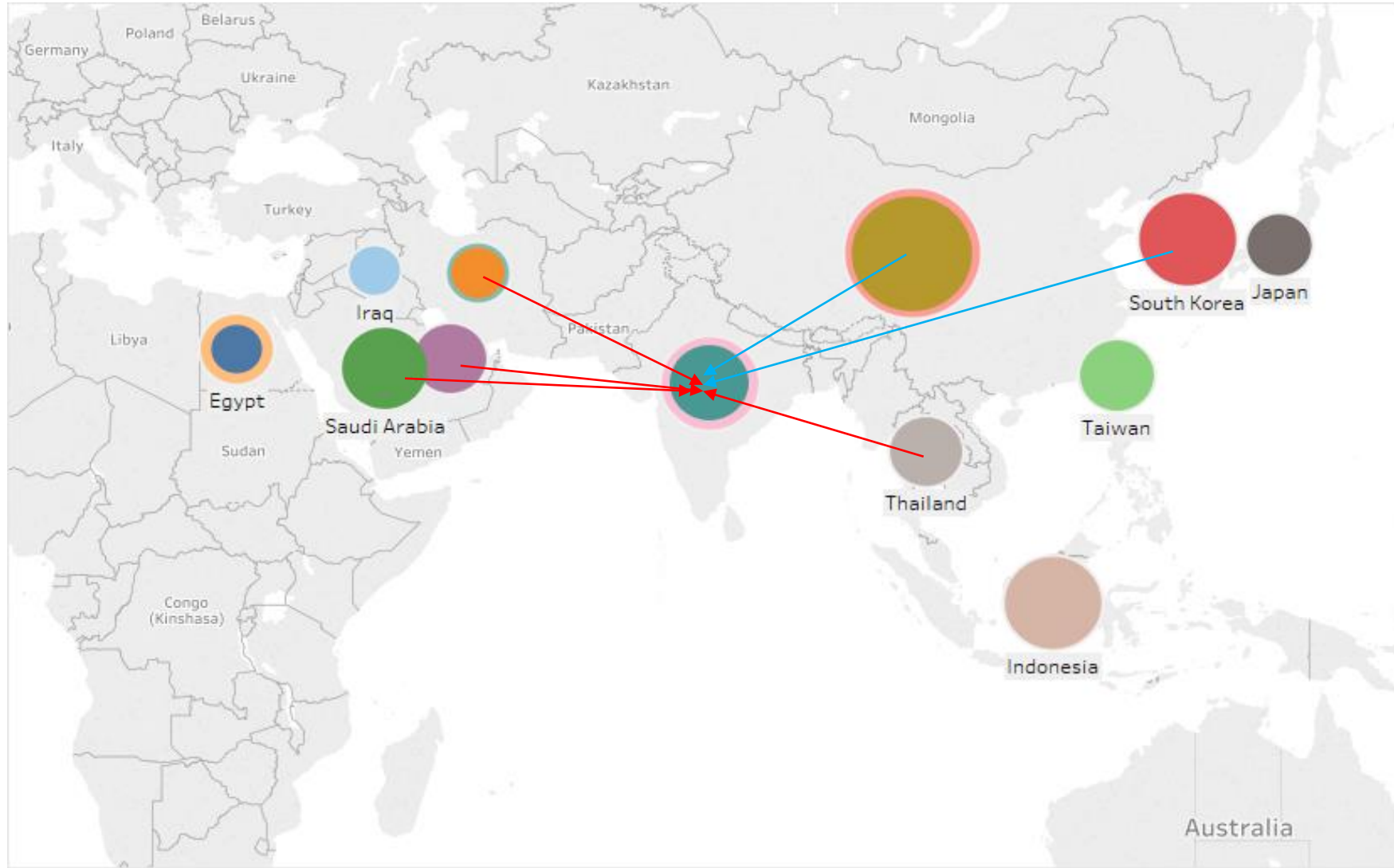
China and India among the largest and fastest growing markets in the world; India falling short on capacity and likely to remain a net importer in the near term



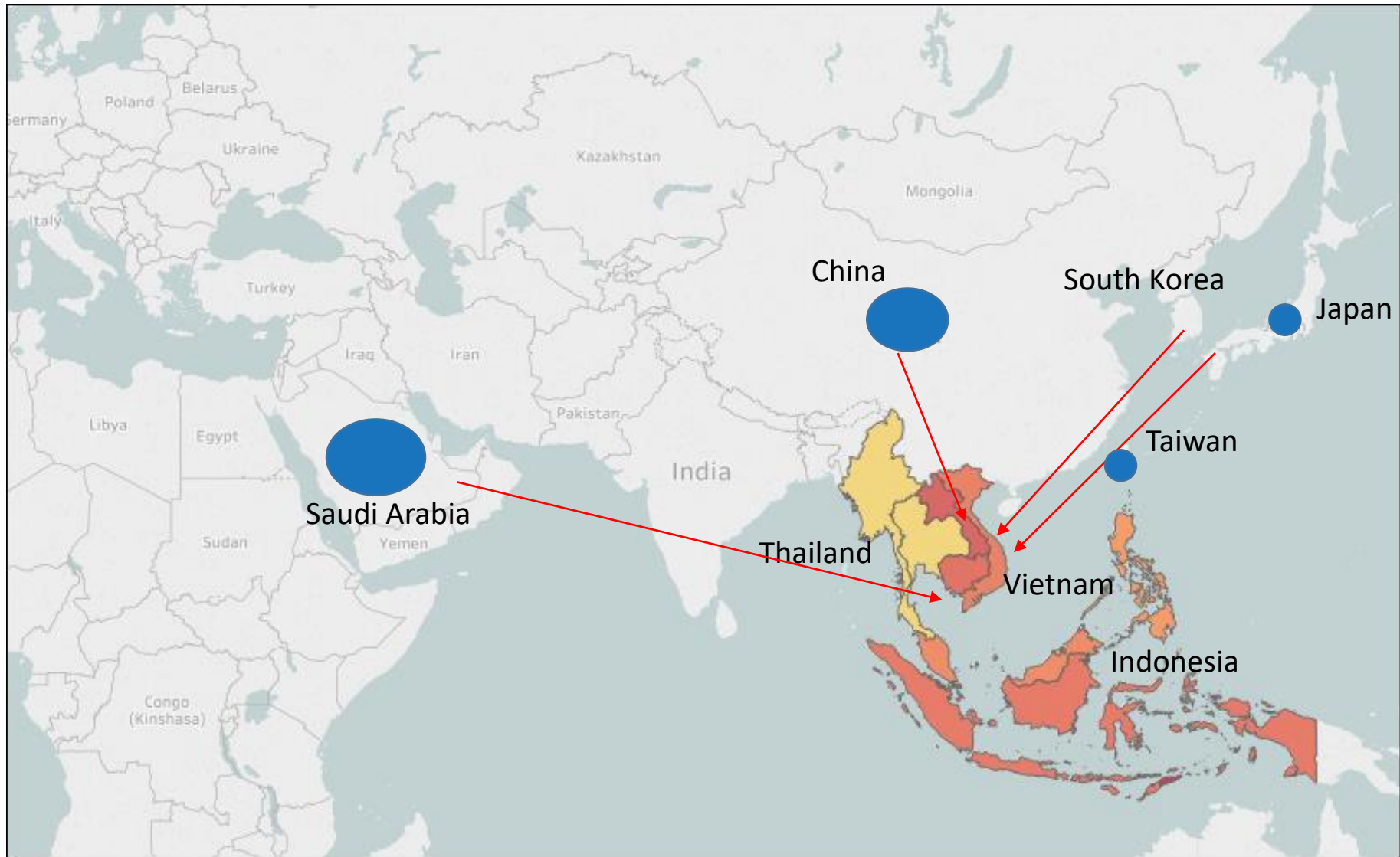
Asia Pacific has the biggest deficits with product flowing in from the Middle East and Northeast Asia



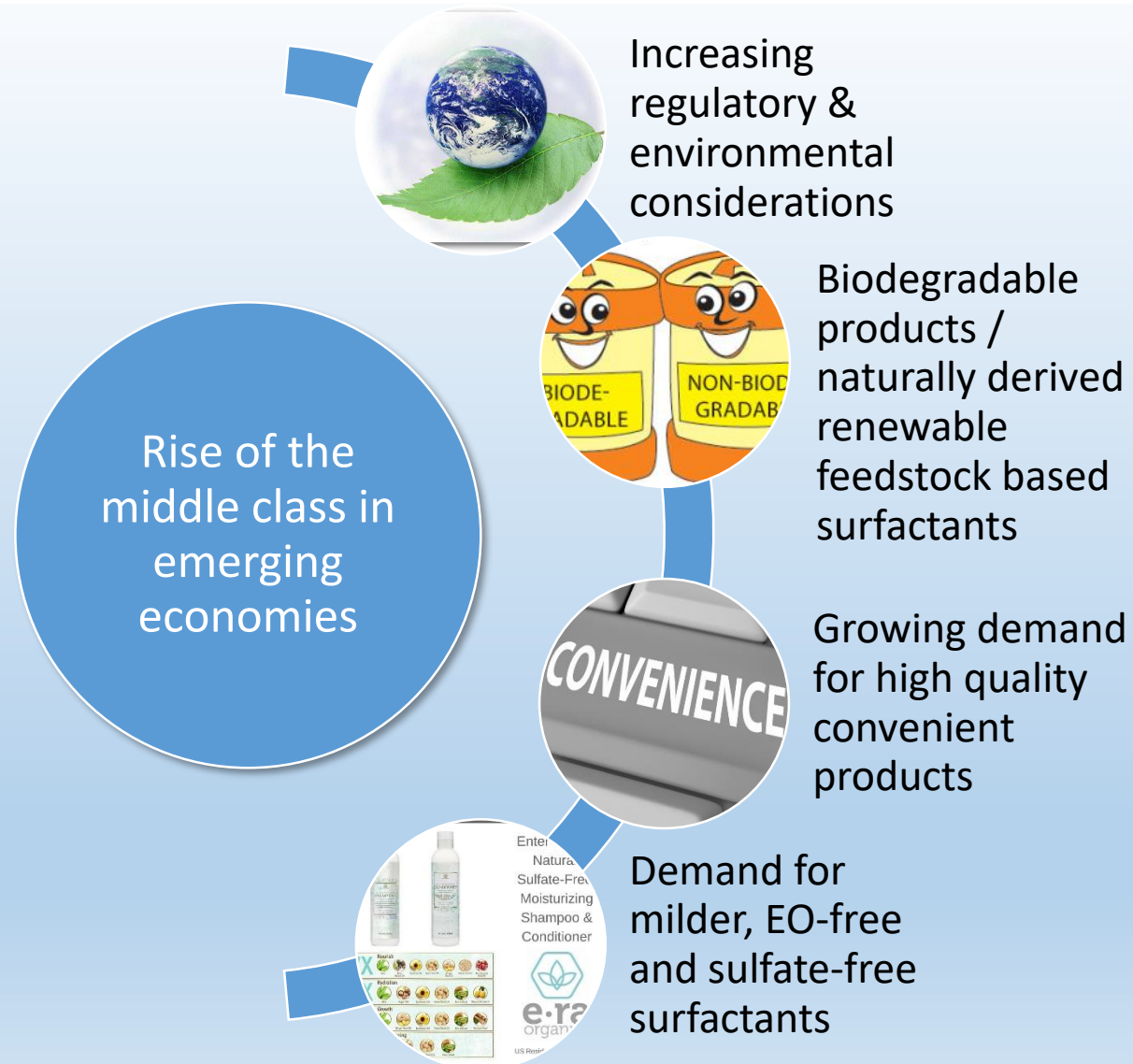
## LAB trade flow to India



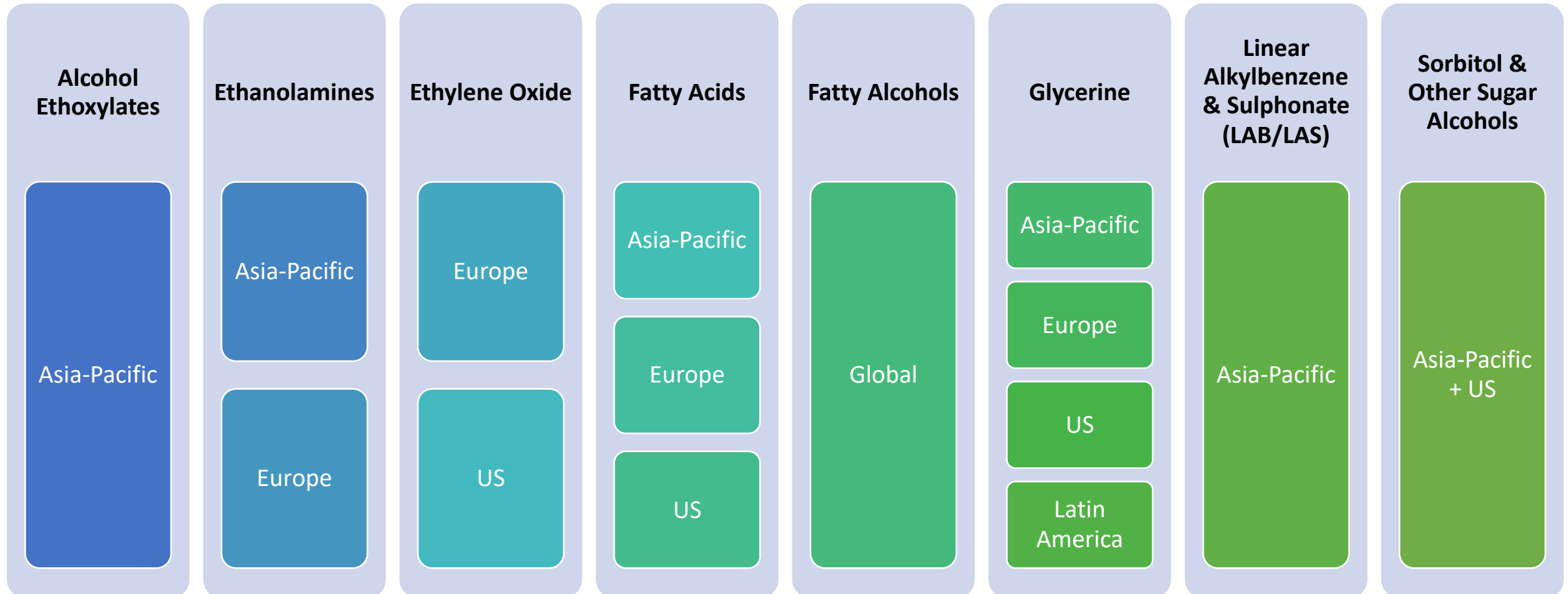
## Vietnam and Indonesia are key importers in Southeast Asia



## Looking ahead – Surfactant trends



# ICIS coverage of surfactants





# We will be glad to hear from you:

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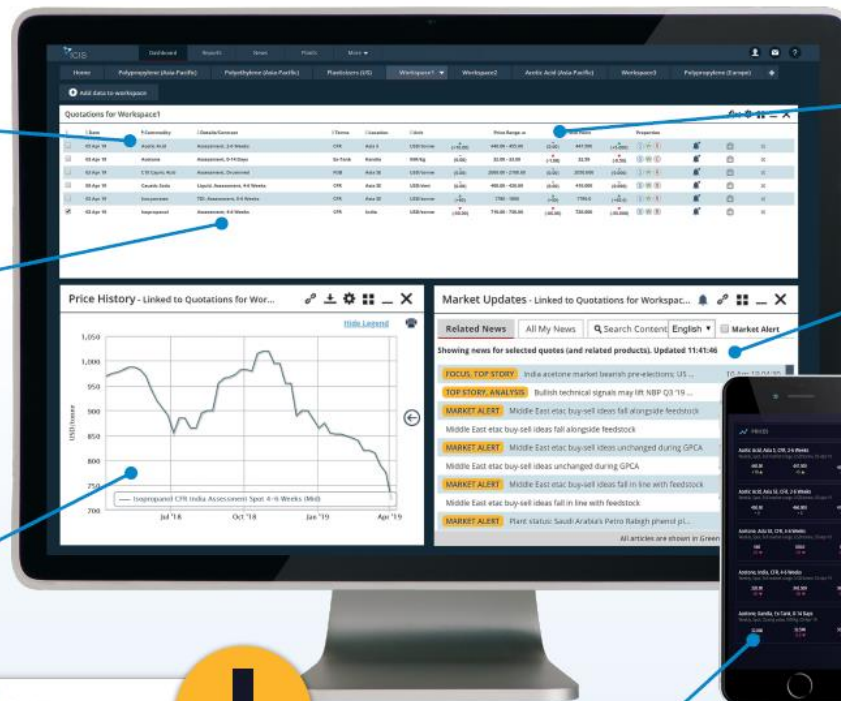
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is available as  
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fluctuations

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regulations impacting  
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