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Argus *Toluene, Xylenes and Isomers / PET*

Issue 25-9 Friday 28 February 2025

HIGHLIGHTS

Americas

- Toluene fell as upstream reformate declined.
- Mixed xylenes dipped on long supply.
- USGC refinery operating rates rise by 3pc.
- February PX contract rolled over.
- PET resin prices held steady, market eyes Al tariffs, antimony.

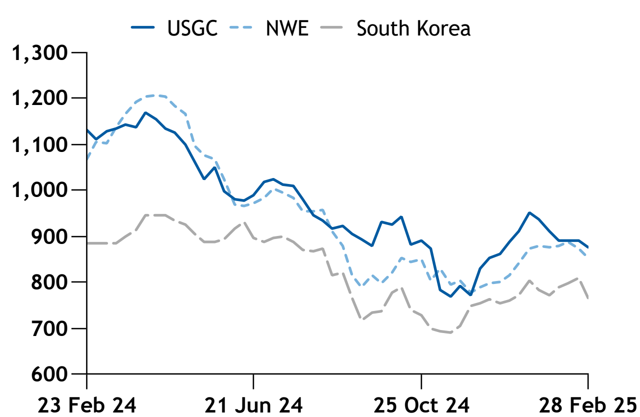
Europe

- Toluene and MX prices fell with gasoline.
- OX market held steady, March ECP pending.
- Western Europe flipped to a net exporter of PX.
- PX February reference prices increased.
- PTA net imports increased while PET net imports inched down.

Asia-Pacific

- Toluene slipped with crude losses.
- MX, SMX fell because of lower crude.
- PX declined with crude losses despite higher liquidity.
- OX rescinded previous gains.
- PTA inched lower on crude losses.

Global toluene prices *$/t*



MARKET SNAPSHOTS

Americas				$/t
	Timing	Low	High	±
Toluene nitration grade fob USGC spot	Feb	826.06	926.29	-15.18
Toluene nitration grade fob USGC spot	Mar	835.18	935.40	-15.18
Toluene commercial grade fob USGC spot	Feb	759.25	823.03	-9.11
Mixed xylenes fob USGC spot	Feb	755.66	825.74	-50.27
Mixed xylenes fob USGC spot	Mar	761.75	831.83	-50.28
Paraxylene fob USGC spot	Feb	882.50	926.59	-18.52
Paraxylene fob USGC spot	Mar	882.50	926.59	-18.52
Paraxylene USGC contract	Feb		1,124.36	nc

Europe				$/t
	Timing	Low	High	±
Toluene TDI-grade fob NWE spot	Mar	825.00	877.50	-22.50
Toluene nitration-grade cif ARA spot	Mar	805.00	847.50	-25.00
Mixed xylenes fob NWE spot		780.00	822.50	-26.25
Paraxylene fob NWE spot		875.00	935.00	nc
Paraxylene NWE contract *€/t*	Nov		1,230.00	nc

Asia-Pacific			$/t
	Timing	Price	±
Toluene fob S Korea		765.00	-43.50
Toluene cfr China		778.00	-25.00
Mixed xylenes isomer fob S Korea marker		772.90	-23.23
Mixed xylenes isomer cfr Taiwan marker		791.90	-23.23
Paraxylene fob S Korea marker		849.53	-20.80
Paraxylene cfr China marker		867.53	-20.80
Paraxylene cfr southeast Asia marker		857.53	-20.80
Paraxylene cfr Asia contract price	Apr	1,085.00	nc

Related markets			
	Timing	Price	±
Nymex Rbob *¢/USG*	Mar	197.03	-2.63
Nymex WTI *$/bl*	Apr	69.72	-0.64
Ice Brent *$/bl*	May	72.85	-0.53
Gasoline 87 M conv Colonial *¢/USG*		198.98	-1.32
Gasoline 93 V conv Colonial *¢/USG*		218.98	-2.57
Gasoline 83.7 Rbob Colonial *¢/USG*		194.73	-0.82
Gasoline 91.3 Rbob Colonial *¢/USG*		212.98	-2.07

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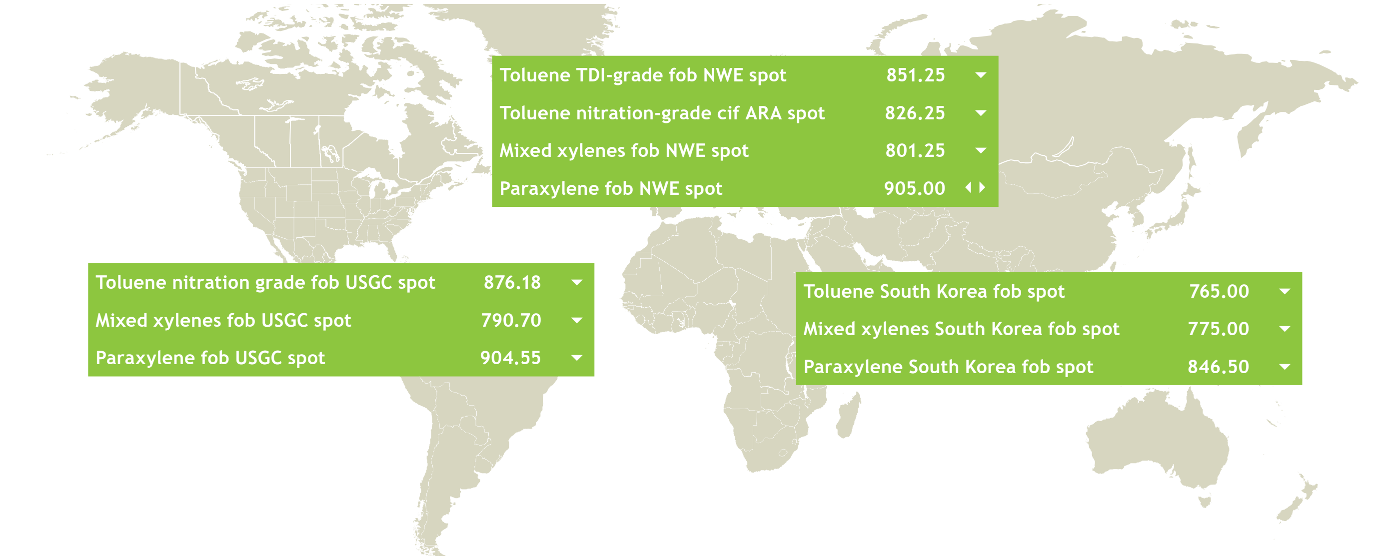
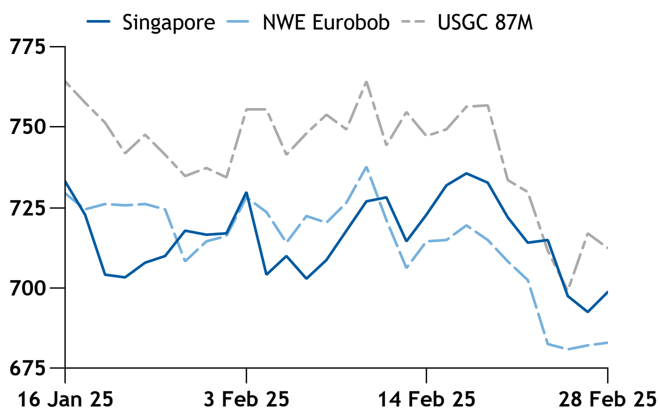
GLOBAL PRICES $/t



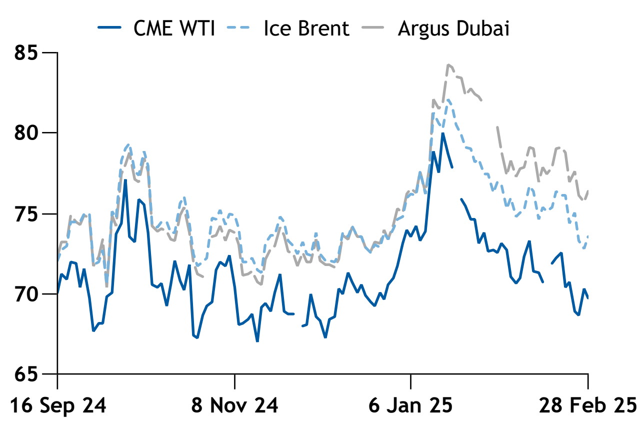
Alternative values

	¢/USG	$/t
Americas toluene		
Conventional blend value	277.48	842.71
Rbob blend value	268.09	814.19
HDA contract	249.82	758.71
HDA spot	241.02	731.98
TDP contract	269.76	819.25
TDP spot	266.84	810.38
STDP contract	308.89	938.10
STDP spot	276.88	840.89
Americas mixed xylenes		
Conventional blend value	289.79	882.99
Rbob blend value	277.83	846.55
Europe toluene		
Blend value	248.44	754.50

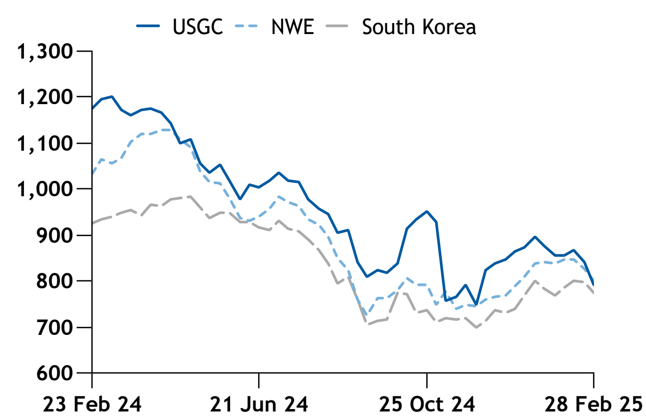
Global gasoline prices $/t



Global crude prices $/bl



Global mixed xylenes prices $/t



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Crude and gasoline

US crude oil production remained at 13.3mn b/d during the week ended 21 February, according to data from the US Energy Information Administration.

Crude inventories rose by 4.2mn bl to 447.2mn bl, 33mn bl lower than year-ago levels. Crude imports fell by nearly 300,000b/d to about 6.4mn b/d and exports fell by 230,000b/d to 4.7mn b/d.

Total crude runs rose by nearly 200,000b/d to 15mn b/d, and refinery utilization rates rose by 1 point to 81.5pc. USGC run rates rose by 3 points to 84.9pc, the highest operating level since mid-January.

Gasoline inventories fell by 2.8mn bl to 244.2mn bl and implied demand rose by over 250,000b/d to 8.5mn b/d, bringing estimated inventory cover to 28-29 days of current use. Gasoline yields at refineries rose by 1 point to 50.9pc, while middle distillate yields saw a net decrease of 0.7 points to 42.2pc.

Diesel inventories fell by 500,000bl to 121.1mn bl, and motor gasoline blending component inventories fell by 4.5mn bl to 227.1mn bl. Fuel oil inventories rose by 300,000bl to 29.5mn bl.

US energy prices declined from 21-28 February. US Nymex WTI crude futures fell by 64¢/bl to $69.76/bl. April RBOB gasoline futures fell by 4.34¢/USG to 222.23¢/USG. Reformate prices decreased by 6.85¢/USG to 241.23¢/USG, and the premium to April RBOB futures closed at +19¢/USG.

Americas physical market weekly prices	Timing	Low	High	±
Toluene *¢/USG*				
Nitration grade USGC fob spot	Feb	272.00	305.00	-5.00
Nitration grade USGC fob spot	Mar	275.00	308.00	-5.00
Commercial grade USGC fob spot	Feb	250.00	271.00	-3.00
TDI grade contract	Mar	294.25	321.50	nc
Mixed xylenes *¢/USG*				
USGC fob spot	Feb	248.00	271.00	-16.50
USGC fob spot	Mar	250.00	273.00	-16.50
Paraxylene *¢/lb*				
USGC fob spot	Feb	40.03	42.03	-0.84
USGC fob spot	Mar	40.03	42.03	-0.84
USGC contract	Feb		51	nc
Related assessments *¢/lb*				
PTA USGC contract cfr	Feb		52.22	-0.01

Americas physical market monthly averages *¢/USG*	Timing	Average	±
Toluene			
Nitration grade USGC fob spot	Dec	272.81	
	Jan	302.8	
	Feb*	292.13	-1.20
Mixed xylenes			
USGC fob spot	Dec	267.09	
	Jan	286.4	
	Feb*	275.25	-5.25

**MTD until week of settlement*

Toluene

US Gulf Coast (USGC) nitration-grade toluene (NGT) prices declined this week, falling by 5¢/USG with lower gasoline futures and still soft blending and chemical demand.

Liquidity this week remained scarce, as toluene supply proved snug absent strong margin for extraction from reformate. Additionally, toluene prices commanded too high of a premium relative to other more blendstock to draw it into the gasoline pool.

February NGT discussions ranged from 272-305¢/USG fob USGC for an assessment at 288.5¢/USG fob. March NGT bids and offers ranged from 275-308¢/USG fob USGC for an assessment at 291.5¢/USG fob.

Chemical demand has proven tepid during the first quarter. Derivative benzene was last assessed at 293.25¢/USG on 27 February, according to *Argus* data, a modest 11.25¢/USG over toluene. A still sub-30¢/USG spread of benzene over toluene continues to keep selective-toluene disproportionation (STDP) unit margins negative. Only two of four STDP units remain on line and are running largely to supply contractual obligations. Weak margins for derivative paraxylene production have also kept STDP margins negative on paper since January.

An increase in toluene exports from South Korea in February and destined for the USGC further pressured spot toluene prices this week. South Korea from 1-20 February exported just under 21,250 metric tonnes (t) to arrive in April, assuming a two-month loading period. This stands significantly higher than the 4,000t of toluene expected to arrive February from South Korea and none in March.

Toluene prices have proven unusually low at this point so near the March RVP switch given low feedstock reformate pries and ample octane inventories in 2025 compared to the year prior.

In the adjacent chart reformate's premium over US Gulf

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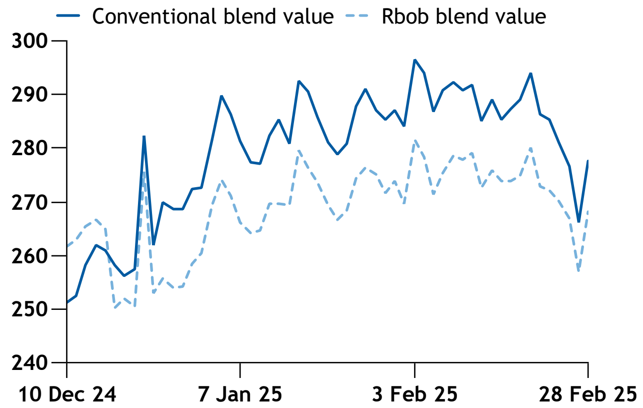
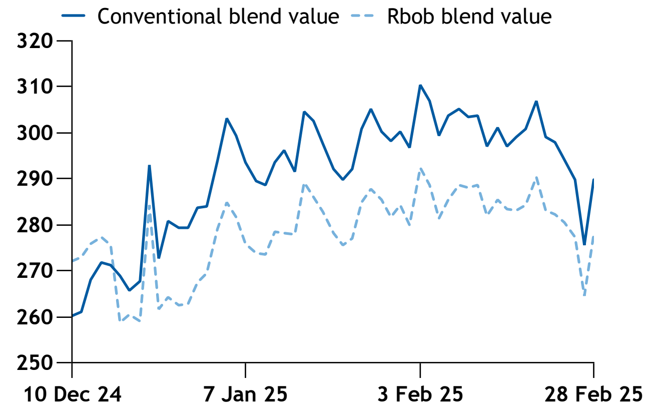
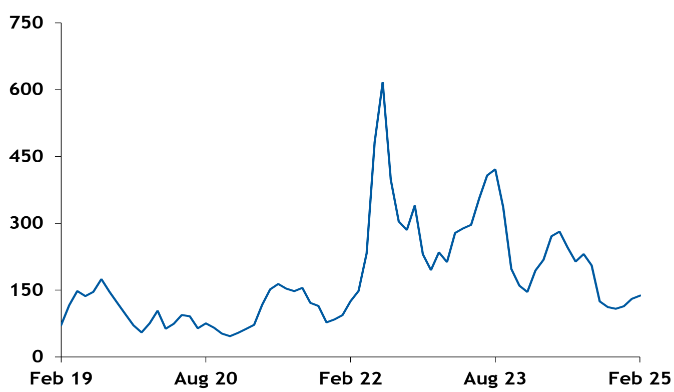
Toluene blend values *¢/USG*



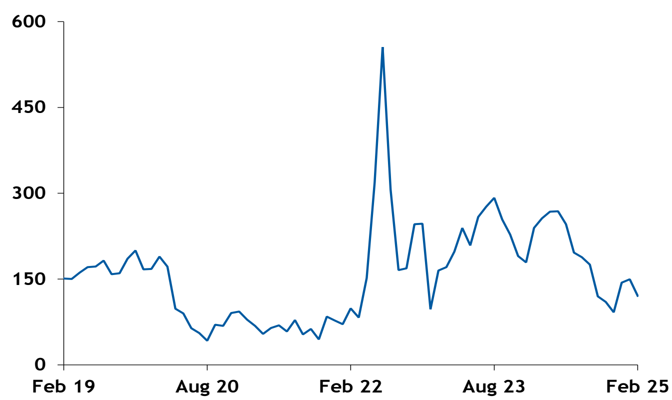
Mixed xylenes blend values *¢/USG*



USGC naphtha-gasoline spread *$/t*



USGC gasoline-reformate spread *$/t*



Coast (USGC) gasoline is shown from January 2019 through February 2025 to-date. The USGC reformate-to-gasoline spread averaged $111.1/t prior to the Covid-19 pandemic, with summer blending season reformate's premium averaging $141.2/t compared to winter blending season. Reformate averaged $69/t during the winter blending season during the same period, a difference of $72.3/t. This captures a standard reformate price seasonality.

That trend was disrupted in February 2020 after lockdowns around the globe resulted in a collapse in WTI crude futures prices and subsequent US products prices downstream, such as gasoline and reformate. Subsequently, in April 2020 the USGC reformate-to-gasoline spread narrowed sharply to $98.3/t compared to $171.8/t in March 2020. Aromatics hit all-time lows at 69.5¢/USG for benzene, 93¢/USG for toluene and 107¢/USG for mixed xylene on 27 April 2020.

By contrast, the USGC reformate-to-gasoline spread widened sharply in June 2022 after US naphtha lengthened because of a lack of exports to Asia on poor demand and a re-routing of Russia naphtha exports to Asia following the start of the conflict in Ukraine. The USGC reformate-to-gasoline spread widened to $555.5/t in June 2022.

In the second adjacent chart, USGC naphtha's discount to gasoline simultaneously widened to $616.5/t during the same time period, as US naphtha supply lengthened. As sub-octane light-naphtha was blending into gasoline to absorb the addi-

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tional length in the US, more high-octane blendstocks, such as reformate, were pulled into the blending pool. This pushed up reformate's premium to gasoline. During that time, aromatics prices reached all-time highs at 702.5¢/USG for benzene on 14 June 2022, 695.5¢/USG for toluene on 9 June 2022 and 680¢/USG for mixed xylenes (MX) on 16 June 2022. Toluene and MX are used as blendstocks, as is benzene derivative EB. All three were pulled into gasoline along with reformate to boost octane.

More modest iterations of seasonable peaks and troughs in naphtha and reformate repeated in 2023 and 2024 — revealing an inverse relationship between naphtha and reformate such that when naphtha's discount to gasoline widens, reformate's premium to gasoline widens.

But so far in February 2025, USGC reformate and naphtha's inverted relationship has proven inconsistent. Instead, even as USGC naphtha's discount to gasoline widens seasonably to $137.5/t in February, up from $113.9/t in December 2024, USGC reformate has fallen to $120.6/t in February 2025, down from $143.7/t.

Beginning with naphtha, tightness in global naphtha stems from production disruptions in Europe and the scheduled start up of crackers in China in March. Typically, the US exports naphtha to Asia, and had steadily increased monthly exports to 350,000 b/d in 2024 after bottoming at 100,000 b/d in July 2022 from previous average levels at 500,000 b/d. This supported a gradual narrowing of naphtha's discount to gasoline to nearer pre-2022 levels each year.

But domestic supply-side tightness so far this year continues to drive support for naphtha rather than derivative export demand. A lack of naphtha availability in the US because of refinery turnarounds and a Houston refinery shutting down created prompt tightness, but sources expect tightness to erode as turnarounds conclude and the market rebalances.

Cracker operating rates in broader Asia remain low on poor petrochemical consumption, apart from China where new capacity is set to come on line. That new capacity is expected to increase US naphtha export demand beginning in March absent headwinds from tariffs, which would likely be offset by lowering light-naphtha cracker rates in other parts of Asia to compensate for additional capacity. And so, the upward tick in naphtha's discount to gasoline for now is brief and not based on increased exports to Asia but could gather momentum later in the year.

By contrast, reformate prices fell in January and February in tandem with US blendstocks inventories reaching a 17-month high for the week ended 21 February at 231.3mn bl, according to EIA data. This contributed to lower reformate prices at the USGC and a narrower spread of reformate over USGC gasoline. Reformate narrowed to March RBOB gasoline +45¢/USG last week and has narrowed further to a +19¢/USG over April RBOB gasoline this week.

Additionally, soft gasoline demand coupled with narrow spreads of natural gas liquids C5 and butane over RBOB gasoline pushed blenders to blend those sub-octanes and sell off winter-grade gasoline inventories ahead of the RVP switch in March. Subsequently, with C5 at a lower price compared to other blendstocks, including sub-octane light naphtha, this has pressured prices for derivative reformate lower.

Ample stocks of blending components ahead of the RVP switch to summer blending specifications stand 1.8pc higher than last year and continue to weigh on reformate derivatives benzene, toluene and mixed xylenes prices year-over-year. Reformate prices stand nearly 28pc lower this week than a year ago, last assessed at 238.22¢/USG.

Similarly, downstream benzene stands about 27pc below the same time last year, last assessed at 294¢/USG on 26 February. Meanwhile, downstream toluene and mixed xylenes were last assessed at 282¢/USG and 256.5¢/USG on 26 February, down by 23pc and 33pc, respectively.

And so, while sub-octane light naphtha length based on fewer exports previously proved an indicator for octane demand in the US, this year higher naphtha prices are not the result of increased exports nor increased blending of the sub-octane. High-octane blending components also remain discounted given ample inventories and volume on the water. As more MX and toluene volumes make their way to the USGC from Asia and Canada, this continues to weigh on high-octane values moving into the seasonably stronger demand period in second-quarter 2025. Increasing expectations of a mild high-octane blending season on moderate gasoline demand and an increase in naphtha exports have further fueled more bearish sentiment for aromatics high-octane demand in the summer.

By contrast, BZ imports from Asia are scarce but aptly supplied by the Middle East, India and Europe in a reduced derivative demand market. A reopening of the styrene export arbitrage with Europe in second-half February may boost benzene demand if the arbitrage persists. But ample domes-

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tic benzene availability on reformate supply length will likely moderate upward momentum from chemical demand unless blending demand strengthens.

Mixed xylenes

USGC 5211 mixed xylenes (MX) prices this week extended losses by 16.5¢/USG following an influx of imports and still tepid blending and chemical demand.

Both 5211 and 843 MX discussions held at parity this week, as most MX available as spot was destined for blending. Meanwhile, contractual minimums of MX remained destined for chemical consumption into paraxylene production.

February 5211-MX prices closed at 259.5¢/USG fob USGC based on bids and offers ranging from 248-271¢/USG fob. March 5211-MX prices also declined by 16.5¢/USG to 261.5¢/USG fob USGC, informed by discussions from 250-273¢/USG fob.

MX price declines outpaced toluene this week as far more imports arrived each month from Canada and South Korea since the start of the year. But even at discounted prices compared to NGT at 29¢/USG, MX is increasingly pushed out of the blending pool because of cheaper reformate, C5, C9, mixed aromatics and butane blendstocks.

An estimated 37,000t from 1-20 February of MX shipped from South Korea for arrival to the USGC in April. This stands higher than the estimated 23,500t set to arrive from South Korea to the USGC in February, followed by another 30,000t in March.

Since November 2024, an estimated 30,000t/month arrived from Canada, but the February arrival shipment landed on 9 February in the New York Harbor for a cumulative 167,000 bl. This may allow the US market to absorb increasing imports from South Korea in the future.

Chemical MX demand remained weak to end February, as imports of lower-priced MX and paraxylene continued to arrive on the USGC and east coast. Steady derivative imports continued to cap upward momentum for MX as a chemical feedstock and relegate the commodity to the blending pool — where it remains priced at a premium relative to most other octane blendstocks.

The MX RBOB blend value was last assessed at 264.59¢/USG on 27 February, according to *Argus* data. This prices the blend values at a premium to spot prices. Historically, when blend values surpass spot prices, refiners value MX more as an octane booster rather than as a chemical feedstock. Subsequently, this may incentivize refiners to leave MX in reformate rather than pay premiums to extract it for use in chemical production.

Paraxylene

USGC paraxylene (PX) spot prices this week fell by $18.5/t to $904.5/t fob USGC based on cash costs to produce PX in the US, assuming $100/t for breakeven margin and fixed costs.

The US February PX contract price settled today at 51¢/lb, a rollover from the January contract price.

The US PX contract price held flat this month following fairly stable PX prices in Asia over the month, even as reduced operating rates there began to tighten supply and buoy prices. But weak derivative demand in Asia and in the US also countered upward momentum from reduced PX operating rates. Still, ample supply of MX in Asia and the US has continued to push costs lower. The approach of blending season has priced a contango into feedstock costs MX moving into March and April, but if PTA demand remains lackluster globally this may continue to weigh on PX contract movements.

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The PX netback from South Korea held at $925.03/t this week, assuming $75.5/t for freight and finance for a mid-range vessel. This stood at a just over a $20/t premium to breakeven cash costs to produce PX in the US. Still, even with two weeks of operable breakeven margin for MX-PX conversion units, PX operators would require more sustained and wider margins to justify ramping up operating rates — especially so close to gasoline blending season, when MX prices typically rebound as demand for high-octane blendstocks increases.

But with feedstock MX prices proving unseasonably low for this time of year, PX operators may yet see more margin during spring and summer. Whether that margin proves enough to halt PX imports for a considerable period is uncertain amongst surveyed sources.

South Korea exported an estimated 44,500t of PX to the US from 1-20 February, with an expected arrival on the US East coast by April, assuming a two-month loading period. This stands higher than the 9,500t slated to arrive in February from South Korea and on par with the 44,500t set to arrive in March in the US.

PTA

US spot purified terephthalic acid (PTA) prices this week fell by $12.41/t to $1,004.1/t fob US Gulf coast (USGC). The assessment fell with declining upstream costs in MX and PX.

The PTA contract price for February settled at 52.22¢/lb, down slightly because of lower fixed costs stemming from a dip in fuel oil prices in spite of flat PX contract costs.

US PTA imports remained constant, even as domestic price declines outpaced other regions. Consistently lower container freight costs continued to keep arbitrages open during the first quarter, drawing volume in at prices below US cost of production.

US PTA stood at a narrower $256/t premium to Europe PTA and at a wider $320/t premium to China. This covered container freight costs at $149/t from Asia to the USGC, down by another $58/t during the last three weeks.

Global PTA and PET producer major Indorama maintained 79pc operating rates last year, up 5 percentage points from 2023, the company announced this week during its fourth quarter earnings call. Operating rates rose to 82pc during the fourth quarter, up by 2pc from the previous quarter and 7pc higher from the same period in 2023.

The company said most of its rationalization efforts last year centered in the PTA industry. The company closed several PTA assets in the Americas last year, including a PTA unit in Montreal, Canada in October.

Industry rationalization provided some support for PTA assets remaining in the Americas.

Similarly, in its fourth-quarter 2024 earnings call, Ineos Quattro announced that its subsidiary, Americas PX and PTA producer Ineos Aromatics, saw 2024 PTA sales volumes increase by 24pc during the quarter and up by 18pc on the year. Ineos Aromatics saw revenue gain by 10pc in 2024 on stronger volume sales despite lower pricing margins.

Announcement

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EUROPE

Crude and naphtha

North Sea Dated crude prices were volatile at lower levels this week, falling to a two-month low of $72.97/bl on 26 February, before recovering to $74.50/bl on 27 February.

Independently held gasoline stocks at the ARA hub rose marginally, by 9,000t in the week to 26 February, according to consultancy Insights Global. Total stocks rose by 0.6pc to 1.473mn t over the week, as gasoline cargo loadings for the US and west Africa were reportedly slower than expected. But higher gasoline volumes are scheduled to be loaded in the next two weeks, Insights Global said, citing a fixtures list.

Prompt Eurobob oxy gasoline fell this week to average $686.94/t in the week to 27 February, compared with $714.75/bl a week earlier. Oxy gasoline crack spreads averaged $8.75/bl, down from $10.08/bl the previous week. The March gasoline swap averaged $689.69/t this week, a slight $2.72/t premium to prompt markets.

One trader noted this week that gasoline refining margins remain surprisingly weak, despite around 1mn b/d of crude unit capacity being off line for planned and unplanned shutdowns. Shell is due to halt crude processing at the 147,000 b/d Wesseling section of its 334,000 b/d Rhineland refinery in mid-March, cutting Germany's refining capacity by 7pc. The weakness in gasoline crack spreads to North Sea Dated crude has weighed on blending economics, limiting naphtha demand into the gasoline pool. Some market participants expect strength to emerge in March as the US pulls more gasoline from ARA, but subdued trading activity is keeping blending margins under pressure at present.

The Eurobob oxy gasoline barge premium to northwest Europe naphtha cargoes averaged $40.56/t this week, down from $53.15/t last week.

The euro weakened to €0.95 against the US dollar this week.

Toluene

The European toluene market retreated this week as gasoline markets fell sharply owing to lower demand and weaker crude prices. Prices were at $825-877.50/t, with a midpoint of $851.25/t, down by $22.50/t from a week earlier.

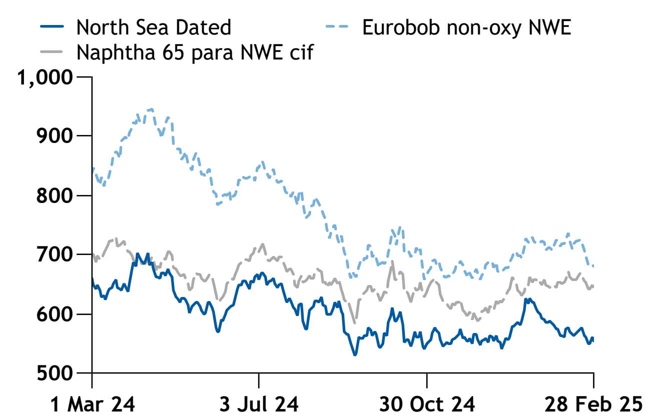
Premiums for TDI-grade toluene to gasoline were steady at $145-175/t, with markets illiquid as producers held prices firm.

No deals were confirmed to have been done this week.

Europe physical market weekly prices

	Timing	Low	High	±
Toluene TDI-grade fob NWE spot *$/t*	Mar	825.00	877.50	-22.50
Toluene nitration-grade cif ARA spot *$/t*	Mar	805.00	847.50	-25.00
Mixed xylenes fob Rotterdam spot *$/t*		780.00	822.50	-26.25
Paraxylene fob NWE spot *$/t*		875.00	935.00	nc
Paraxylene NWE contract *€/t*	Nov		1,230.00	nc
Paraxylene NWE monthly reference *€/t*	Feb		900.00	+55.00
Orthoxylene fob NWE spot *$/t*		1,125.00	1,175.00	nc
Orthoxylene NWE contract *€/t*	Feb		1,085.00	nc
PA liquid contract *€/t*	Feb	1,380.00	1,400.00	nc
DMT NWE del contract *€/t*	Feb	970.00	1,000.00	+5.00
PTA NWE del contract *€/t*	Feb	745.00	765.00	+40.00
MEG cfr Europe contract *€/t*	Feb	810.00	810.00	+40.00

North Sea Dated, Eurobob and naphtha barge *$/t*



Downstream, TDI demand remains relatively low, with foam producers operating well below full capacity in a weak consumer market, as they remain cautious owing to a sharp rise in polyether polyols prices. But TDI offer prices were heard higher for March, despite sluggish demand and a softening toluene spot market, although whether buyers will accept much of an increase to contract prices remains to be seen

Nitration-grade toluene premiums to gasoline were at $125-145/t, steady from the previous week.

The benzene-toluene spread fell to an average of $12.75/t in the week to 27 February, from $15.10/t a week earlier. Toluene's arbitrage to the US widened slightly but remained unworkable.

EUROPE

Front-month Dutch TTF natural gas prices fell to €44.60/MWh on 27 February, from €47.11/MWh on 20 February. The monthly index was at €52.42/MWh on 20 February, easing to €50.35/MWh this week.

Mixed xylenes

Outright mixed xylenes (MX) prices fell this week, but premiums were stable as gasoline and crude markets weakened. MX weekly spot prices were at $780.00-822.50/t, with a midpoint of $801.25/t, down by $26.25/t from the previous week.

Spot MX premiums to gasoline opened the week steady at $110-130/t, with a midpoint of $120/t. Premiums eased on Tuesday to $105-125/t, where they stayed until Thursday, before narrowing further to $100-120/t on Friday.

No deals were confirmed this week.

MX's arbitrage from Europe to the US was closed this week, with US price falls exceeding those in Europe.

Rhine river levels were at 193cm at the main Kaub bottleneck on 28 February, just below the 200cm threshold that allows normal barge operations. Levels are forecast to remain between 190cm and 210cm for the next few days.

Orthoxylene

The European Orthoxylene (OX) market remained steady in fundamentals and spot prices.

Spot prices were notional at a range of $1,125-1,175/t, with a midpoint of $1,150/t, in line with a week earlier.

Negotiations for the March European contract price will start next week, with a settlement expected by midweek. This is anticipated to be at a slight increase compared with February, in line with firmer monthly MX prices and a tightening in OX supply.

Phthalic anhydride

The European phthalic anhydride (PA) market remained subdued.

Demand is fundamentally weak in Europe, with the construction sector further undermined by seasonally lower activity. Market participants noted that demand in February has been in line with January, which while not particularly strong, is higher than expected. March is expected to continue with little surprises as budget forecasts.

PA producers are monitoring feedstock costs closely, as passing OX price rises downstream could prove difficult should demand not recover.

Paraxylene

The European paraxylene (PX) market remained mostly quiet.

Weekly PX spot prices narrowed to a range of $875-935/t this week, with a midpoint of $905/t, steady from last week.

The PX-MX spread recovered to average $100/t in the week to 27 February, compared with $74/t a week earlier. This was as European MX prices fell as a result of sharp declines in the gasoline market.

The *Argus* PX reference price for February was assessed at €900/t, a €55/t increase from January. The last contract price announced in the market in early February settled at €895/t for January, a €65/t increase from the settlement in December.

Argus assessed the dimethyl terephthalate (DMT) range for February at €970-1,000/t, with a midpoint of €985/t. This is up by €5/t from January, with the methanol contract falling.

PX imports to western Europe fell by 69pc to 6,500t in December from 20,700t in November, the latest Eurostat data show. Spain was the only PX importer in December, receiving 6,500t from Israel. Spain received 5,700t from Israel and 15,000t from Saudi Arabia in November.

Western European exports of PX also dropped, from 45,300t in November to 15,500t in December. The Netherlands shipped 10,700t to the US and France sent 4,800t transatlantic in December, compared with 24,800t and 10,500t to the US, respectively, in November. A 9,900t cargo was exported to Mexico from the Netherlands in November, but this trade flow dried up in December.

European PX trade has flipped, with the region being a net importer in 2023 at around 122,000t, switching to a net exporter of around 77,000t last year. This came as significant downstream PTA closures took place. European producers will continue to look for export markets as domestic supply heavily outweighs demand.

PTA

The European purified terephthalic acid (PTA) market was largely unchanged this week. Supply tightness has led to market participants noting that a major Belgian producer's turnaround for next month has potentially been delayed to later this year. This was not confirmed directly from the producer at the time of publication.

Following the *Argus* reference price for European PX, the PTA range for February was assessed at €745-765/t, with a midpoint of €755/t, up by €40/t from January.

EUROPE

PTA imports to western Europe rose to 33,500t in December from 27,000t in November, according to the latest Eurostat data. Spain received the highest quantity, with a 19,400t cargo from South Korea in December, up from 16,800t in November. Spain also took 3,000t from China, 2,900t from Poland, and 1,000t from Mexico in December. This was up from 1,500t from Poland and 800t from Mexico in November. Italy was the second-largest PTA importer, with 3,300t from Mexico and 1,200t from South Korea, down from a total of 7,000t received by Italy in November. Belgium received 1,300t from China in December, Germany took 500t from South Korea, France imported 500t from Mexico, and Greece received a 400t cargo from Poland.

Western European exports of PTA doubled to 22,500t in December from 11,300t in November. The largest export destination was Turkey, which received 17,300t from Belgium in December, up from the 11,200t in November. Spain sent 3,500t to Turkey in December, having shipped no PTA to that market in November. Smaller cargoes were also exported to eastern Europe.

PTA net imports rose by 61pc year on year, to 265,000t in 2024 from 165,000t in 2023. This came as three PTA production plants were shut in the period, leaving the region to increase imports to feed PET plants. Western Europe is expected to remain heavily dependent on PTA imports to continue domestic operations.

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Crude and naphtha

US president Donald Trump said his planned tariffs on energy and other imports from Canada and Mexico will go into effect as planned on 4 March and that imports from China will face an additional 10pc tariff as of that date.

Trump on 4 February already imposed a 10pc tariff on all imports from China. His plan to impose a 10pc tax on Canadian energy imports, a 25pc tariff on non-energy imports from Canada and a 25pc tariff on all imports from Mexico was due to go into effect on 4 February, but he put it on hold until 4 March.

Ukrainian drones hit Rosneft's 240,000 b/d Tuapse refinery on the Black Sea coast on 26 February, Ukraine's armed forces said. Ukrainian forces have regularly targeted the refinery, which was off line for long periods last year, resulting in a sharp drop in product exports from Tuapse port. This is the latest in a series of drone attacks on Russian refineries this month.

Dubai swaps fell to $74.03/bl on Friday, down by $0.66/bl compared with Monday.

Naphtha crack spreads were propped up by lean arbitrage arrivals. Supplies have also been thinned by more Chinese import demand as the country's refineries are due to begin maintenance works. Naphtha prices were at $659.25/t by Friday, down from $661.50/t compared with Monday.

Toluene

Asian toluene prices fell this week, alongside losses in upstream crude values.

An offer for 3,000t of toluene cargo for second-half March-loading was located at $774/t fob South Korea in the beginning of this week, but no deals could be confirmed. Toluene prices were assessed at $760-770/t fob South Korea, down by $43.5/t against last week.

Chinese domestic toluene prices also fell to 6,415-6,555yuan/t over the week, down by around Yn180/t compared with last week. This is equivalent to around $770-786/t on an import parity basis.

Spot discussions in the southeast Asian market were limited. Import discussions in the key Indonesian market were limited with local distributors already having negotiated their March-arrival cargoes. Incoming toluene imports into Indonesia would need to arrive at the Indonesian ports by 20 March to allow sufficient time for cargo clearance before the major Eid-al-Fitr holidays starting from late March – early April. The narrower delivery window is expected to limit new import discussions for March cargoes in the coming weeks. Toluene prices were assessed at $820-835/t cfr southeast Asia, down by $40/t against last week, and in tandem with falls in fob South Korea assessments this week.

Indian domestic toluene prices fell slightly to 76.00-76.50

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rupees/kg, while downstream consumption was largely stable, according to market sources. Indian toluene import prices fell to $845-860/t cfr India this week. Buying interest and buying ideas fell with more consumers already holding sufficient inventories for March consumption. A trading firm offered a toluene cargo at a premium of $90/t to fob South Korea assessments on a cfr India basis for March-arrival, but no deals could be confirmed. Bids for toluene imports into India hovered at premiums of $80-85/t to fob South Korea assessments on a cfr India basis.

Mixed xylenes

Asia-Pacific isomer-grade mixed xylenes (MX) prices fell for the second consecutive week following dip in crude prices. The crude weekly average dropped $2/bl from the previous week.

The *Argus*' MX fob South Korea average weekly assessment fell by $23.80/t from $796.70/t last week to $772.90/t at the close of business on 28 February. Significant drops in crude values dampened selling interests and lowered buying ideas. The *Argus*' MX cfr Taiwan assessment remained at a netback of $19/t to fob South Korea values at an average of $791.90/t by the week's close.

The Asian MX-naphtha weekly spreads narrowed from $126.10/t last week, to close at $111.35/t by 28 February. A potential supply overhang in the US after imports from Asia rose significantly, which led to a fall in prices in the US market amid tepid demand. Market participants believe this weighed on the Asian market. Paraxylene (PX) demand remained stable

Freight rates $/t

	Size *t*	Low	High	Mid	±
Toluene/MX					
South Korea-China	2,000-3,000	31	35	33	nc
Southeast Asia-China	2,000-3,000	43	47	45	nc
Southeast Asia-India	2,000-3,000	70	80	75	nc
PX					
South Korea-China	5,000	27	29	28	nc
South Korea-China	10,000	23	25	24	nc
Southeast Asia-China	5,000	35	37	36	nc
Southeast Asia-China	10,000	31	33	32	nc
Mideast Gulf-China/Taiwan range	10,000	61	63	62	nc
Mideast Gulf-China/Taiwan range	15,000	56	58	57	nc
West coast India-China/Taiwan range	10,000	56	58	57	nc
West coast India-China/Taiwan range	15,000	51	53	52	nc

Asia physical market weekly prices $/t

	Timing	Low	High	±
Toluene				
S Korea fob spot		760.00	770.00	-43.50
China cfr spot		770.00	786.00	-25.00
E China domestic ex-tank *Yn/t*		6,415.00	6,555.00	-180.00
Southeast Asia cfr spot		820.00	835.00	-40.00
India cfr spot		845.00	860.00	-79.00
India domestic ex-tank Rs/kg		76.00	76.50	-0.50
Mixed xylenes				
Isomer S Korea fob spot	Mar	766.00	784.00	-23.00
Isomer S Korea fob spot	Apr	766.00	784.00	-23.00
Isomer S Korea fob marker			772.90	-23.23
Isomer Taiwan cfr spot	Mar	785.00	803.00	-23.00
Isomer Taiwan cfr spot	Apr	785.00	803.00	-23.00
Isomer Taiwan cfr marker			791.90	-23.23
Solvent S Korea fob spot		730.00	745.00	-20.00
Solvent China cfr spot		770.00	785.00	-20.00
Paraxylene				
S Korea fob spot	Mar	837.00	856.00	-20.00
S Korea fob spot	Apr	842.00	861.00	-20.00
S Korea fob marker			849.53	-20.80
Taiwan cfr spot	Mar	855.00	874.00	-20.00
Taiwan cfr spot	Apr	860.00	879.00	-20.00
Taiwan cfr marker			867.53	-20.80
China cfr spot	Mar	855.00	874.00	-20.00
China cfr spot	Apr	860.00	879.00	-20.00
China cfr marker			867.53	-20.80
Southeast Asia cfr spot	Mar	845.00	864.00	-20.00
Southeast Asia cfr spot	Apr	850.00	869.00	-20.00
Southeast Asia cfr marker			857.53	-20.80
Asia cfr contract price	Apr		1,085.00	nc
Orthoxylene				
S Korea fob spot		895.00	935.00	-35.00
Southeast Asia cfr spot		955.00	985.00	-35.00
cfr China		955.00	985.00	-35.00
cfr India		965.00	995.00	-35.00
PA flakes cfr northeast Asia		1,150.00	1,200.00	nc
PA flakes cfr southeast Asia spot		1,150.00	1,200.00	nc
Fibre intermediates				
PTA fob northeast Asia		618.00	670.00	-11.00
PTA China domestic marker			5,001.00	-112.75
MEG fob S Korea spot		513.00	527.00	-3.00
MEG cfr China spot		538.00	552.00	-3.00

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and was less affected by upstream losses. The PX-MX average spread widened to $94.63/t against last week's $90.63/t.

The US received 20,000-30,000t of Asian MX during February, which were exported from South Korea by traders as early as end November last year. Moving into the month of March, imports are expected to double, according to ship fixtures observed by a shipbroker. But according to South Korea customs export data, only 37,033t were exported, which may not have captured the volumes shipped out from privately leased tanks.

Because the influx of Asian imports, *Argus*' assessed price for month 2 MX 5211 grade for the first four days, averaged at $799/t, with a price differential of $26/t, against the fob South Korea prices. Shipbrokers assessed the current freight to carry a 40,000t cargo between this route stable at $58-61/t, and the arbitrage essentially close between the two regions.

Gasoline cracks tracked lower this week than the previous week, falling by $1.59/bl because of macroeconomic issues. The gasoline crack declined to $10.61/bl in the first four days, compared with an average of $12.20/bl last week. Average octane values narrowed to $10.21/bl by 27 February, from $11.27/bl last week. Octane values were assessed based on the average of 95Ron minus Ice Brent and 92Ron minus Ice Brent. Market participants in the US expects blending demand to remain limited until the second half of March, closer to the start of the spring/summer gasoline blending season.

China's domestic MX price declined to 6,635 yuan/t on Friday, from Yn6,645/t on Monday, an import parity equivalent of $802/t. On a weekly average, domestic prices averaged at Yn6,614/t, a drop of Yn110/t from Yn6,724/t, and an import parity equivalence of $800/t. The freight to carry a 3,000t of MX cargo from South Korea to China stood at $29-31/t, a shipbroker said. This translates to a negative margin of $2-4/t, without arbitrage profit

No deals were concluded this week. Bids and offers for second-half March were located at $770-777/t and $785-790/t fob South Korea respectively. Bids and offers for April were located at $750-765/t and $770/t. The March/April intermonth spread was assessed at parity as discussions for both March and April market remained limited.

Solvent mixed xylenes (SMX) were assessed lower this week tracking losses in the weekly average isomer MX prices, compared to the previous week.

Buying and selling intentions remained muted in the fob South Korea March market. Due to limited discussions in the isomer MX market, the fob South Korea SMX prices were hence assessed at $730-745/t. Meanwhile, cfr China prices were assessed at $770-785/t, down by $20/t compared with the last session.

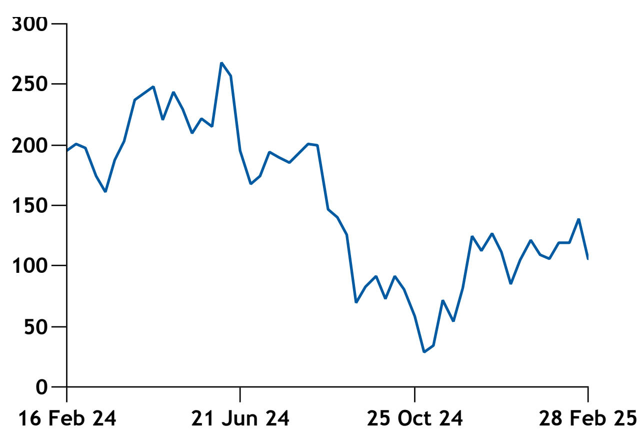
Orthoxylene

Asia Pacific orthoxylene (OX) prices tumbled about $35/t from the previous week owing to steep losses in the energy complex and feedstock isomer-grade mixed xylenes (MX).

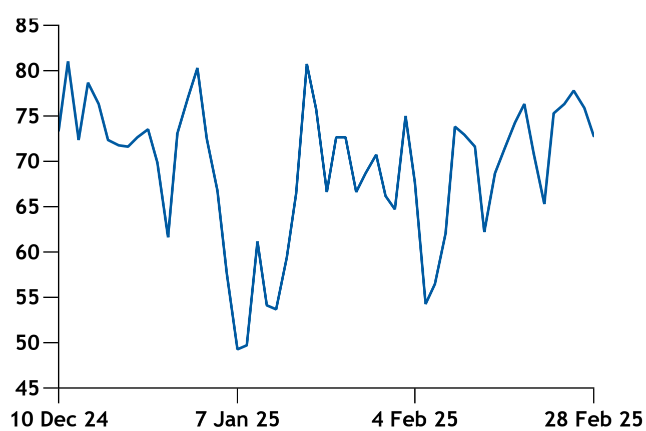
Selling indications for 2H March loading cargoes held at premiums of $180-190/t to MX which is standing just above $765/t fob Korea by the close of business on Friday. The is equivalent to $945-955/t fob northeast Asia.

Buying indications also slipped following the dips in crude and MX. Indications for 2H March deliveries were quoted around $940-950/t cfr northeast Asia.

Toluene premium to cfr Japan naphtha *$/t*



cfr Taiwan paraxylene premium to MX *$/t*



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Paraxylene

Asia-Pacific paraxylene (PX) weekly average declined for the third consecutive week because of crude losses amid moderately higher liquidity.

The *Argus*' PX cfr Taiwan/China assessment averaged $867.53/t, a decline of $19.80/t compared with $887.33/t in the previous week. Buying interest increased on the online trading platform as buyers sought lower prices, despite few offers following sharp drops in crude.

Downstream purified terephthalic acid (PTA) market activity have been relatively subdued this week, resulting in a slower demand for PX. The PX-naphtha weekly spread average narrowed to $205.98/t from the previous week's average of $216.73/t, following significant slower demand. The PX-MX spreads hovered slightly below breakeven levels of $100/t, prompting producers to be on a close watch, in order to react quickly to production rate adjustments. The PX-MX spread also widened by $4/t to $94.63/t by the end of the week, from $90.63/t the previous week, with drops in MX outpaced PX.

Supplies in Japan tightened after a few unplanned shutdowns occurred at Idemitsu Kosan’s (IDK) plants in Tokuyama and Chita. IDK's 214,000 t/yr PX unit in Tokuyama shut down in early February because of a technical issue but restarted on February 24. At another site in Chita, one line of 200,000 t/yr PX capacity also encountered technical problems and was forced to shut around 17-18 February and is expected to restart next week. The second 200,000 t/yr line at the Chita site remained operational. IDK acquired the Chita 400,000 t/yr PX unit from Eneos in 2023.

In addition to IDK's outages, Eneos' 190,000 t/yr PX unit in Sakai also experienced a sudden shutdown last week because of technical issues. Eneos expects operations to resume in the first half of March. Eneos also has a 370,000 t/yr PX unit in Mizushima which is staying offline for a 60-day of maintenance from February 1-2.

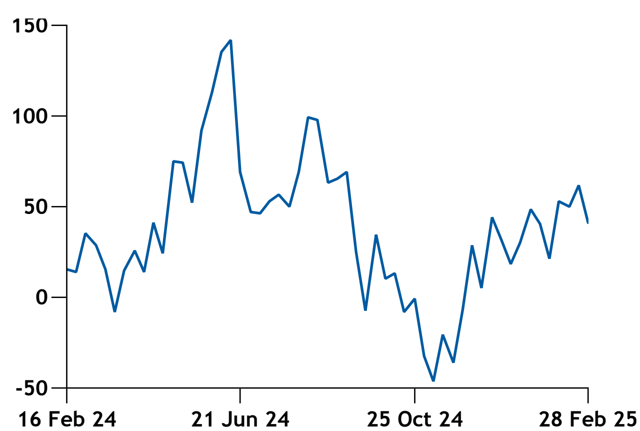
Supply in northeast Asia will soon tighten with Chinese state-owned producer CNOOC plans to shut its 1.5mn t/yr PX unit in Huizhou in the first half of March for a 60-day maintenance. Zhejiang Petrochemical (ZPC) also scheduled to shut its 2.4mn t/yr No.3 PX unit in Zhoushan for a 45-day maintenance by end of March.

However, expectations of a price floor support may be bleak, as a few mega PTA producers have plans to shut their production for a seasonal turnaround. Hengli Petrochemical and SanFangXiang plan to have a 15-day of turnarounds in early March at their 2.2mn t/yr Dalian and 1.2mn t/yr Jiangyin PTA plants, respectively. Sinopec Yizheng's No.3 3mn t/yr PTA plant in Nanjing is also expected to be offline for two weeks in the first half of March. The three turnarounds are expected to result in a demand loss of up to 174,000t during the first half of March.

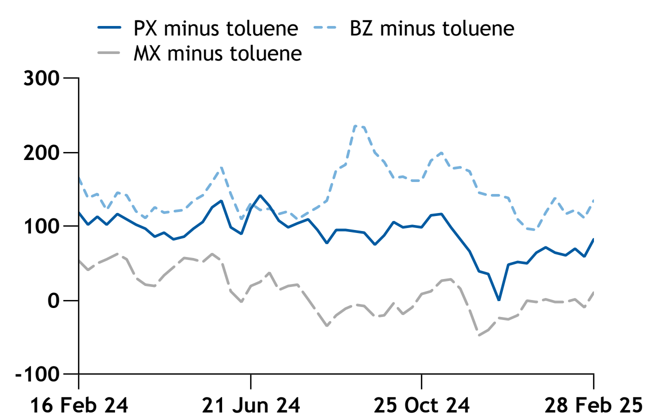
PTA weekly average prices fell by 113yuan/t to close at Yn5,001/t this week, as inventories continues to rise week-on-week. An oversupplied situation has caused the PTA-PX weekly average spread to narrow from 274 yuan/t to Yn267/t this week.

In the cfr Taiwan/China market, 15,000t of April and 15,000t May cargoes were transacted at $863-865/t and $880/t respectively. The March/April contango steadied at $5/t, while the April/May intermonth spread widened from $2/t to $5/t in

Toluene-gasoline blend value *$/t*



PX-toluene, BZ-toluene, MX-toluene spreads *$/t*



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contango as prompt demand weakened. Floating discussions for April and May cargoes were located at a discount of $2-6/t and parity to $5/t discount respectively. June spot discussions emerged with bids placed at a discount of $5/t but met muted offers.

PTA

The PTA prices edged down with dropping crude oil prices.

This week, the market was quiet, and PTA transactions were limited. PET resin producers were still cautious in procuring PTA because of a slow resumption of downstream operations after the lunar new year festival. The ongoing production losses among PET resin producers also dampened demand. New PTA orders were mainly done to replenish depleting inventories.

Demand for PTA from PET fibers remained slow. PET fibers orders orders received by weaving enterprises from garment manufacturers were below expectations. The tariffs that US government imposed on Chinese imports caused concerns for export orders. This compounded the previous weakness in demand that emerged from the warmer-than-expected winter.

This week, China's PTA inventory increased. Imported supplies continued to arrive, and PTA inventory rose by about 1pc. Main PTA factories maintained inventories amounting to 5-7 days worth of sales, which is the typical level. PTA holders do not face significant inventory pressure, and the spot discount narrowed to 25-35 yuan/t, with major deals made at the lower bound.

China's PTA supply remained stable with a tightening expectation. Hengli Huizhou's No. 1 2.5mn t/yr unit restarted on 26 February as scheduled. Its other unit, the No. 3 2.2mn t/yr unit, is scheduled to shut down for half a month starting this 1 March. Sanfangxiang and Sinopec Yizheng also announced maintenance plans for PTA in March. Some buyers stockpiled in advance, but limited orders were insufficient to support PTA prices.

The market was quiet, and PTA prices followed the decline in crude oil. By the end of the assessment period, PTA prices closed at 4,989 yuan/t on a delivered basis. The main TA2501 futures closed at Yn4,994/t.

PTA exports remained stable this week. During this assessment period, shipping rates from Asia to Europe, north America, and the mediterranean all declined, encouraging export manufacturers to ship. In addition, the strengthening of the Chinese yuan against the US dollar incentivised exports. PTA prices on a fob northeast Asia basis edged down however, alongside crude oil. Notional discussion levels inched down to $618-670/t fob.

The PTA industry continued to suffer losses. The price spread between PTA and raw material costs further narrowed to 191 yuan/t this week, below the breakeven point of 500 yuan/t.

PET RESIN

Americas

US PET resin prices resisted change during the last two weeks when prices were last assessed.

Demand remained steady this week across virgin and recycled PET. The PET resin market continued to mull announced aluminum tariffs and comments from at least one major consumer to switch more packaging to plastic bottle as a cost saving measure.

Virgin PET (vPET) resin for the US and Canada closed from 54-60¢/lb cfr, and Mexico PET resin settled from 55-61¢/lb cfr. Meanwhile, South America PET held within a range of 53-59¢/lb cfr. US recycled PET (rPET) prices remained at 78-83¢/lb cfr.

Further upstream in the PET market, US-based PET producers continue to investigate diversifying their sourcing of antimony — a metal that China placed restrictions on exporting, among other metals, because of their use in military outlets — according to a US PET producer.

Antimony is also a metal utilized at a catalyst for the production of PET, and China is a major producer of this metal to the US. One antimony consumer is looking to source from Alaska.

In feedstocks, US spot ethylene prices continued to trend lower since peaking after last month's freeze. EPC ethylene traded four times at 28.125¢/lb yesterday and once this morning for March delivery at 27.5¢/lb. The market remains in backwardation, with the expectation that more crackers will be returning to operation from planned turnarounds and unplanned shutdowns. The Choctaw cavern in Louisiana last

PET RESIN

traded on 25 February at 30.5¢/lb, maintaining a solid premium to Texas ethylene.

Motiva Chemical's 700,000 metric tonne (t)/yr merchant cracker in Port Arthur, Texas, restarted, according to market sources. This likely contributed to further price declines this week. Several crackers still remain off line, including ExxonMobil's large Gulf Coast Growth Ventures cracker in Corpus Christi. Shell's Norco cracker in Louisiana is also believed to still be off line. Baystar's cracker is believed to have started its planned first quarter turnaround.

Europe

European PET resin contract prices for February jumped up following the rise in raw material costs. Contract prices increased by €45/t, supported by significant increases in PX/PTA prices, due to tightness in the market, and a €40/t increase in the MEG European contract price for February.

European PET resin spot prices stabilised this week following recent increases. Spot prices are heard between €1,040-1,100/t delivered with the majority of deals completed in the range €1,060-1,100/t. delivered. Some buyers suggested they were able to secure material slightly below the range down to €1,040/t delivered, whilst sellers suggested that buyers are putting pressure on but prices are not slipping into March. Demand from the packaging sector is reported to be gradually ticking up ahead of the peak season of consumption over the summer. There is some pre-buying activity in anticipation of further rising prices in the coming months as seasonal demand fully kicks in. Competitive import offers continue to be heard ranging between €900-1,000/t cif.

The Turkish PET resin market was busy this week despite the approaching Ramadan. Prices are currently at $1,070-1,080/t plus VAT. Although buyers are waiting for the announcement of new monthly offers, prices are likely to be supported as a radical drop in demand is not expected during Ramadan.

PET resin imports to western Europe declined in December from November, according to the latest Eurostat data, dropping to 93,800t from nearly 116,000t. The current data available show a large drop in deliveries from central Europe, falling from 28,000t to just over 2,000t. But this may be owing to delayed data collection as a similar dynamic was apparent last month, with updated data showing only a slight decline from October to November, from 31,000t to 28,000t. Imports from north Africa and the Middle East declined by around 13,100t from November at 57,900t to 44,800t in December. While, imports from east Asia increased from 26,000t in November to 40,600t in December.

Italy was the largest importer in December, receiving just over 27,200t, which included 9,100t from Vietnam, 6,400t from Egypt and 4,800t from Turkey. Spain was the second-largest importer, taking 16,500t, including 5,000t from Vietnam and 3,300t from Turkey. Belgium imported 14,400t, receiving 5,000t from Turkey and 3,500t from Egypt. Greece imported 11,300t compared with just under 5,000t in November, possibly owing to an outage at a local PET resin producer. The Netherlands, Portugal and France collectively imported 16,000t in December, with the majority of volumes coming from Asia.

Based on the current data available, western European exports of PET resin in December totalled nearly 11,000t, down from around 30,500t in November. Belgium and Spain were the largest exporters, at 4,600t and 3,400t, respectively, with the highest volumes going to Argentina and South Africa.

Western European net imports declined by around 8pc year on year, from around 1.15mn t in 2023 to just below 1.06mn t in 2024. The share of full-year net imports from east Asia to western Europe fell by around 14pc from 2023 to 2024, while the share of net imports from the Middle East and Africa increased by around 18pc over the same period. Net imports

PET resin market prices

	Timing	Low	High
Americas *¢/lb*			
cfr US/Canada contract	Feb	54.00	60.00
cfr Mexico contract	Feb	55.00	61.00
cfr South America contract	Feb	53.00	59.00
Recycled chip cfr N. America contract	Feb	78.00	83.00
Europe *$/t*			
del Northwest Europe spot		1,102.56	1,144.16
cfr northern Europe contract	Feb	1,227.38	1,284.58
cfr Germany/France contract	Feb	1,232.58	1,289.79
cfr UK contract	Feb	1,263.78	1,341.79
cfr southern Europe contract	Feb	1,211.77	1,268.98
cfr eastern Europe contract	Feb	1,201.37	1,268.98
Asia-Pacific *$/t*			
Bottle chips fob South Korea		960.00	980.00
Bottle chips fob China		790.00	810.00
PIA cfr China		895.00	930.00
PIA ex-warehouse China domestic *rmb/t*		7,800.00	8,100.00

PET RESIN

in 2024 from east Asia declined by nearly 190,000t compared with 2023, from 558,000t to 370,000t. Volumes from Middle East and Africa increased by around 156,000t year on year.

Net exports from western Europe to South America and North America increased in 2024 compared with 2023, by 21,400t and 12,400t, respectively. Argentina has been one of the largest recipients of European PET exports since it reduced its import tariffs on PET imports from 12.6pc to just 6pc in October.

Asia-Pacific

PET resin prices edged down during the assessment period.

The sustained accumulation of inventory put pressure on PET resin prices. Affected by the slow resumption of downstream operations after the Spring Festival, the bottle flake market experienced insufficient liquidity. Overall inventory in the PET resin market increased by approximately 2pc, with a 4pc rise in inventory at ports in east China. Major manufacturers locked in forward orders through hedging. Some small and medium-sized enterprises, constrained by liquidity, was not aggressive in accumulating inventories, with some having inventories amounting to 20 days of sales.

High operating rates further ensured that PET resin supply remained ample. During this assessment period, the average operating rates in the bottle flake industry remained between 78-80pc. Major facilities, such as Hengyi Petrochemical and Sanfangxiang, operated at full capacity without any concentrated maintenance plans. The spot supply of PET resin was in surplus.

PET resin suppliers lowered their quotations to ensure inventory returned to a more typical level. Transaction prices for March shipments edged down to 6,200-6,350 yuan/t ex-warehouse.

Encouraged by lower prices, buyers increased their procurement of PET resin. Throughout this assessment period, transactions in the bottle flake market gradually picked up. Previously, affected by the warmer-than-expected winter, beverage manufacturers delayed their peak season stocking cycle. Traditional seasonal peak orders for March-April began to be released this week. Major beverage companies, including Jinmailang, Wahaha, and Master Kong, started bidding during this assessment period. The trading volume of PET resin showed a noticeable increase, with large manufacturers securing volumes at Yn6,200-6,300/t.

Despite the increase in sales volume, PET resin manufacturers still faced profit pressure. Currently, the average processing fee in the PET resin industry has dropped to Yn300-400/t, falling below the breakeven point. The futures main contract's discount to spot prices has also narrowed to Yn80-100/ton, limiting the arbitrage space for basis traders. Speculative demand in the spot market has cooled.

PET exports out of China have contracted. Fob Southeast Asia prices for PET resin have declined, competing with Chinese products in the export markets. Exporters have been forced to lower their offers to respond to price competition. Some manufacturers have shifted focus to the Middle East and African markets. During the assessment period, PET resin dropped to $790-810/t fob China, with major deals made between $790-800/t fob China.

PIA

PIA prices extended downward trend amid a limited demand.

Procurement by downstream PET resin manufacturers remained sluggish. Although the trading volume of PET resin increased this week, new orders received by PET resin manufacturers were primarily aimed at inventory consumption. During this assessment period, the average operating rates in the bottle flake industry remained between 78-80pc. PET resin manufacturers had limited procurement of PIA.

Meanwhile, the narrow profit margins in the bottle flake sector also dampened the production incentives for PET resin manufacturers. Currently, the average processing fee in the PET resin industry has dropped to 300-400 yuan/t, falling below the breakeven point. PET resin manufacturers were still operating at a loss, leading to a widespread wait-and-see attitude among industry participants. Major PET resin producers were awaiting subsequent orders from the spring peak season to adjust their production plans.

Procurement of PIA by low-melt fiber manufacturers is also cautious. The warmer-than-expected winter has delayed the spring peak season. Although the production cycle for spring apparel is approaching, the volume of new apparel orders is lower than expected.

During the assessment period, PIA inventory saw a slight increase. The procurement pace of downstream polyester enterprises slowed, with a rise in port inventory in East China of about 4pc. Some traders chose to offload goods at lower prices to alleviate financial pressure.

PET RESIN

PIA prices for March shipments edged down to 7,800-7,900 yuan/t for large customers. Trading firms primarily negotiated with small buyers during the week at Yn8,000-8,100/t. South Korean and Taiwanese producers offered December import materials at $895-930/t cfr China. The strengthening of the Chinese yuan against the US dollar helped to support cfr China prices.

Announcement

The holiday calendar showing which Argus reports are not published on which days is now available online http://www.argusmedia.com/Methodology-and-Reference/Publishing-Schedule

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