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# Argus NGL Americas

Issue 24-217 | Monday 11 November 2024

## OVERVIEW

- Mont Belvieu, Texas, LST propane lagged declines in crude and was valued at a stronger 49.1pc of Nymex WTI.
- Mont Belvieu, Texas, EPC ethane rose, supported by gains in natural gas.
- Discussions for December-loading cargoes eased slightly amid gains in VLGC freight.
- Mont Belvieu, Texas, EPC butane declined, lagging losses in Nymex RBOB and leaving butane valued at a stronger 58.8pc of gasoline futures.
- Mont Belvieu, Texas, EPC natural gasoline fell, lagging losses in crude.

US Gulf coast LPG			
	Low	High	Mean
Propane			
fob USGC, diff to Mont Belvieu ¢/USG	+19.250	+19.750	+19.500
fob USGC ¢/USG	99.438	99.938	99.6880
fob USGC \$/t	518.1	520.7	519.4
del Japan (AUSJ) \$/t	623.0	625.5	
del ARA (AUSE) \$/t	575.0	577.5	
Propane AFEI™ USGC netback \$/t			379.09
Butane			
fob USGC ¢/USG	128.500	129.500	129.0000
fob USGC \$/t	582.1	586.6	584.37
LPG freight			\$/t
			Rate
MGC Houston-Tuxpan			16.31
VLGC Houston-Chiba (via Panama)			105
VLGC Houston-Flushing			57
Olefins			¢/lb
	Low	High	Mid
Mont Belvieu ethylene, Nov	21.875	21.875	21.875
US Gulf coast PGP, Nov	38.250	38.250	38.250
US Gulf coast RGP, Nov	20.250	20.750	20.500

## SPOT MARKET TRADE RANGES

Mont Belvieu				¢/USG	
	Month	Low	High	Mean	VWA
E/P mix Enterprise	Wet	15.000	15.500	15.250	
	Nov	15.000	15.500	15.250	15.250
	Dec	15.000	15.500	15.250	
Ethane Enterprise	Wet	19.250	19.500	19.375	
	Nov	19.250	19.500	19.375	19.354
	Dec	19.250	19.750	19.500	
Ethane Targa	Wet	19.250	19.750	19.500	
	Nov	19.250	19.750	19.500	19.500
	Dec	19.250	19.750	19.500	
Propane LST	Wet	79.000	80.000	79.500	
	Nov	79.000	80.000	79.500	79.489
	Dec	79.625	80.125	79.875	
Propane Enterprise	Wet	79.250	80.125	79.688	
	Nov	79.250	80.125	79.688	79.628
	Dec	80.000	80.375	80.188	
Propane Targa	Jan	80.375	80.500	80.438	
	Wet	79.375	79.875	79.625	
	Nov	79.375	79.875	79.625	79.625
Refinery grade butane LST	Dec	79.625	80.125	79.875	
	Wet	114.500	115.250	114.875	
	Nov	114.250	115.000	114.625	114.625
Normal butane Enterprise	Dec	112.000	112.500	112.250	
	Wet	114.750	115.625	115.188	
	Nov	114.500	115.375	114.938	114.809
Isobutane LST	Dec	112.250	112.750	112.500	
	Wet	113.500	114.500	114.000	
	Nov	113.250	114.250	113.750	113.750
Isobutane Enterprise	Dec	112.000	113.000	112.500	
	Wet	113.500	114.500	114.000	
	Nov	113.250	114.250	113.750	113.750
Natural gasoline Enterprise	Dec	112.000	113.000	112.500	
	Wet	149.250	152.000	150.625	
	Nov	149.000	151.750	150.375	151.212
Natural gasoline LST	Dec	146.500	147.000	146.750	
	Wet	149.000	149.500	149.250	
	Nov	147.625	150.375	149.000	149.000
Natural gasoline Targa	Dec	145.125	145.625	145.375	
	Wet	151.750	152.250	152.000	
	Nov	150.500	152.875	151.688	151.688
	Dec	148.000	148.500	148.250	

\*Tables include hyperlinks to those values maintained in the Argus database.

## MONT BELVIEU LIGHT NGLS

Mont Belvieu, Texas, LST propane lagged declines in crude and was valued at a stronger 49.1pc of Nymex WTI.

Propane declined with crude as December Nymex WTI fell by \$2.34/bl to \$68.04/bl, but continues to see some support from export demand and declining inventories.

November LST propane opened 1¢/USG lower at 79.75¢/USG and traded as low as 79¢/USG in the morning before rising to 80¢/USG in the afternoon. December LST propane traded at 79.875¢/USG and at a 0.25¢/USG carry to November in a spread.

November EPC propane opened 1.125¢/USG lower at 79.75¢/USG and traded as low as 79.25¢/USG in the morning before rising to 80.125¢/USG in the afternoon. December EPC propane was discussed between 80-80.375¢/USG, and January was discussed between 80.375-80.5¢/USG in the afternoon.

November EPC ethane rose by 1.25¢/USG to a new high in November, lagging gains in Nymex natural gas at the Henry Hub, as stocks remain ample. EPC ethane opened 0.875¢/USG higher at 19.25¢/USG and traded as high as 19.5¢/USG. December ethane traded at 19.5¢/USG and at a 0.125¢/USG carry to November in a spread. November Targa ethane traded at 19.5¢/USG and at parity to EPC in a spread.

E/P mix at EPC was bid at 15¢/USG and was assessed above that level.

## MONT BELVIEU HEAVY NGLS

Mont Belvieu, Texas, EPC butane declined, lagging losses in Nymex RBOB and leaving it valued at a stronger 58.8pc of gasoline futures.

November EPC butane opened 0.375¢/USG lower at 115.375¢/USG and fell to 114.5¢/USG by midday, pushing the day's midpoint lower by 0.75¢/USG to 115¢/USG. December EPC butane traded between 112.25-112.75¢/USG, and a November/December spread traded at 2.5¢/USG backwardation.

November LST refinery-grade butane was offered as low as 115¢/USG and was assessed just below that level, at a slight discount to normal.

November EPC isobutane fell alongside butane, opening 1.5¢/USG lower at 113.25¢/USG and rising to 114.25¢/USG thereafter, leaving the day's midpoint 1¢/USG weaker. December isobutane was discussed at a 1.25¢/USG discount to the prompt month.

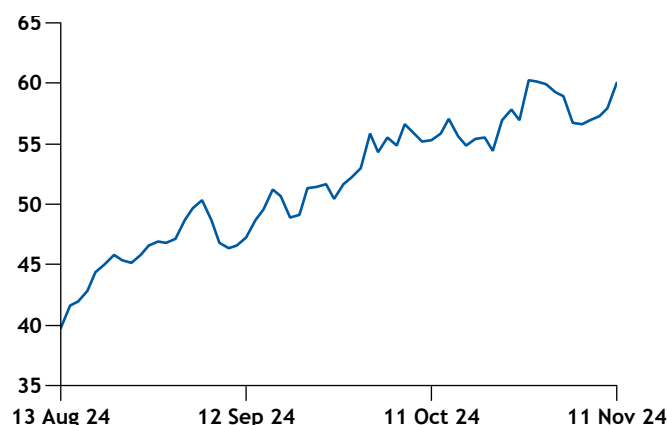
Current month-to-date averages, Nov		¢/USG
	Mean MTD	VWA MTD
<b>Mont Belvieu</b>		
E/P mix Enterprise	13.250	13.250
Ethane Enterprise	18.339	18.323
Ethane Targa	18.464	18.456
Isobutane LST	114.598	114.598
Isobutane Enterprise	114.598	114.611
Natural gasoline Enterprise	152.527	152.633
Natural gasoline LST	151.152	151.152
Natural gasoline Targa	153.884	153.884
Propane LST	80.571	80.550
Propane Enterprise	80.661	80.711
Propane Targa	80.259	80.275
Butane LST	114.929	114.929
Butane Enterprise	115.250	115.259
<b>Conway</b>		
E/P mix	9.893	9.893
Propane	75.098	75.207
Butane	119.268	119.247
Isobutane	120.339	120.339
Natural gasoline	153.446	153.458
Rail natural gasoline	161.446	na

November EPC natural gasoline's midpoint declined by 3.875¢/USG, opening at 149¢/USG and peaking at 151.75¢/USG by midday, lagging declines in crude. Natural gasoline's value relative to crude strengthened to 92.8pc, its strongest value to Nymex WTI since 27 January, as natural gasoline sees some support from tightening supplies.

November Targa natural gasoline was offered as low as 152.875¢/USG and was assessed just below that level. No firm bids or offers for LST natural gasoline were discussed, and LST was assessed at 1.375¢/USG discount to EPC.

Enterprise butane % of USGC 87 gasoline

%



## NGL fractionation spreads

	¢/USG	\$/mmBtu
<b>Gulf, Mont Belvieu</b>		
Ethane Enterprise	12.750	1.198
Propane Enterprise	70.119	2.724
Normal butane Enterprise	104.347	1.088
Isobutane Enterprise	103.589	0.767
Natural gasoline Enterprise	139.039	1.766
Total barrel value		7.543
Total barrel frac spread		6.498
<b>Midcontinent, Conway</b>		
Ethane-propane mix	4.097	0.649
Propane	63.502	2.487
Normal butane	106.397	1.104
Iso-butane	109.812	0.806
Natural gasoline	138.052	1.750
Total barrel value		6.796
Total barrel frac spread		5.786

## CONWAY LIGHT NGLS

Conway, Kansas, propane held steady in range-bound trading Monday, leaving propane valued at a stronger 44.9pc of Nymex WTI.

November propane opened 1.25¢/USG lower at 71.5¢/USG and rose as high as 74¢/USG during the morning before easing back to 72.875¢/USG in the afternoon. December traded between 74.625-75.125¢/USG, and November/December spreads traded at a 1.75-2.25¢/USG carry.

Declines in Mont Belvieu, Texas, LST propane narrowed the southbound arbitrage to 6.75¢/USG Monday, still much wider than the 1.75¢/USG discount seen for midcontinent propane at this time last year, as midcontinent supplies are ample.

November E/P mix was bid higher, at 10¢/USG, on Monday alongside gains in Mont Belvieu ethane, and was offered at 11¢/USG during the session.

## CONWAY HEAVY NGLS

Conway, Kansas, butane fell by 2.125¢/USG alongside declines at Mont Belvieu, Texas, Monday, leaving butane valued at a stronger 59.3pc of Nymex RBOB.

November butane opened 1.375¢/USG lower at 116.75¢/USG and fell as low as 115.25¢/USG by midday. December butane was widely bid and offered and was discussed near 113.25¢/USG during the afternoon.

## SPOT MARKET TRADE RANGES

Conway		¢/USG			
	Month	Low	High	Mean	VWA
E/P mix	Wet	10.000	11.000	10.500	
	Nov	10.000	11.000	10.500	10.500
	Dec	10.500	11.500	11.000	
Propane	Wet	71.500	74.000	72.750	
	Nov	71.500	74.000	72.750	72.845
	Dec	74.625	75.125	74.875	
Normal butane	Wet	116.125	117.625	116.875	
	Nov	115.250	116.750	116.000	115.857
	Dec	113.000	113.500	113.250	
Isobutane	Wet	119.625	120.125	119.875	
	Nov	118.250	119.750	119.000	119.000
	Dec	117.500	118.500	118.000	
Natural gasoline	Wet	149.000	149.500	149.250	
	Nov	148.750	149.250	149.000	149.000
	Dec	148.750	149.250	149.000	
Rail natural gasoline	Nov	156.750	157.250	157.000	

Hattiesburg		¢/USG			
	Month	Low	High	Mean	Mean MTD
Propane	Nov	81.750	82.250	82.000	82.8214

Bushton		¢/USG			
	Month	Low	High	Mean	Mean MTD
Propane	Nov	73.750	74.250	74.000	76.3483

Napoleonville		¢/USG			
	Month	Low	High	Mean	Mean MTD
E/P Mix	Nov	12.750	13.750	13.250	11.2503
Ethane	Nov	11.875	12.625	12.250	11.2146
Propane	Nov	62.688	63.188	62.938	63.9109
Normal butane	Nov	103.563	104.063	103.813	104.1251
Isobutane	Nov	96.625	97.125	96.875	98.1519
Natural gasoline	Nov	139.625	139.875	139.750	141.9019

Northeast markets		¢/USG			
		Low	High	Mean	Mean MTD
NYH butane		141.750	142.250	142.000	142.304

November isobutane was widely bid and offered and was assessed at a 3¢/USG premium to normal.

November natural gasoline fell by 6¢/USG alongside weakness in crude, trading at 149¢/USG.

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NGL spot deals			
	Timing	¢/USG	bl
	Nov	79.625	10,000
	Nov	79.625	10,000
	Nov	79.750	10,000
	Nov	79.750	10,000
	Nov	79.750	10,000
	Nov	79.750	10,000
	Nov	80.000	15,000
	Nov	80.000	10,000
	Nov	80.125	10,000
Propane Hattiesburg	Nov	82.000	5,000
Propane LST	Nov	79.000	10,000
	Nov	79.250	10,000
	Nov	79.250	10,000
	Nov	79.250	10,000
	Nov	79.250	10,000
	Nov	79.500	10,000
	Nov	79.500	10,000
	Nov	79.625	10,000
	Nov	79.750	10,000
	Nov	80.000	20,000
	Dec	79.875	10,000
	Nov/Dec	-0.250	10,000
Propane LST/Propane EPC	Nov	-0.250	10,000
	Nov	-0.250	10,000
	Nov	-0.250	10,000
	Nov	-0.250	10,000
	Nov	-0.250	5,000
	Nov	-0.125	10,000
Propane Targa	Nov	79.625	10,000

## NORTHEAST

Discussions for railed butane into the New York Harbor remained quiet Monday, and market participants suggested a plentiful outlook for blending components in the eastern US may be weighing on spot buying interest.

The railed assessment for NYH butane was left unchanged, at a 27¢/USG premium to butane at Mont Belvieu, Texas.

## CANADA

No commentary owing to holiday.

## CANADA

Edmonton						¢/USG
Daily	Month	Low	High	Mean	Mean MTD	
Propane	na	na	na	na	na	60.833
Diff to Conway	na	na	na	na	na	-14.656
Field grade butane	na	na	na	na	na	96.885
Can. condensate \$/bl	na	na	na	na	na	
Diff to Nymex CMA \$/bl	na	na	na	na	na	
AFEI™ netback to Edmonton propane \$/t						379.094

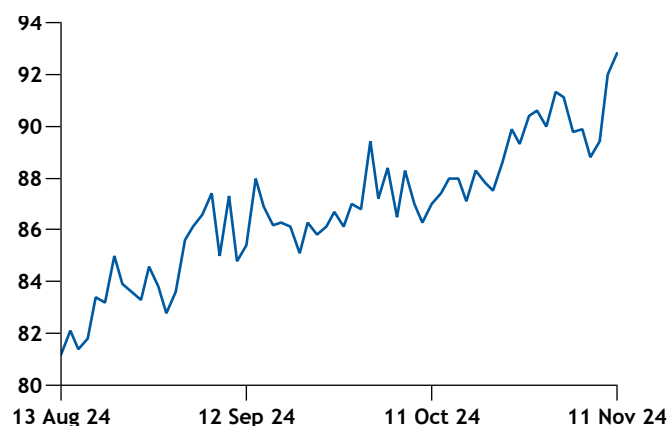
Sarnia						¢/USG
Daily	Month	Low	High	Mean	Mean MTD	
Propane	na	na	na	na	na	84.271
Diff to LST	na	na	na	na	na	3.521
Butane	na	na	na	na	na	127.646
Diff to LST	na	na	na	na	na	12.667
Isobutane	na	na	na	na	na	121.250
Diff to LST	na	na	na	na	na	6.511

## BRAZIL

Delivered LPG Brazil		\$/t	
	Mid		±
Propane Santos	597.1945		-4.8740
Propane-butane 90:10 Santos	603.7171		-4.3582
Propane-butane 70:30 Santos	616.7622		-3.3268
Propane-butane 50:50 Santos	629.8073		-2.2953
Propane Suape	579.0708		-4.4738
Propane-butane 90:10 Suape	585.5934		-3.9580
Propane-butane 70:30 Suape	598.6385		-2.9266
Propane-butane 50:50 Suape	611.6836		-1.8952

### Enterprise natural gasoline % Nymex WTI

%



## US EXPORTS

Discussions for December-loading spot propane cargoes weakened slightly as details emerged of an early December loading sold Friday at Mont Belvieu +19.5¢/USG.

December AFEI/LST paper traded at a slightly wider \$207-\$210/t Monday.

VLGC freight edged higher in discussions, with December fixtures reported between \$102-\$105/t on a Houston-Chiba basis.

## EUROPE/ASIA

### Northwest Europe

BW placed a bid for a ToT23 propane cargo over 2-6 December at 50:50 \$570/t and November cif ARA flat. About a minute later Gunvor booked it at that level, worth \$570/t cif Flushing, flat to November paper, as the front-month cif ARA contract also stood at \$570/t. The deal, which is for early December delivery dates, highlights the steeply backwardated structure of the European market.

On butane, Valero appeared again on the sell side, offering 10,000-12,000t of Braefoot Bay origin and quality refrigerated butane over 21-25 November, the same dates as their last position seen on Friday. The first offer was placed at 94pc of November naphtha and was later reduced to 90.5pc, equivalent to an outright \$559.52/t cif ARA, as prompt naphtha was set at \$618.25/t.

### Asia-Pacific

Asian prices rose despite crude losses. December Argus Far East Index (AFEI) swaps edged up by \$1/t from last Friday to settle at \$630.5/t at Asian timestamp, shrugging off a \$0.84/bl drop in front-month Brent values.

Buyers on 23,000t propane for first-half December arrival basis Chiba raised their bids to entice sellers though no offers were seen in the afternoon window. Equinor increased the bid to December AFEI +\$1.5/t from +\$0.5/t last week, while Itochu competed with a higher bid at December AFEI +\$2/t. Petredec could buy a similar cargo at December AFEI +\$1/t but they failed to elicit sellers for the prompt period. Instead, there was an offer on 23,000t propane for second-half December arrival by Unipac at December AFEI +\$2/t while BW Product Services and Axpo posted counterbids at balance November AFEI -\$1/t respectively.

### WTI comparisons: Percentage of crude

	Mont Belvieu %	Conway %	Mont Belvieu / Conway spread %
Propane	49.2	44.9	+4.3
Propane LST	49.1		+4.2
Normal butane	70.9	71.6	-0.7
Isobutane	70.2	73.5	-3.3
Isobutane LST	70.2		-3.3
Natural gasoline	92.8	92.0	+0.8

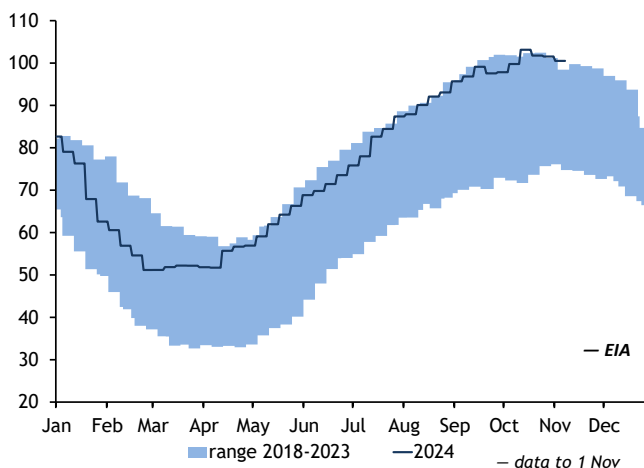
Mont Belvieu grades are Enterprise except where noted

### Ice daily weighted averages

	Timing	¢/USG
	Averages	
Mont Belvieu ethane	Nov	19.310
Mont Belvieu propane	Nov	79.520
Conway propane	Nov	72.830

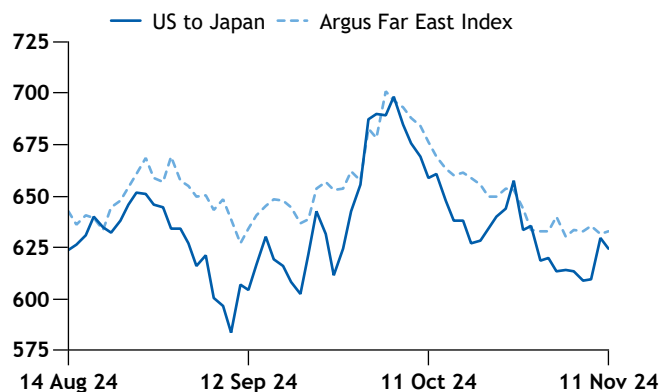
### EIA propane stocks

mn bl



### US propane delivered Asia vs FEI

USD/t



## OLEFINS SPOT MARKETS

## Ethylene

US spot EPC ethylene traded once for dated delivery at 21.875¢/lb to form the assessment. December EPC ethylene was not discussed and it was assessed flat to the prior day at 22¢/lb.

November Choctaw ethylene traded twice at 22.5¢/lb to form the assessment, up by 0.625¢/lb. December Choctaw ethylene was not discussed and it was assessed at a slight premium to November's price for an assessment of 22.625¢/lb. This marks the widest spread between Texas and Louisiana for prompt-month ethylene this month.

## Propylene

US spot PGP traded once at 38.25¢/lb to form the assessment, down by 1¢/lb from the prior day. December PGP was assessed at 38.625¢/lb, down by 0.625¢/lb from the prior day. A November/January PGP spread traded four times at 2¢/lb contango.

Railcar RGP discussions did not emerge and it was left unchanged at 20.5¢/lb for both November and December.

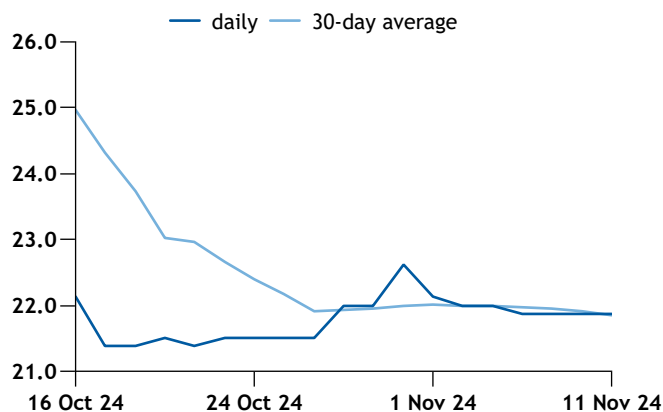
US ethylene prices		¢/lb		
	Timing	Low	High	Mid
Mont Belvieu EPC ethylene	Nov	21.875	21.875	21.875
	Dec	21.750	22.250	22.000
Choctaw ethylene	Nov	22.500	22.500	22.500
	Dec	22.375	22.875	22.625
Mont Belvieu EPC VWA	Nov			21.875
Mont Belvieu EPC MTD volume mn lb	Nov			38.000
Mont Belvieu EPC MTD average	Nov			21.924
Mont Belvieu EPC 30-day rolling avg				21.857
Mont Belvieu EPC 45-day rolling avg				21.954

US propylene prices		¢/lb		
	Timing	Low	High	Mid
US Gulf coast PGP	Nov	38.250	38.250	38.250
	Dec	38.375	38.875	38.625
US Gulf coast RGP	Nov	20.250	20.750	20.500
	Dec	20.250	20.750	20.500
US Gulf coast PGP VWA	Nov			38.250
US Gulf coast PGP volume mn lb	Nov			23.000
RGP alkylation value		48.500	49.600	49.050

Volume-weighted averages		¢/lb
		Mid
Ethylene		
VWA		21.875
VWA 30-day		22.009
VWA 45-day		22.072
VWA MTD		21.924
Propylene		
VWA		38.250
VWA 30-day		39.197
VWA 45-day		39.931

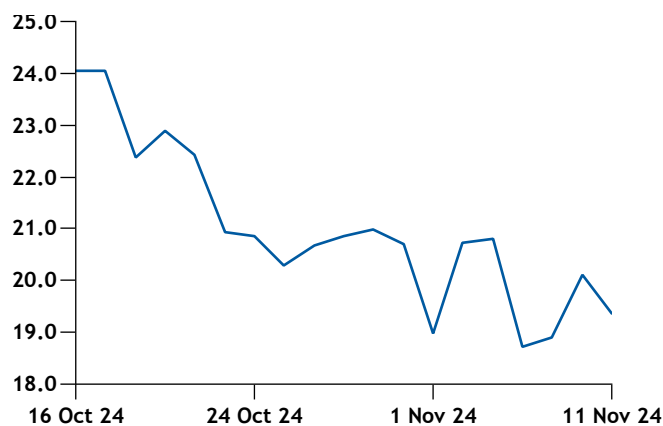
Mont Belvieu spot ethylene prices

¢/lb



Propane-propylene spread

¢/lb



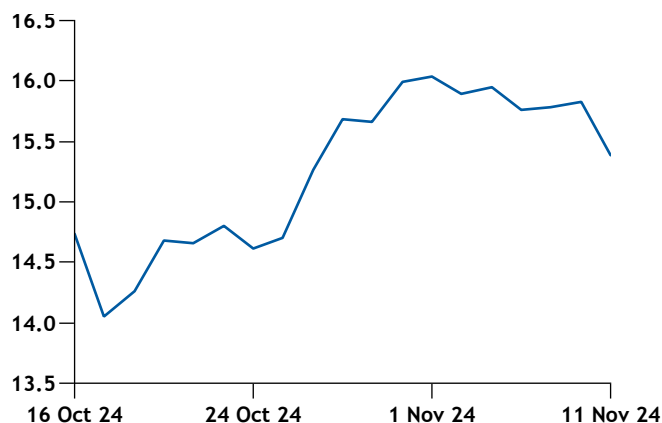
## OLEFINS SPOT MARKETS

Global swaps			\$/t
US	Ethane	Propane	
Nov			416.21
Dec			418.82
Jan			420.45
Northwest Europe	Propane	Naphtha	
Nov			570.00
Dec			559.00
Jan			547.25
Asia-Pacific	Propane	Naphtha	
Nov			626.75
Dec			626.00
Jan			620.75

Olefins spot trades, week to date			
Date	Product	Price €/lb	Delivery
11 Nov	Ethylene Choctaw	22.500	Nov
11 Nov	Ethylene Mont Belvieu EPC	21.875	Nov
11 Nov	Ethylene Choctaw	22.500	Nov
11 Nov	PGP Gulf Coast	-2.000	Nov/Jan
11 Nov	PGP Gulf Coast	-2.000	Nov/Jan
11 Nov	PGP Gulf Coast	-2.000	Nov/Jan
11 Nov	PGP Gulf Coast	-2.000	Nov/Jan
11 Nov	PGP Gulf Coast	38.250	Nov

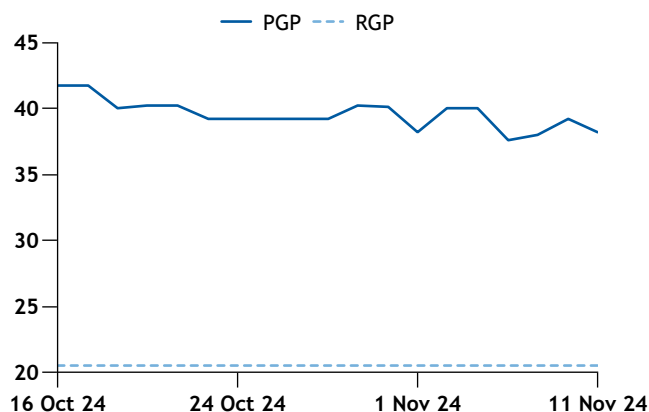
Ethylene-ethane spread

€/lb



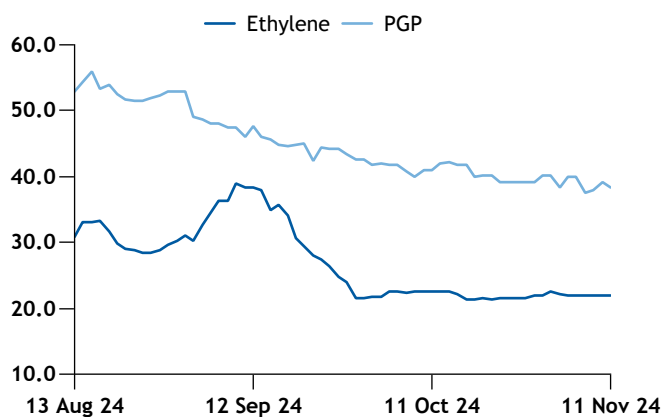
US Gulf coast spot propylene prices

€/lb



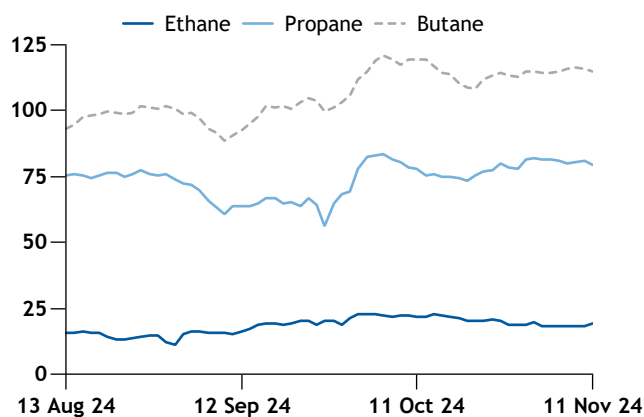
Mont Belvieu ethylene vs PGP

€/lb



NGL prices

€/USG

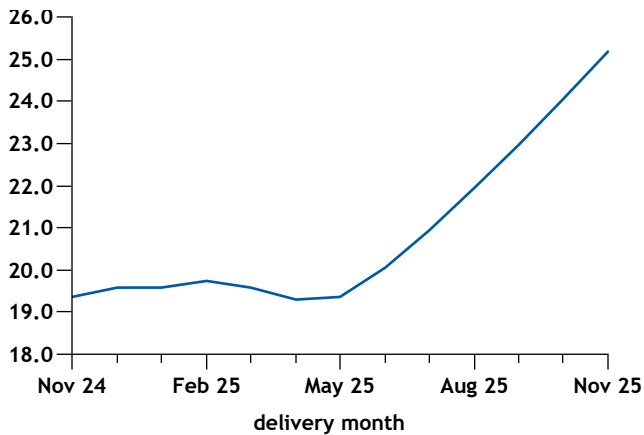




## FORWARD CURVES

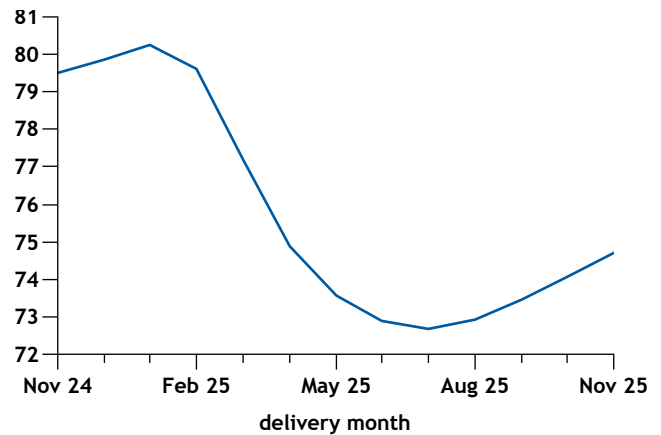
Mont Belvieu ethane

¢/USG



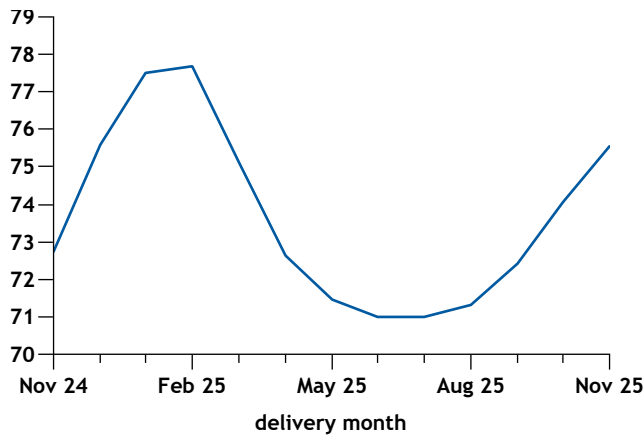
Mont Belvieu propane LST

¢/USG



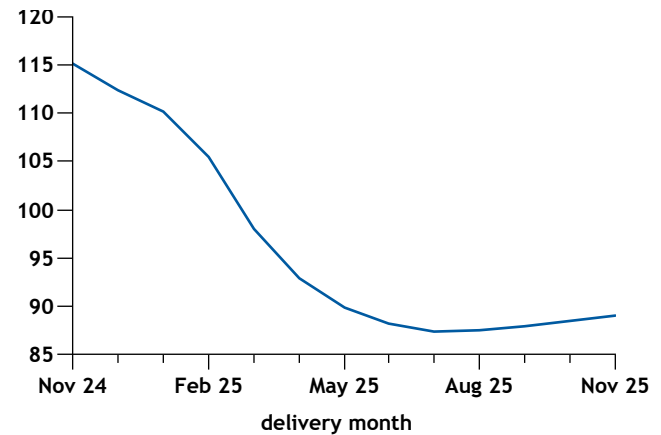
Conway propane

¢/USG



Mont Belvieu Enterprise butane

¢/USG



— Argus NGL Americas Forward Curves

### Argus Assessment Rationale Database

For prices used in financial benchmarks, Argus publishes daily explanations of the assessment rationale with supporting data. This information is available to permissioned subscribers and other stakeholders.

Subscribers to this report via Argus Direct or MyArgus may access the database [here](#).

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## RELATED MARKETS

### Crude

WTI oil futures edged lower today on concern over the outlook for economic growth in China, the world's biggest crude consumer, as well as a stronger dollar. December Nymex WTI fell by \$2.34/bl to \$68.04/bl, while January Ice Brent fell by \$2.04/bl to \$71.83/bl. The January Brent-January WTI spread widened to \$3.91/bl.

Last week, Beijing announced a Yn10tn (\$1.4tn) debt refinancing package for local governments, but these measures caused widespread disappointment as markets deemed the fiscal measures insufficient to boost the economy.

The US dollar index, which measures the dollar against a basket of six other currencies, increased to the highest since July. A strong US dollar places downward pressure on crude prices, as dollar-denominated crude is costlier to import.

About 28pc of oil production in the US Gulf of Mexico was still shut-in on Sunday in the wake of Hurricane Rafael as operators began the process of returning workers to offshore platforms. Around 483,000 b/d of US offshore oil output, or 28pc, was off line as of 12:30pm ET Sunday, according to the Bureau of Safety and Environmental Enforcement (BSEE). About 310mn cf/d of natural gas production, or 17pc of US Gulf output, was also off line. A total of 37 offshore platforms remained evacuated.

### Gasoline

The price of gasoline along the US Gulf coast shed 6-10¢/USG on Monday to a nearly two-week low. The December Nymex RBOB contract dipped by 5.6¢/USG while cash differentials fell across all grades with the conventional grades and premium CBOB declining at a faster pace. Cash prices for 87 conventional finished gasoline (M4) slipped by 8.4¢/USG by the end of the session pushing cash prices below week-ago levels by 10.5¢/USG. Deals for the M4 were done at December Nymex -6.75¢/USG and -5.5¢/USG, reducing the midpoint differential by 2.9¢/USG from Friday's session and narrowing the M4's premium over regular CBOB to 5.25¢/USG. A prompt roll trade for the M4 was struck at flat to the current cycle.

US midcontinent gasoline cash prices fell on Friday as the Nymex futures contract showed bearish direction. Group Three V grade suboctane gasoline traded between 11.75¢/USG and 12.50¢/USG below the December Nymex, easing cash differentials by 0.50¢/USG from the previous session. V grade cash prices were down by 4.61¢/USG to \$1.89/USG.

Petrochemical feedstock comparisons		
	¢/USG	\$/t
E/P mix	15.25	106.77
Purity ethane	19.38	143.02
Propane Enterprise	79.69	416.22
Butane Enterprise	114.94	519.22
Isobutane Enterprise	113.75	513.85
Natural gasoline Enterprise	150.38	631.60
Paraffinic naphtha 80 min	149.88	596.51
Reformer naphtha 40 N+A	165.70	599.95
Diesel 10ppm Colonial	211.21	636.82
Heating oil Colonial	197.60	610.54

Ethylene cash margins		¢/lb
	Margins	
Purity ethane		12.620
Propane Enterprise		-2.090
Normal butane Enterprise		-11.460
Light naphtha		-16.430
Heating oil Colonial		-48.970

Ethylene forward curves		¢/lb
Period	Price	
Nov		21.875
Dec		22.000
Jan		22.500
1Q25		22.875
2Q25		23.375
3Q25		23.875

### Naphtha

A bearish Gulf coast gasoline complex eroded naphtha demand from gasoline blenders and pressured N+A naphtha differentials lower on Monday. December Nymex RBOB settled 5.55¢/USG lower on Monday while cash prices for the Gulf coast waterborne conventional gasoline dropped 8.43¢/USG on assessment.

Buying interest for N+A naphtha was subdued, with limited appetite from usual end-use sectors such as refinery feedstocks and gasoline blenders.

Export opportunities were tenuous as well with market fluctuations in the Asia Pacific and Europe. At least one naphtha cargo was reported floating, with the seller initially eyeing an Asian Pacific destination. Several heavy virgin naphtha (HVN) barges were on the table Monday, but firm pricing indications were rare. Much of the visible offers were for lower

sulphur, premium grades that can serve as gasoline blend-stock. Bids and offers for these good-quality barrels featured lower ranges, but still, deals were elusive. Splitter HVN was offered at December Nymex RBOB -22¢/USG, fob Gulf coast basis, but there was no buying interest noted to this end.

A barge of 55 N+A naphtha with 55.4 API, 201.8 IBP and 2.6ppm sulphur was offered at December Nymex RBOB -20¢/USG, delivered Houston. A bid for this barge was heard at December Nymex RBOB -23¢/USG, but no business was confirmed here as of late afternoon.

Calcasieu-quality N+A naphtha was available, with the seller seeking bids. There were no fresh bids reported on Monday. A Calcasieu-quality N+A naphtha barge was last heard done at December Nymex RBOB -30¢/USG on Friday.

There were no confirmed deals for HVN and full-range N+A naphtha on Monday. Market participants pegged generic HVN around December Nymex RBOB -30¢/USG, delivered Gulf coast, with generic full-range naphtha noted at about 5¢/USG lower. Light naphtha differentials dipped to discounts against the natural gasoline (C5) pricing basis on Monday. Sour light straight run (LSR) naphtha out of Texas City was talked between C5 -3.75¢/USG by +0.5¢/USG before concluding at C5 -3¢/USG for barrels available off the line. Ultra-low sulphur light virgin naphtha (LVN) was also heard done at C5 +6¢/USG. Other sweet LVN was reportedly offered at C5 +8¢/USG, without a corresponding bid.

## Natural gas

US natural gas futures shot to a six-week high today on forecasts for a shift to cooler weather in late November.

Nymex gas for December delivery at the Henry Hub rose by 25.1¢/mmBtu, or 9.4pc, to settle at \$2.92/mmBtu, the highest since 3 October. The 12-month strip increased by 5.3pc to \$3.056/mmBtu, while the 2025-calendar strip was up by 4.7pc to \$3.139/mmBtu. Prompt-month prices finished last week slightly higher than a week earlier as the market weighed forecasts for mild weather against the usual increase in seasonal demand that accompanies the winter heating season. That season began on 1 November.

Mild weather at the start of November and high gas inventories have kept a lid on gas prices. But forecasts today showed the arrival of cooler weather later this month. The weather outlook today showed an increase in expected heating demand as above-normal temperatures in the eastern and central US abate. Above-normal temperatures were expected across most the country this week and across the eastern

half of the US from 16-20 November, according to the private forecaster Commodity Weather Group. The weather was then expected to turn much cooler across the eastern half of the US from 21-25 November. Below-normal temperatures were expected in parts of the southeast, while near-normal temperatures were expected in the US midcontinent and parts of the northeast, the forecaster said. The cooler weather will drive more demand for gas to heat homes and businesses. It could also help draw down high US gas inventories.

US gas inventories since the first storage injection of the refill season in April have grown by 1.673 Tcf (47bn m<sup>3</sup>), or 20pc smaller than the five-year average build of 2.091 Tcf from April to 1 November, according to the US Energy Information Administration (EIA). Storage injections lagged average levels this year as producers curbed output because of lower prices. Demand for lower-priced gas also increased in the US power sector.

Injections, though, have topped average levels for three consecutive weeks through 1 November by about 30pc as mild weather crimped demand.

Total inventories as of 1 November were 3.932 Tcf – 5.8pc higher than the five-year average and 4.2pc higher than a year earlier, the EIA said. High inventories can insulate prices from spikes in demand or supply shortfalls. Inventories started the injection season nearly 40pc higher than the five-year average.

## INDUSTRY NEWS

### Mexico LPG prices up for first time in weeks

Mexico's average LPG retail price cap increased after it remained steady for five weeks, tracking an uptick in US propane prices.

The average of 2,475 city-specific retail price caps for 10-16 November increased to Ps10.65/l (\$1.97/USG), up by 2.2pc from Ps10.41/l (\$1.93/USG) the previous week.

In the previous five weeks, Mexico's energy regulatory commission (CRE) had not changed the maximum allowed prices at any location since President Claudia Sheinbaum took office on 1 October.

The lowest individual cap nationwide ticked up to Ps9.46/l, from Ps9.42/l the previous week in the northern state of Chihuahua, near US export hubs.

The highest maximum retail price increased to Ps12.34/l, from Ps9.29/l for Baja California Sur, where logistics are more constrained.

Mexico's energy regulatory commission CRE uses a two-week window of international prices to set the maximum selling price for LPG every week.

Meanwhile, prices for propane delivered fob to Mexico's east coast increased by 2.3pc to \$1.01/USG on 8 November, up from 98.7¢/USG a week earlier, according to *Argus* assessments.

*By Cas Biekmann*

## Union Pacific raises rail demurrage fees

Western US railroad Union Pacific is increasing some demurrage rates and charges for private empty car storage, diversions and unit train charges from 6pc-29pc as part of an effort to make operations more efficient.

The adjustments are “designed to improve utilization of rail car assets and increase efficiency in your supply chain,” Union Pacific said on 4 November. Carriers assess demurrage fees when shippers hold on to carrier-owned cars for too long or fail to remove their own cars from railroad-owned property.

The “thoughtful adjustments” to charges identified in Union Pacific tariff 6004 come after a recent review of demurrage and accessorial charges. Accessorial charges are fees for items beyond normal handling, such as diverting a train in transit, ordering a car but returning it empty, weighing a railcar, or providing incomplete or incorrect shipping instructions.

The largest increase is related to delays in loading and unloading of certain private railcars. That rate will rise to \$135 per car per day, up by 29pc from \$105 per car per day. Demurrage for some railroad-owned cars will rise by 7.1pc to \$225 per car per day.

Other large increases are from fees related to unit trains, including deadhead train moves, which are movements of a train crew from one point to another or to a train by vehicle transportation or by train. That fee will rise to \$4,000/trip, up by 25pc from \$3,200/trip.

*By Abby Caplan*

## Brazil LPG program delayed, reviewed

Brazil's lower house has removed a proposed LPG assistance program from its urgent voting schedule, submitting it to further review and revisions.

The program [announced in August](#) is still under deliberation, but officials now expect further revisions before it moves forward and launches on 1 January.

The bill may add new controls to avoid fraud, the mines and energy ministry's petroleum, natural gas and biofuels

secretary Pietro Mendes said last week during a debate in the lower house about LPG.

Congressman Hugo Leal, the bill's overseer, told *Argus* that he will propose creating LPG cylinders smaller than the typical household 13kg models to ease access for low-income families.

Low-income families spend 70pc of their resources on housing and groceries, according to Carlos Ragazzo, a researcher at the Getulio Vargas Foundation. That suggests that the current government financial support has likely been used for monthly expenses rather than substituting firewood usage for cooking with LPG.

Consumption of firewood for cooking fell from 2005-2015, thanks to improved economic conditions throughout the country, according to energy research firm EPE. But the share of households that use firewood for cooking has hovered around 25pc since 2015, even after the launch of program to promote LPG cooking use in 2021 to help those families during the Covid-19 pandemic.

Leal met with lower house leader Arthur Lira on 5 November to discuss the program's proposals and voting agenda, but no details have emerged since.

Almost 1mn Brazilian households cook with biomass only. That represents 1.1pc of the 12.7mn households that use biomass for any energy need. Additionally, 56pc of the biomass-only households are low-income families.

A 13kg LPG cylinder in Brazil costs R106.63 (\$18.49), on average. That represents 7pc of Brazil's minimum wage. Low-income families usually receive only half of the minimum wage, on average.

*By Betina Moura*

## China to start three new PP plants in late 4Q

China will commission three new polypropylene (PP) plants with a total nameplate capacity of 1.75mn t/yr late in the fourth quarter.

Ineos-Sinopec's petrochemical facility in Tianjin achieved on-spec olefins at its cracker on 6 November. The companies plan to commence commercial operations at the 350,000 t/yr PP unit this week, following a successful trial run in September. The facility, a joint venture equally owned by Ineos and Sinopec, is located in Nangang in northern China.

The privately owned Shandong Yulong Petrochemical complex also completed trial runs at its No.1 and No.3 PP units during the first phase on 7 November. The complex, located in Longkou city, Shandong province, comprises three PP units with a total capacity of 1.1mn t/yr. The 400,000 t/yr No.1 PP

unit uses Sinopec technology, while the 400,000 t/yr No.3 PP unit uses Novolen Technology. The No.5 PP unit, with a capacity of 300,000 t/yr, uses Horizon Technology, and is expected to complete its trial run before early December when the upstream cracker is set to achieve on-spec olefins.

Jincheng Petrochemical, another private company located in Zibo, Shandong, in northern China, achieved on-spec PP production at its 300,000 t/yr unit on 9 November. This unit uses Sinopec technology and aims to produce ultra-high molecular weight PP (UHMWPP) using a self-developed Ziegler-Natta catalyst.

#### Pricing competition intensifies

These additional capacities are expected to exert further downward pressure on domestic PP prices as producers aim to secure their market share by offering discounts. China's PP self-sufficiency rate is now expected to reach 95pc this year as a result of the additions. Consequently, an increasing number of producers, including new start-ups, are expected to seek more export opportunities in other countries to avoid intense regional competition in China.

At the same time, lower PP prices are likely to squeeze the margins of domestic PP producers, especially with a series of new PP plants set to come on line. Chinese producers are facing consistently high production costs on top of negative margins. This will gradually weaken price competitiveness among producers, resulting in further reduced operating rates or, ultimately, capacity rationalisation.

#### MGCs push Exmar 3Q shipping profits up

Longer voyages for midsize gas carriers (MGCs) moving ammonia from the Mideast Gulf to Europe around the Cape of Good Hope – owing to Yemen-based Houthi attacks on shipping in the Red Sea – have pushed up time-charter freight rates, helping to turn Belgian shipowner Exmar's third-quarter shipping results to a profit from a loss a year earlier.

Exmar's shipping segment made a profit of \$8.5mn in July-September, up from a \$1.8mn loss in the third quarter of last year. The result was supported by a 4.5pc increase in the company's MGC time-charter equivalent (TCE) rate – the daily revenue for its MGC fleet – to \$26,812/d from \$25,640/d over the period.

"Time-charter rates for MGCs continued at healthy levels whilst the spot market saw a decline in activity due to VLGC [very large gas carrier] rates being under pressure. The ammonia market saw an uplift in pricing, which created additional activity," the firm said.

Exmar continued to keep its vessels on mid-term and long-term time-charter agreements rather than moving them to the spot market.

But losses in all other segments crimped the company's overall profits. Exmar's VLGC TCE rate fell by 29pc to \$31,403/d from \$44,681/d a year earlier, the pressurised 3,500m<sup>3</sup> coaster TCE softened by 8.4pc to \$7,769/d and pressurised 5,000m<sup>3</sup> coasters slipped by 7.4pc to \$8,499/d.

VLGC rates were largely suppressed in the third quarter – Argus' Ras Tanura-Chiba VLGC freight rate averaged \$51.94/t in the period, down from \$120.93/t in July-September 2023. Seamless transits through the Panama Canal allowed ships to complete their voyages quickly and pool in the Atlantic, while a sequence of weather-related delays at US terminals weighed on freight demand.

Among small coaster vessels, the company noted that seasonal summer pressure in Europe weighed on freight rates for its pressurised fleet, but it expects higher demand in the winter, especially for its 5,000m<sup>3</sup> fleet.

Exmar's fleet consists of 17 MGCs, three VLGCs, one LNG tanker and 10 pressurised ships – although four of the latter were sold for delivery between the last quarter of 2024 and the first quarter of next year. The company also operates a floating storage and regasification unit and an offshore vessel.  
*By Yohanna Pinheiro*

#### Indorama 3Q chemical output up, sales flat

Thailand-based petrochemical producer Indorama Ventures increased third-quarter production from a year earlier, while sales volumes were unchanged.

Production volumes rose to 3.54mn metric tonnes (t), up by 4.4pc from the third quarter last year. Indorama's global operating rates rose to 82pc in the quarter, up from 69pc a year earlier and up from 78pc in the second quarter of this year.

The year-over-year improvement follows a period of lower downstream demand and destocking, Indorama said.

While production was up, sales volumes in the quarter were steady with a year earlier at 3.54mn t.

Sales volumes in the combined PET segment dipped to 2.77mn t, down by 1pc from a year earlier and down by 3pc from the second quarter. The segment includes PET, integrated MEG, MTBE and merchant purified ethylene oxide (EO), among other products.

The Indovina unit, which includes propylene oxide (PO) and propylene glycol (PG), reported sales volumes of 363,000t, up on the year by 10pc but down by 2pc from the previous



quarter.

Growth in the Indovina sector was led by higher demand in crop solutions, especially in South America where the company saw a mix of market recovery and market share gain. Home and personal care demand continues to be robust, and North American PG demand for de-icing picked up in the third quarter, the company said.

The fourth quarter is seasonally slower, and Indorama expects lower demand through the close of the year as customers reduce inventories.

Indorama reported a profit of 1.5bn baht (\$43mn) in the third quarter, up from 195mn baht a year earlier.

*By Catherine Rabe*

### Shell completes Moerdijk pyrolysis upgrader

Shell has completed construction of a 50,000 t/yr unit that can upgrade pyrolysis oil at its site in Moerdijk, the Netherlands.

The upgrader purifies pyrolysis oil, derived from plastic waste, so it can be used as a feedstock for the cracker at Moerdijk to produce new chemicals.

Shell recently signed a supply deal with Brazilian petrochemical and polymer producer Braskem to supply "circular" feedstock for polypropylene (PP) production from pyrolysis oil processed at Moerdijk.

In July Shell secured a pyrolysis oil offtake agreement with

German waste management and recycling organisation **Der Gruene Punkt**. Shell signed an **offtake agreement in 2021** with chemical recycler Pryme.

*By George Barsted*

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