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Argus Methanol

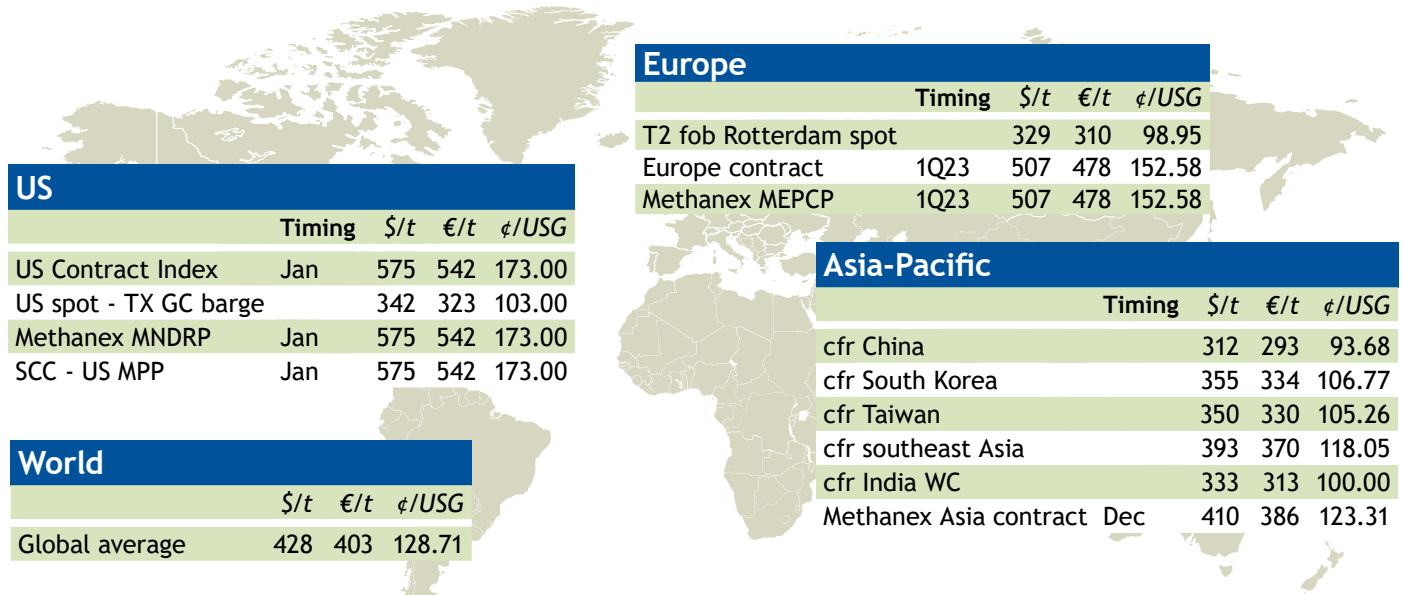
Formerly Jim Jordan & Associates Global Methanol Report

Issue 23-1 Friday 6 January 2023

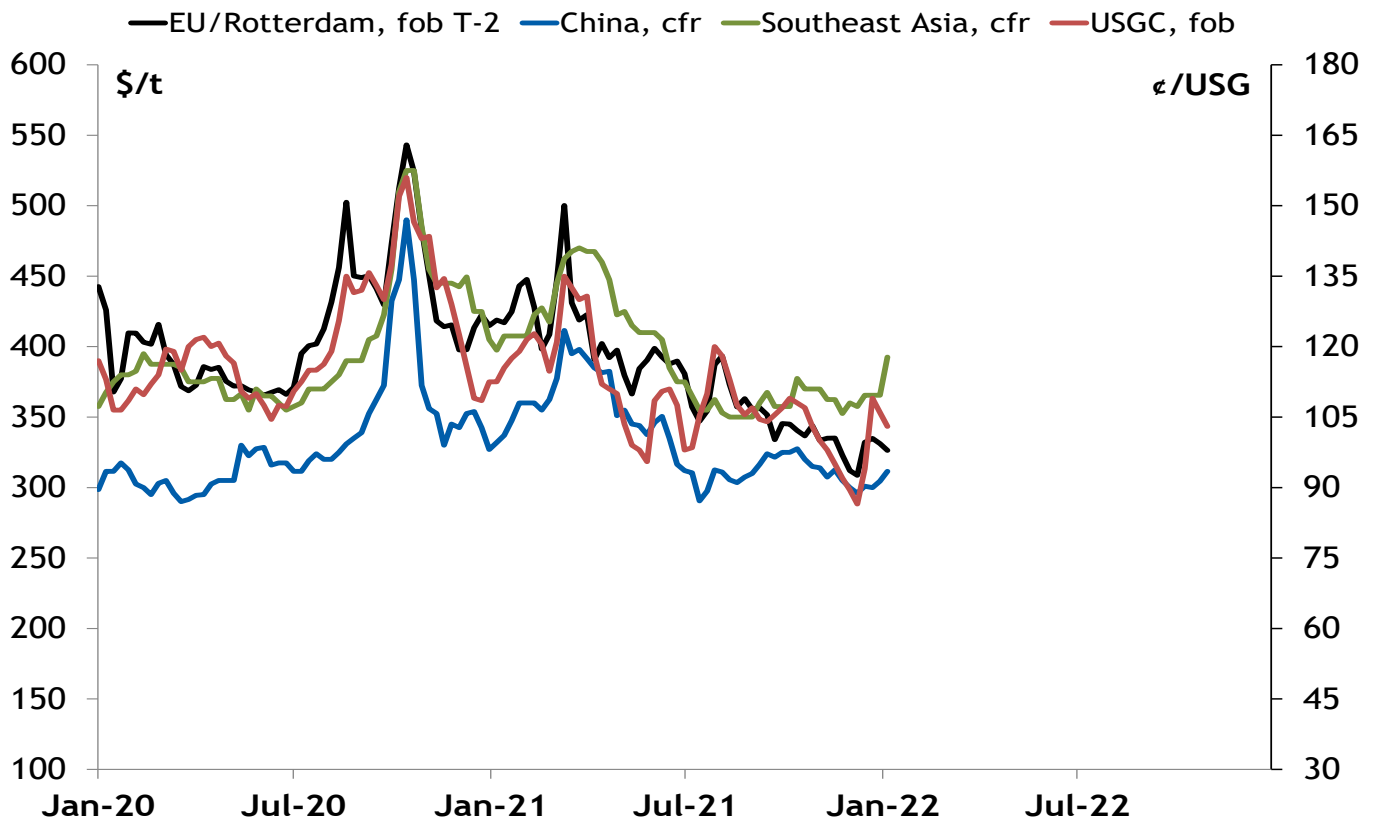
MARKET SNAPSHOT

Global prices						
	6 Jan			December		
US	¢/USG	±	\$/t	±	¢/USG	\$/t
US Contract Index - range	173.00-173.00		575-575		173.00-173.00	575-575
US Contract Index - wtd avg	173.00		575		173.00	575
Methanex MNDRP	173.00		575		173.00	575
SCC - US MPP	173.00		575		173.00	575
US spot - TX GC barge	6 Jan 102.00-104.00	-3.00	339-346	-10		
US spot - TX GC barge wtd avg					97.52	324
USGC fob contract, non-discount	173.00-173.00		575-575		173.00-173.00	575-575
Truck/railcar	¢/USG	±	\$/t	±	¢/USG	\$/t
fob USGC	110.00-118.00	+1.50	366-392	5	108.00-117.00	359-389
fob US northeast	116.00-123.00	+1.50	386-409	5	112.00-124.00	372-412
fob US southeast	116.00-123.00	+1.50	386-409	5	112.00-124.00	372-412
fob US Midwest	138.00-145.00	+6.00	459-482	20	132.00-139.00	439-462
Canada	C\$/t	±	\$/t	±	C\$/t	\$/t
Western Canada distributor price	805	+20	598	15	785	583
Asia-Pacific	¢/USG	±	\$/t	±	¢/USG	\$/t
cfr China	93-95	+2.11	308-315	+7	88-93	292-309
cfr South Korea	105-108		350-360		104-108	345-360
cfr Taiwan	102-108		340-360		102-108	340-360
cfr southeast Asia	117-119	+8.12	390-395	+27	105-112	350-371
cfr India WC	99-101	+10.53	330-335	+35	84-92	280-305
Methanex ACP	123		410		123	410
China domestic	Yn/t	±	\$/t	±	Yn/t	\$/t
East China domestic ex-tank, prompt	2,640-2,690	+55.00	313-319	+9.50	2,540-2,775	298-319
East China domestic ex-tank, 2-4 week delivery	2,620-2,680	+67.50	311-318	+11.00	2,490-2,675	292-313
South China domestic ex-tank, prompt	2,580-2,630		306-312	+3.00	2,570-2,850	302-328
India domestic	INR/kg	±	\$/t	±	INR/kg	\$/t
India domestic ex-tank	29.50-30.00	+1.50	326-332	+16.96	25.50-28.50	282-315
Europe	€/t	±	\$/t	±	€/t	\$/t
Europe contract	478	-27.00	507	-29	505	536
Methanex MEPCP	478	-32.00	507	-34	510	541
T2 fob Rotterdam spot	310-310		329-329		285-315	302-334
T2 fob Rotterdam spot VWA					296.57	316.41
Europe monthly contract, Jan	475		504.14		475.00	504.14

INDUSTRY EQUIVALENT



Global spot methanol pricing



GLOBAL METHANOL INDUSTRY RECAP

Oil, economy, Covid-19 weekly bits and pieces:

- Nymex Henry Hub gas futures fell sharply after temperatures recovered from late-December's Arctic freeze and winter storm around the Great Lakes, though physical prices in US northeast retained support from pipeline capacity limits.
- European gas and power prices dropped below pre-Ukraine crisis levels, with benchmark TTF Futures now trading below spot LNG in north Asia.
- EU Energy Commissioner stressed a fast-track plan to overhaul energy market, with potential shift away from marginal cost pricing for power, and extension of windfall profits tax on renewable generators.
- IMO's Carbon Intensity Indicator (CII) came into force on 1 January and may tighten the tanker market via slow steaming among older, less efficient vessels.
- Crude futures took support from Russia's announcement of an initial five month ban from 1 February of crude and products sales to nations abiding by the G7 price cap.
- China's economic challenges confronting Covid-19 were highlighted by December data showing a sixth consecutive monthly fall in urban house prices and sub-50 official PMI data with manufacturing and services activity contracting.
- Anecdotal reports of surging urban cases and deaths appear to contradict official reports, with market attention now focused on prospects for travel around Lunar New Year holidays that begin on 21 January.
- ECB President Lagarde highlighted the dangers of European wage growth stoking inflation, while IMF Managing Director noted that one-third of the global economy is likely to suffer recession in 2023.
- The first regular shipment of liquefied natural gas (LNG) from the US arrived in Germany Tuesday, part of a wide-reaching effort to help the country replace energy supplies it previously received from Russia.

Average weekly WTI and NSD oil prices have dropped about \$6/bl this week compared to the last week of 2022, averaging \$73/bl and \$88/bl, respectively, as concerns about near term global oil demand intensified with soaring Covid cases in China and slowing economies globally. MTO operating rates bump-up to 51pc rates (from 43-44pc the last two weeks of 2022) as one producer restarts operations. Two others are mulling restart in January, but will likely be timed with the Lunar New Year holidays. Rest of world demand remains slowed and unchanged to start 2023. Methanol production issues look to be more plaguing Asia as units are offline (or will be) in southeast Asia, while Iran sees multiple units still offline and now the large Ar Razi No. 5 unit is unexpectedly down for about a week. Spot prices have jumped in southeast Asia and India as a result. US gulf production looks to be starting the year running well, although one producer will have a Q1 planned outage. Europe's methanol production remains good, with good inventory levels reported across major storage terminals.

Asia-Pacific sees spot prices rise in China, southeast Asia and India, while South Korea and Taiwan have been unchanged for a couple of weeks. China sees strength from higher methanol futures and a slight increase in MTO operations. Southeast Asia gets a boost in spot values as regional and Middle East outages force some suppliers to look to the spot market for "help". China's spiking Covid cases are again a concern, which will not serve to help their economy improve anytime soon. We will see if Middle East/southeast Asia supply issues drive higher prices outside

Daily methanol pricing vs crude oil



GLOBAL METHANOL INDUSTRY RECAP

of Asia-Pacific markets.

US Gulf coast methanol production appears to be starting the year running well. There is still one producer planning a Q1 turnaround but looks to have already covered a good portion of its planned production losses. Spot prices are down 3¢/USG (on average) from the last week of 2022 as a result of reduced buying interest.

Europe sees minimal activity for the first week of 2023 as well, with just two deals setting the spot price for the week, both at €310/t, fob Rotterdam basis (\$/326/t, 98¢/USG). Any EU consumers still importing Russian methanol under contracts concluded before 7 October 2022 can do so until mid-June 2023.

OPERATIONS OVERVIEW

Americas – “US Gulf coast sees producers running well the first week of the new year. One producer expected to be taking Q1 turnaround.”

Europe/Russia – “No change in operating rates this week.”

- The Libya methanol unit is still understood to be offline.
- Tomsk continues to run at reduced rates, with other Russia units still at reduced rates as well.

Middle East/Africa – “Iran sees cuts to natural gas supply, forcing units to shut. Saudi’s large Ar Razi unit forced to shut down for about a week.”

- Iran’s Kaveh methanol unit shut (5 December) due to a shortage of natural gas. The shutdown could last up to two months.
- Iran’s Zagros cut overall run rates at its two Assaluyeh methanol units in early December because of feedstock natural gas shortages. Operating rates have now been reduced to 30pc as of the start of the year.
- Iran’s Marjan unit shut in early November for unclear reasons and remains offline.
- Iran’s Bushehr unit is understood to have restarted its 1.65mn t/yr methanol unit last week and is currently operating at 70-80pc of capacity.
- The Sabalan unit continues to run at reduced rates.
- Ar Razi Methanol has shut its largest No.5 unit because of a technical issue. The unit, which can produce 1.7mn t/yr of methanol, is expected to remain off line for a week.

Southeast Asia/India – “Southeast Asia Kaltim unit shut 9 December for a 45-day turnaround. Petronas No. 2 plans shut down in 2H January.”

- Brunei Methanol plans to carry out a maintenance turnaround in April 2023, expected to last for 45 days.
- Petronas unexpectedly shut its No.2 methanol unit in Labuan in mid-December and was down for about 10 days. The producer now planning a 2H January 2-week outage.
- Indonesia’s Kaltim Methanol Industri began its planned maintenance outage on 9 December, for a 45-day maintenance turnaround.

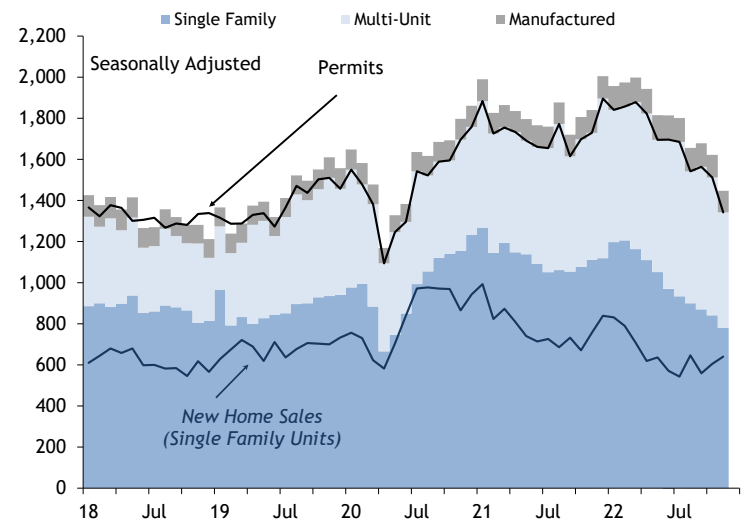
NORTH AMERICA

Almost as quickly as spot prices spiked the week before Christmas, the following week and this week see prices give back as much as 10¢/USG of the 12+¢/USG fly-up. At least for this first week of the new year, spot buying interest was very limited and without support from marketer/producers, offers moved down. We do understand one gulf producer has a planned Q1 outage—which looked to underpin the surge in spot buying interest (and spot prices) in 2H December—but may have already put a big dent in needed replacement volumes. More than likely, without producers in the spot market in the coming weeks, spot prices are likely to fall further, but whether or not prices fall back to sub-90¢/USG prices or not is unclear.

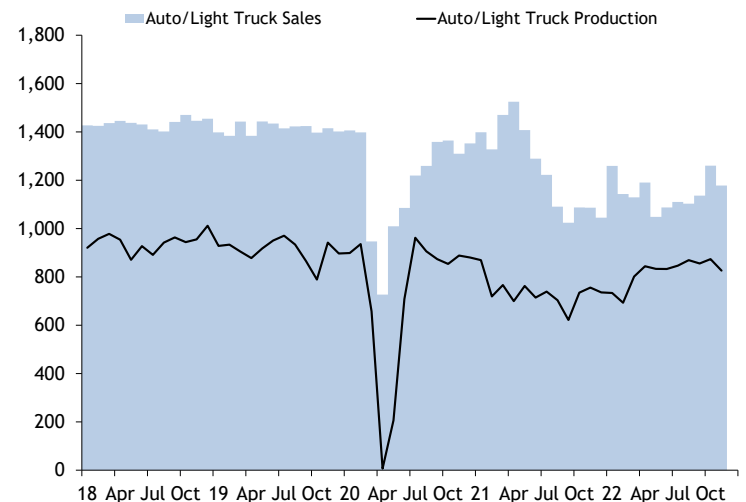
In the near term, the Atlantic basin looks poised to be rather quiet. Methanol demand remains in the winter lull (on top of other negative impacts), while region production appears to be good. Middle East and southeast Asia methanol production issues are of more note and are underpinning higher prices in China, southeast Asia and India, but (again) whether this impacts the Atlantic basin is yet to be seen. China sees the clash between spiking Covid cases versus improving MTO operating rates versus the fast-approaching Lunar New Year failing to offer clear direction. Yet again, only time will tell. Southeast Asia and India have already reacted to region and Middle East supply issues. January and Q1 planned outages in southeast Asia may prolong higher spot values there, but the degree to which these spill over is unclear.

In the US, it is impossible to say whether methanol demand has changed the first week of the new year. Most likely it has not, and we see little reason to expect change at least through the winter. With November data now available, housing and auto statistics remain poor. Housing starts continue to plunge and realistically will be further subdued during the winter period. New home sales were improving, but may be negatively impacted by higher interest rates which have yet to be seen in the data. Auto production and sales remain at five-year lows. Here too, rising interest rates will not help this situation either.

US housing starts, new home sales, permits - '000's



US automobile production and sales (Autos & Light Trucks, Seasonally Adjusted) '000 units



NORTH AMERICA

Market pricing

US Gulf coast spot methanol prices fell this week, the first week after the end-of-year holidays.

A couple spot trades emerged in the marketplace, with a producer buying from a trader for both deals.

Tuesday, 20,000 bl traded at 102¢/USG, fob ITC and 10,000 bl traded at 104¢/USG, fob ITC.

No other spot trades were reported during the week, with the assessed range holding at 102-104¢/USG on Wednesday. By Thursday, offers dipped to 103¢/USG, but no bids or trades emerged.

February methanol was assessed at parity to January, as no outright bids or offers were reported for the second month.

On the domestic front, truck and railcar price assessments were mostly higher across the regions, lifted by increased seasonal demand amid winter cold snaps. US Gulf coast prices inched up to 110-117¢/USG levels. Northeast and southeast US region prices narrowed to 116-124¢/USG, while midwest spot prices increased to 132-139¢/USG.

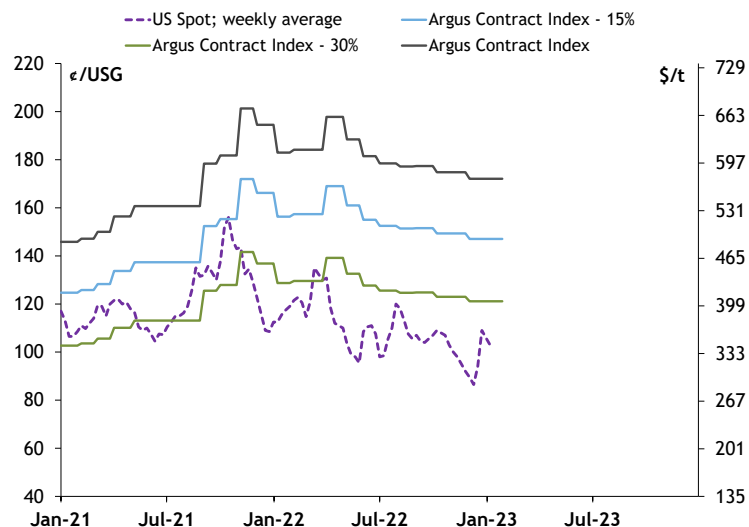
Argus will post this week's spot methanol price range at 102-104¢/USG (\$339-345/t; €322-328/t).

The January spot weighted average price stands at 104.9¢/USG (\$348.9/t, €332/t).

USGC methanol spot transactions

Timing	Date	Price - ¢/USG	Volume - bls
January	3-Jan	102.00	20,000
January	3-Jan	104.00	10,000

USGC methanol spot & contract pricing



EUROPE

The European spot methanol barge market saw a gradual return to activity this week, following a period of public holidays in several countries.

Liquidity in the European futures market was relatively high, with several deals heard concluded this week. Transactions in the methanol futures market were heard concluded for February and March in the range of €310-315/t this week, with at least 8,000t heard trading.

The Argus European monthly methanol contract price (CP) for January was assessed at €475/t on 29 December, a rollover from the December monthly CP. Liquidity in monthly methanol contracts will likely increase in 2023, with additional market participants looking to take part after several producers and consumers agreed to monthly contract prices through 2022.

Fundamentals were largely unchanged through December, with supply in Rotterdam ample to meet demand. However, rising gas prices and high freight rates will likely put pressure on petrochemical manufacturers, up and down the chain.

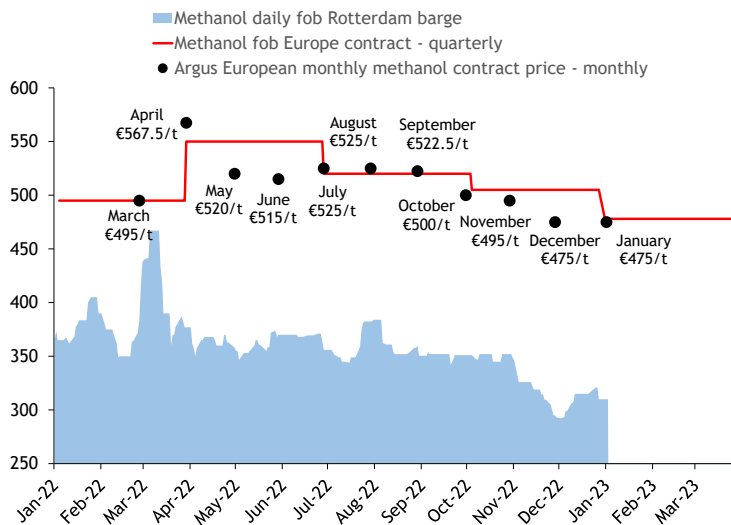
EUROPE

The EU issued a ninth round of restrictive measures against Russia on 16 December. Under this latest package, any EU consumers still importing Russian methanol under contracts concluded before 7 October 2022 can do so until mid-June 2023; this is an extension to the previous deadline of early January. This may impact central and eastern Europe more than other regions, because of the proximity to Russia and long-established supply routes. The northwest European market switched away from Russian origin material earlier this year, in the March timeframe.

The cif UK biomethanol price ticked lower during the week, closing at \$1,310/t Thursday, as demand was subdued and trading activity thin. Prices for the alternative gasoline blending component, ethanol, also declined in the first week of January because of plentiful supply in the ARA hub.

Proman Stena Bulk, a joint venture between tanker company Stena Bulk and methanol producer Proman, announced in December it has taken delivery of its fourth methanol-fuelled tanker, the Stena Prosperous. The 49,990 DWT vessel will enter commercial operation running fully on methanol. The vessel joins a fleet of four others—Stena Pro Patria, Stena Pro Marine and Stena Promise—which are trading and bunkering on methanol, the company said.

European spot and contract methanol prices - €/t



Market pricing

As noted, trading was slow to resume following the Christmas and New Year holidays, while prices remained at last week’s assessment levels.

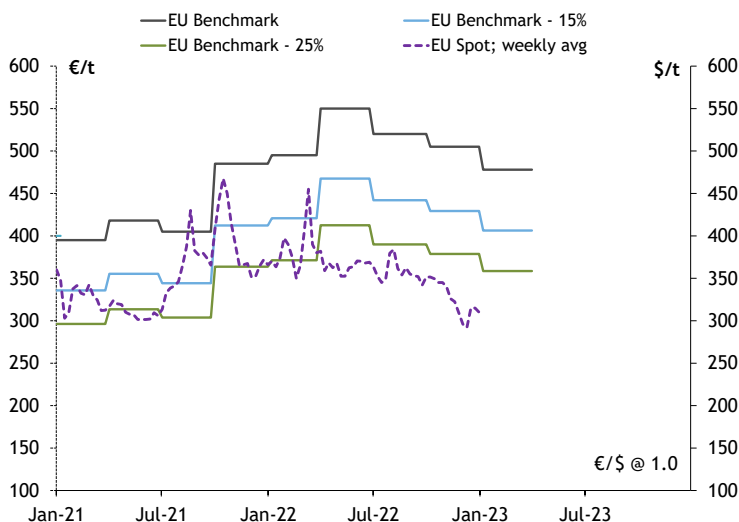
On Monday, Tuesday and Wednesday, no physical spot deals were to be found.

Thursday, the first recorded spot methanol barge deal was concluded at €310/t, fob basis Rotterdam, for 1,000t, for February loading dates. This was followed by a transaction for 2H February volumes concluded the same day, but on a CIF Rotterdam basis, for a 2,000t lot, done at €300/t.

Otherwise, the physical market was quiet

Based on limited trading, Argus will post the weekly spot methanol price at €310/t, basis fob Rotterdam (nominal \$326/t; 98¢/USG), unchanged from last week.

Europe methanol spot & benchmark pricing



MIDDLE EAST/AFRICA

Production ex Iran remains curtailed, owing to ongoing natural gas feedstock shortages. Zagros has further reduced operating rates at its Assaluyeh methanol units. The company's two units are understood to be operating at 30pc of capacity overall, down from previous 60-70pc rates.

Other key producers, including Kaveh, Marjan and Sabalan, are also shut or running at highly curtailed rates because of insufficient feedstock.

In Saudi Arabia, Ar Razi Methanol has shut its largest No.5 unit because of a technical issue. The unit, which can produce 1.7mn t/yr of methanol, is expected to remain off line for about a week. January shipments from Saudi Arabia to India are understood to have been delayed to the following month in some cases, but this has not been directly attributed to the ongoing outage. A producer noted some ports in the Middle East were facing slight congestions, which could also be contributing to slight delivery delays.

While several inquiries for prompt, late-January arrival cargoes have emerged from southeast Asia in the wake of outages taking place in the region, few Middle East producers had cargoes on-hand to support such prompt requirements.

ASIA-PACIFIC

Market summary

Methanol prices in China, India and southeast Asia rose in the first week of 2023 trading, diverging from stability observed in the South Korean and Taiwanese markets. Gains in India and southeast Asia were particularly pronounced, mainly due to ongoing supply disruptions.

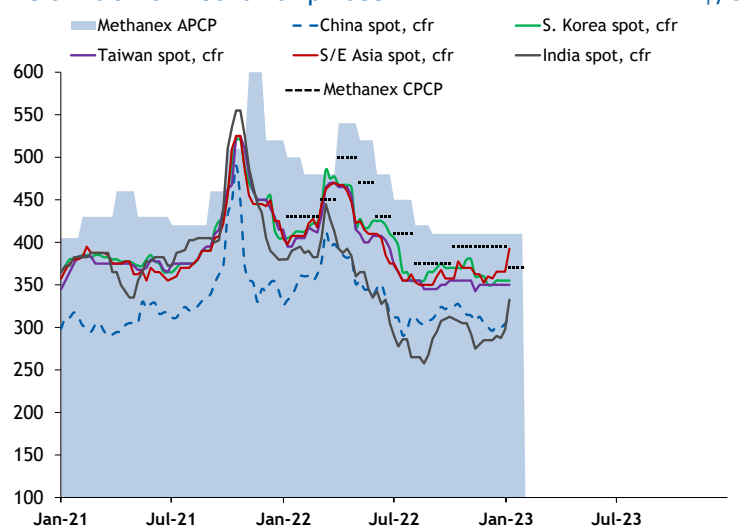
Saudi Arabia-based Ar Razi Methanol is the latest to have shut one of its production units because of a technical issue. The shutdown comes in the wake of a series of disruptions that has crimped methanol supplies.

Spot prices in China saw modest gains, buoyed by post-holiday restocking activities and a strong futures market. Cautious optimism over the demand outlook surfaced, amid expectations Zhejiang Xingxing could restart its MTO unit toward the end of this week. Luxi Chemical is also expected to restart in the near term. Domestic methanol supplies were reduced, with Jiutai Energy's 2mn t/yr coal-based unit shut at the end of December for a month-long turnaround.

Spot enquiries have emerged from southeast Asia because of regional shortages, with a major producer seeking January arrival cargoes to tide over existing supply gaps.

Methanol prices in India similarly surged, with some buyers bidding steadily over the week amid concerns of tighter supplies. Several importers were still searching for sellers with January-loading cargoes to offer toward the end of the week, but to little avail.

Asia-Pacific methanol prices



ASIA-PACIFIC

China

China's spot methanol prices were rising to start of the new year, particularly in the first half of the week on the back of post-holiday restocking demand and a rise in methanol futures.

Sentiment improved slightly as the first wave of Covid-19 infections peaked in the latest weeks across the country and the perception the worst (mainly referring to demand) was/is over. But recovery will take time with the Lunar New Year holidays approaching and the market set to slow from next week through early February.

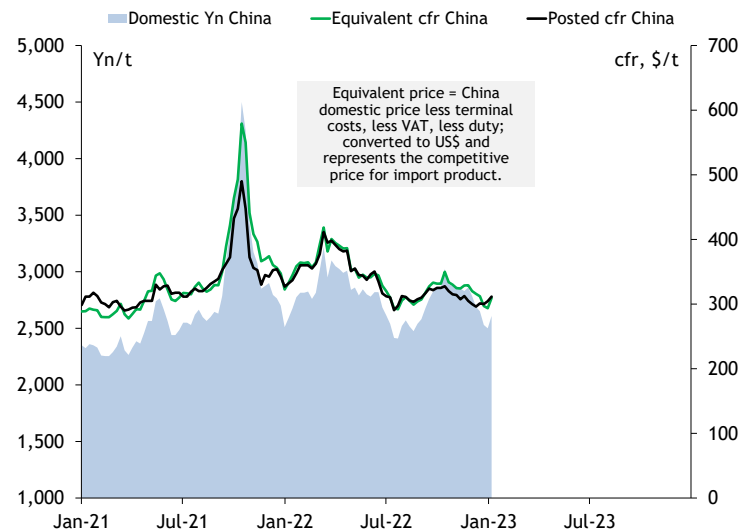
Demand from traditional sectors (such as formaldehyde) started to diminish this week, with downstream plywood manufacturing facilities closing ahead of national holidays. Conversely, methanol demand into the MTO sector looks to be improving as merchant MTO producers are restarting their respective units.

In the spot trading arena, prices for domestic, prompt delivery cargoes firmed by Yn10-30/t at the start of the new year, trading at Yn2,670-2,690/t levels, ex-tank Taicang (\$315-318/t import parity basis). A 2.5pc rise in methanol futures on 3 January also lent support.

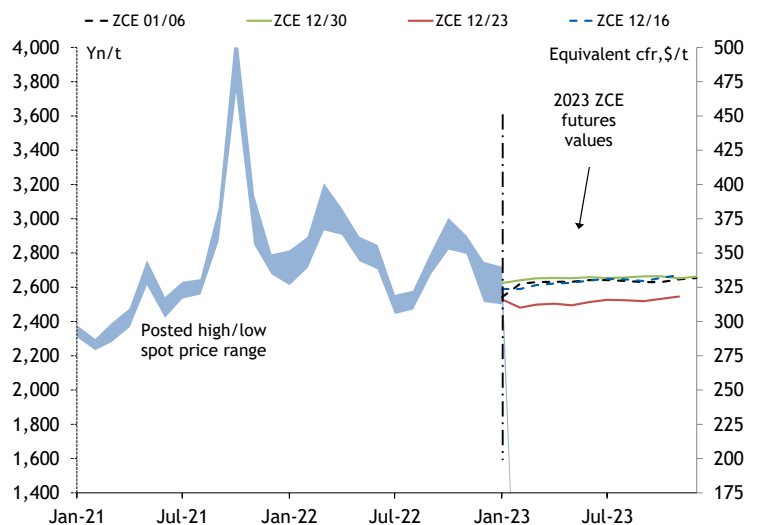
The spot market then weakened later in the week as demand slowed. Prompt prices inched lower, to Yn2,640-2,660/t levels, ex-tank Taicang (\$314-316/t import parity basis) at Friday's close. Discounts for forward deliveries narrowed to Yn10-20/t versus that of prompt, from last week's Yn20-35/t spread, with trades at Yn2,620-2,680/t levels (\$311-318/t import parity basis).

Import trading activity was limited. Buying indications were initially placed at \$305-310/t levels, cfr China, but firmed slightly to the \$310-315/t range, same basis, as the week progressed. A key trading firm secured a 10,000t Middle East cargo, at \$315/t, cfr China, for end of January arrival Wednesday. Offers were also available later in the week at \$323/t, for a bonded warehouse cargo, against bids at \$316-317/t. Discussions on floating basis were indicated at 1.5-1.8pc premiums to cfr China assessments.

China methanol pricing



Domestic China methanol pricing/ZCE futures



ASIA-PACIFIC

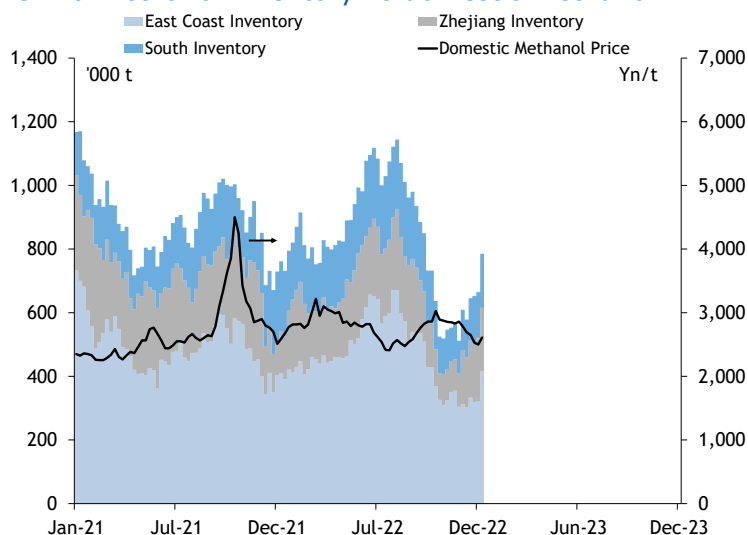
Port inventories soared to 785,000t this week, up sharply by 120,500t, from the end of December and the highest since late September. The surge was partly due to concentrated fresh import arrivals in late December, supplemental supplies from inland China amid a widely open inland-coastal arbitrage, as well as a slowdown of offtakes by users this week. East China Jiangsu’s inventories climbed to 416,000t, 93,500t more than last week. East China Zhejiang’s inventories edged up by 2,000t, to 199,000t. South China’s inventories rose by 25,000t, to 170,000t.

However, some import supplies are likely to remain curtailed across January following further production cuts in the Middle East due to natural gas supply shortages in Iran. Export loadings from Iran shrank to only 400,000t in December 2022, compared with November’s 650,000t—the lowest since November 2021. Total export loadings, and the monthly average from Iran, were around 7.4mn t and 610,000t, respectively, in 2022, a rise of 8pc from 2021.

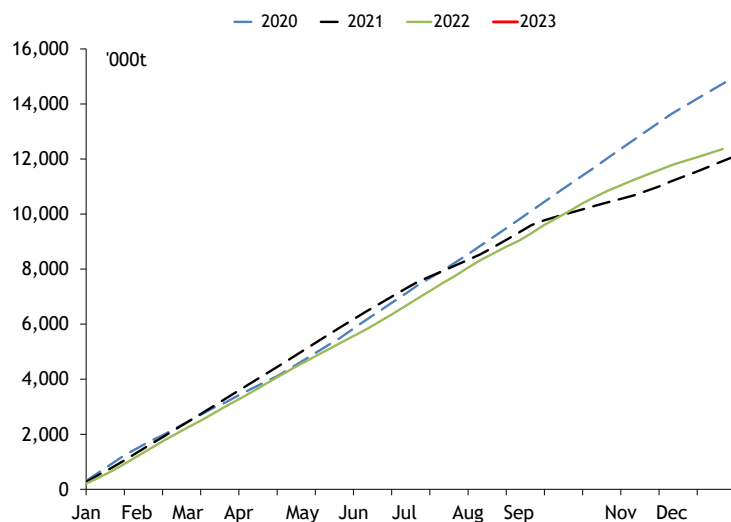
China’s domestic methanol production also sees some reduction reduced following the shutdown of Jiutai Energy’s 2mn t/yr coal-based methanol unit in Inner Mongolia at the end of December, for a month-long planned turn-around. Production losses for January are estimated at nearly 1.2mn t, a sharp rise of 18pc from December losses. However, the impending restart of natural gas-based methanol capacities in southwestern China, next week, will partially offset current losses. The week’s inland spot methanol prices surged Yn100-160/t, or 7pc, on the week, to Yn2,000-2,120/t, ex-tank Inner Mongolia and northern Shaanxi (\$235-250/t import parity basis).

Demand from the MTO sector increased slightly this week as MTO units begin restart. Zhejiang Xingxing is in the process of restarting its 690,000 t/yr unit as of 6 January. The unit was off line for more than two months (since 19 October). Shandong-based Luxi Chemical also plans to bring back its MTO production next week. The 300,000 t/yr unit has been down since 12 November. Jiangsu Sailboat is keeping its 830,000 t/yr MTO unit shut until the end of January or early February. As such, the week’s average run rates rose to 51pc (if excluding MTP’s) from last week’s 43pc, or 53pc (if to further exclude a long-idled MTO unit) from last week’s 46pc.

China methanol inventory vs domestic methanol



MTO merchant methanol cumulative demand



ASIA-PACIFIC

However, MTO margins have continued to worsen over the past two weeks, as feedstock methanol prices firmed but key olefin and olefin derivative prices saw further decline. If based on ethylene and propylene prices alone, which fell by 2-3pc this week, MTO margins declined to a six-week low of -\$225/t, down \$50/t from last week. Integrated MTO margins, sampling on three east China merchant MTO producers, fell to -\$215/t, from last week's -\$165/t. Ningbo Fund's margins dropped to -\$340/t, from last week's -\$315/t. Zhejiang Xingxing's margins fell sharply, to -\$310/t, from last week's -\$240/t, as its key derivative ethylene oxide market plunged 10pc during the week. Jiangsu Sailboat's margins narrowed to merely \$10/t this week, from previous \$60/t estimates. Inland MTO margins also shrank, to \$30/t, from last week's \$95/t, as inland methanol prices picked up.

In the other derivative markets, formaldehyde units are shutting down for the upcoming holidays. Average run rates slipped to just 15-20pc, from previous 20-25pc levels, in the Shandong and Jiangsu regions—the major formaldehyde production hub in China. Run rates for the acetic acid sector rebounded to 71pc this week, from 68pc a month earlier, after the restart of a 1.2mn t/yr Nanjing-based unit in late December. Domestic acetic acid prices continued hovering at two-year low levels of Yn2,900-3,000/t, ex-tank Jiangsu, over the past two weeks.

Domestic MTBE prices remain stable-to-firm, despite steep declines in the international market. Active restocking ahead of the Lunar New Year supported buying sentiment, as consumers sought to shore-up inventories ahead of the holidays. Local supplies remain sufficient to meet the demand up-tick. Sentiment took a hit in the second half of the week however, following crude losses. East China prices held steady at Yn6,200-6,300/t levels, or \$763/t on an import parity basis.

South Korea and Taiwan

Despite sharp gains in the southeast Asian and Indian markets, methanol prices in South Korea and Taiwan were little moved this first week of the new year. Tighter supplies from the Middle East failed to lift prices, owing to slow demand.

In South Korea, methanol inventories remain on the high side as traders struggled to draw down excess stocks in the wake of weak downstream consumption. Spot demand in Taiwan was scant, with contract volumes sufficient to cover near-term requirements. Moreover, most importers were keen to avoid building stocks ahead of the fast-approaching Lunar New Year celebrations.

Sellers similarly avoided offering spot cargoes to both South Korea and Taiwan, given the emergence of more robust buying interest and more attractive netbacks from other markets. Methanol prices on a cfr South Korea and cfr Taiwan basis consequently are kept unchanged in the absence of discussions amid muted buying interest.

Southeast Asia

Methanol production in southeast Asia remains curtailed, with Indonesia's Kaltim Methanol Industri still shut for a 45-day maintenance turnaround that began on 9 December.

In Malaysia, Petronas also plans to shut its No.2 methanol unit for maintenance later this month. The 1.65mn t/yr unit was shut unexpectedly on 15 December for about a week, due to a technical issue, which was temporarily resolved. The unit will be taken off-line again in January for two weeks to fully rectify the issue.

Spot buying enquires emerged this week, as a major producer sought January arrivals in order to cover supply gaps having emerged as a result of the string of supply disruptions. Bids were hard pressed to find countering offers, given the bulk of January-loading cargoes have already been committed.

ASIA-PACIFIC

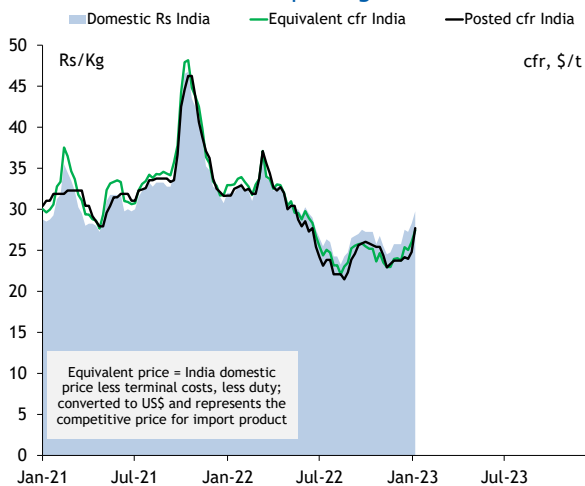
A bid for a 5,000t, late January arrival cargo was tabled at \$375/t, cfr Dumai, and was hiked over the course of the week to a peak of \$390/t. Still, the bid found no interested sellers. Selling indications were at \$395-400/t levels, cfr southeast Asia, though there were few concrete offers to be found.

India

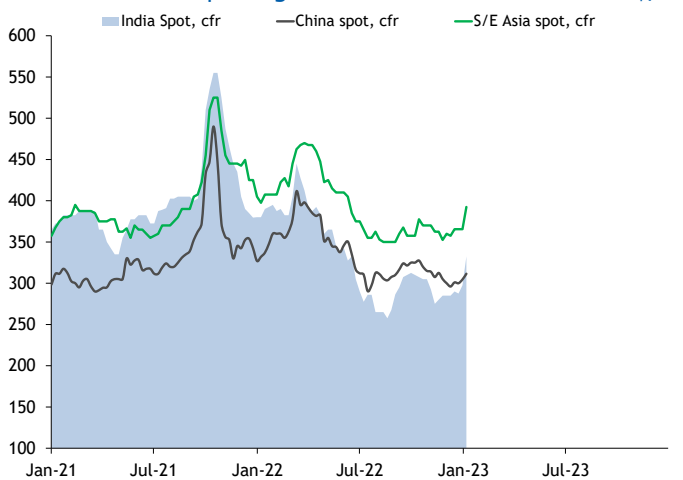
Buyers in India not fully covered for January and early February requirements scrambled to secure product this week, following concerns near-term supplies could tighten further. Though there were not many of such buyers (those who were in urgent need of replenishing stocks), the lack of offers available in the spot market was enough to push import prices higher. Reduced supplies from the Middle East were cited as the main reason for firmer prices this week. Downstream demand conditions are understood to be little changed.

A firm bid was located at \$330/t, cfr India, for late January and February arrivals. A deal for a 3,000t, late-January arrival cargo was understood to have been done at \$335/t, cfr India. But some market participants say the deal could be for an off-spec, Algerian origin cargo. Selling indications for other Middle East origin product also hovered at the \$335/t mark. Domestic prices rose by Rs1.5/kg, with discussions at Rs29.5-30/kg levels, ex-tank basis.

India domestic methanol pricing



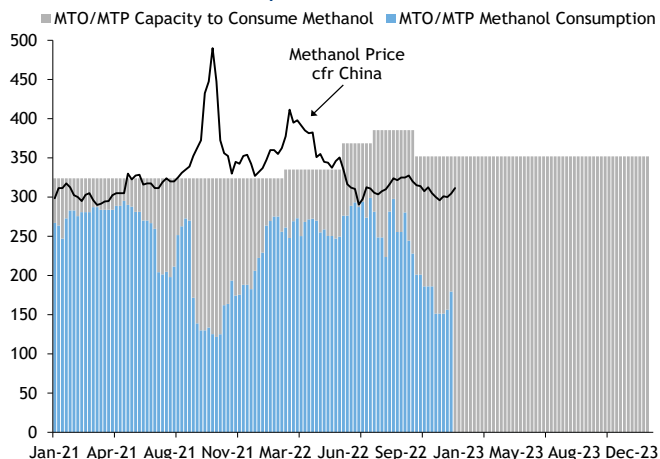
India methanol pricing



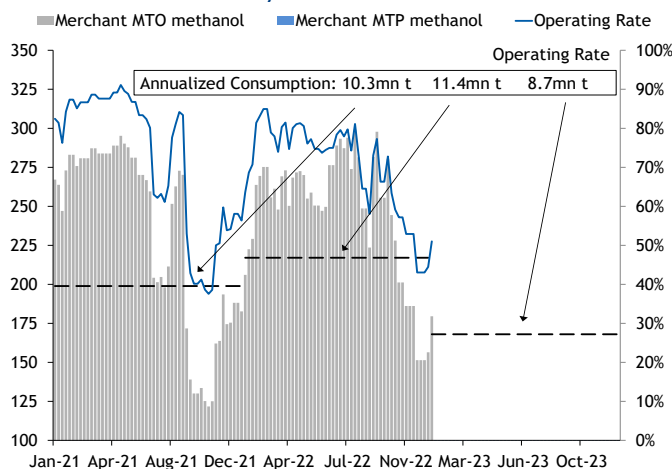
CHINA MTO/MTP METRICS

China MTO/MTP Producers - Operating Status										
Start-up	Producer	Location	Process	Olefin		Methanol		Operating Rates		
				Capacity	Demand	Capacity	16-Dec	23-Dec	30-Dec	6-Jan
Oct-11	Sinopec Zhongyuan Ethylene	Puyang, Henan	MTO	200	580	-	0%	0%	0%	0%
Feb-13	Ningbo Fund Energy (former Skyford)	Ningbo, Zhejiang	MTO	600	1,740	-	70%	70%	85%	85%
Sep-13	Chengzhi Nanjing Clean Energy	Nanjing, Jiangsu	MTO	300	870	500	0%	0%	0%	0%
Nov-14	Shandong Shenda Chemical (Levima)	Tengzhou, Shandong	MTO	460	1,334	-	90%	90%	90%	90%
Apr-15	Zhejiang Xingxing Chemical	Jiaxing, Zhejiang	MTO	690	2,001	-	0%	0%	0%	60%
Jun-15	Yangmei Hengtong	Linyi, Shandong	MTO	300	870	-	60%	60%	60%	60%
Dec-15	Shenhua Yulin	Yulin, Shaanxi	MTO	600	1,740	600	CTO	CTO	CTO	CTO
Apr-16	China Coal Mengda Energy	Ordos, Inner Mongolia	MTO	600	1,740	600	100%	100%	100%	100%
Dec-16	Changzhou Fund Energy	Changzhou, Jiangsu	MTO	330	957	-	70%	70%	70%	70%
Dec-16	Jiangsu Sailboat Chemical	Lianyungang, Jiangsu	MTO	830	2,407	-	0%	0%	0%	0%
May-19	Jiutai Energy	Ordos, Inner Mongolia	MTO	600	1,740	1,000	CTO	CTO	CTO	CTO
Jul-19	Nanjing Chengzhi Chemical No. 2	Nanjing, Jiangsu	MTO	600	1,740	-	70%	70%	70%	70%
Apr-20	Jilin Connell Chemical No. 1	Jilin, Jilin	MTO	300	870	200	0%	0%	0%	0%
Jun-22	Tianjin Bohua No.1	Tianjin	MTO	600	1,740	-	55%	55%	55%	55%
Aug-22	Shandong Luxi Chemical	Liaocheng, Shandong	From CTO	300	870	-	0%	0%	0%	0%
Mar 22	Xinjiang Hengyuo	Xinjiang	MTP	200	580	-	60%	60%	60%	60%
MTO Weighted Average Weekly Operating Rates (including MTP)							43%	43%	44%	51%

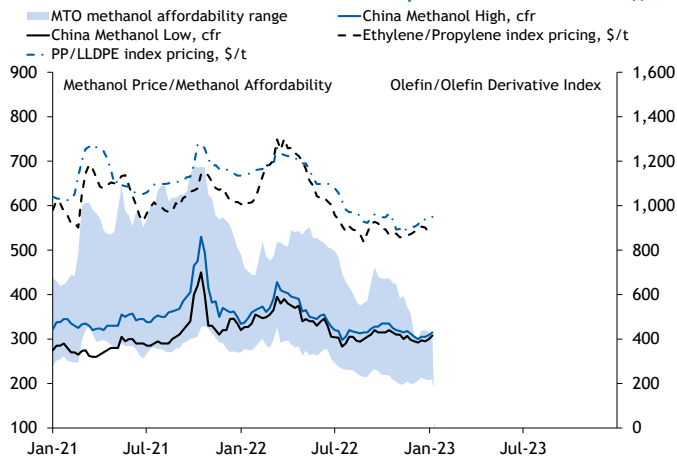
Merchant MTO weekly methanol demand - '000t



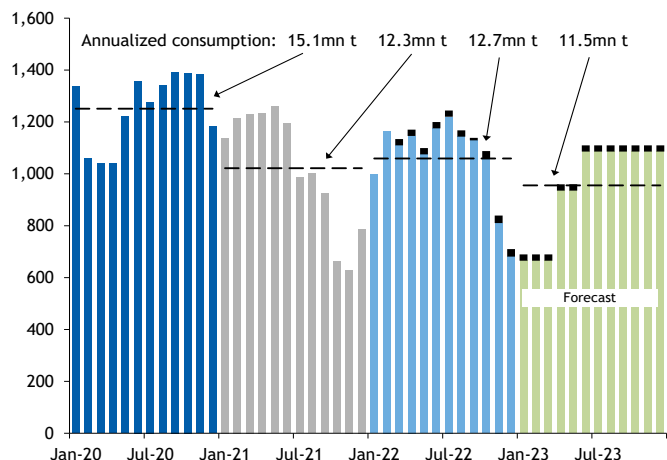
Merchant MTO weekly methanol demand - '000t



China MTO methanol affordability - \$/t

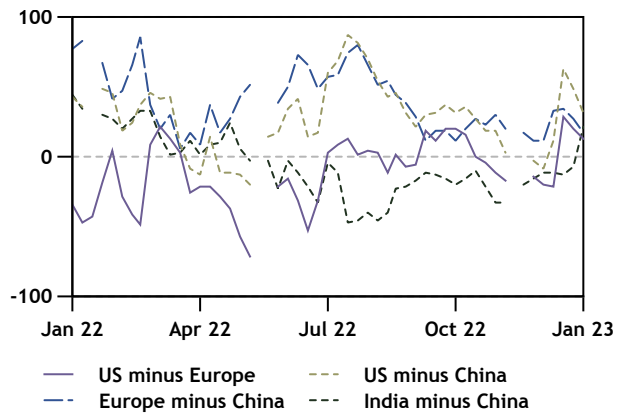


MTO/MTP total methanol demand - '000t

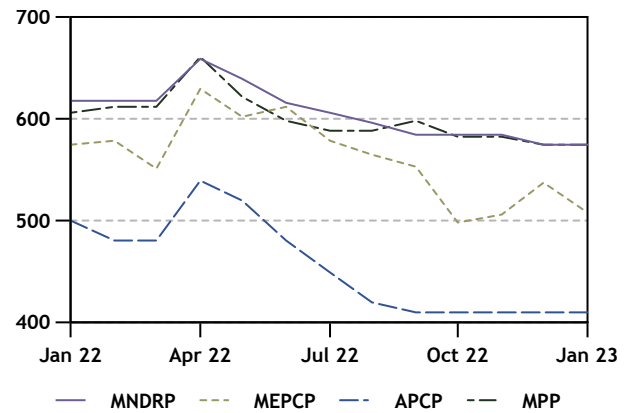


INDUSTRY EQUIVALENT

Regional arbitrage \$/t



Producer and marketer posted prices \$/t



ENERGY SUMMARY

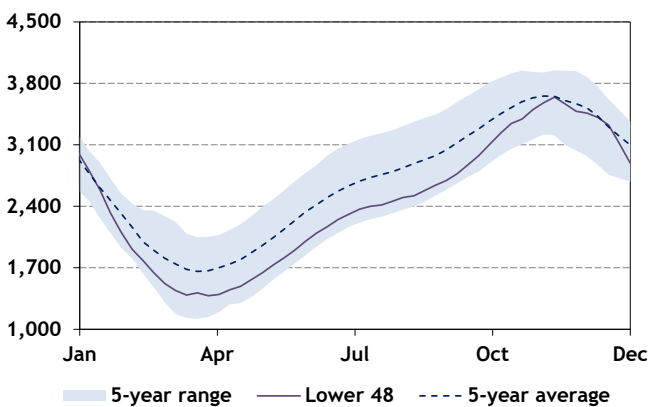
Natural gas prices \$/mmBtu

	29 Dec	30 Dec	3 Jan	4 Jan	5 Jan
Henry Hub spot	3.675	3.525	3.660	3.795	3.705
Nymex, Feb	4.559	4.475	3.988	4.172	3.720
Nymex, Mar	4.117	4.104	3.641	3.780	3.426

Natural gas index month averages

	Jan
Houston Ship Channel HPL \$/mmBtu	4.418
Henry Hub \$/mmBtu	5.569
Alberta NIT/AECO C\$/GJ	5.924

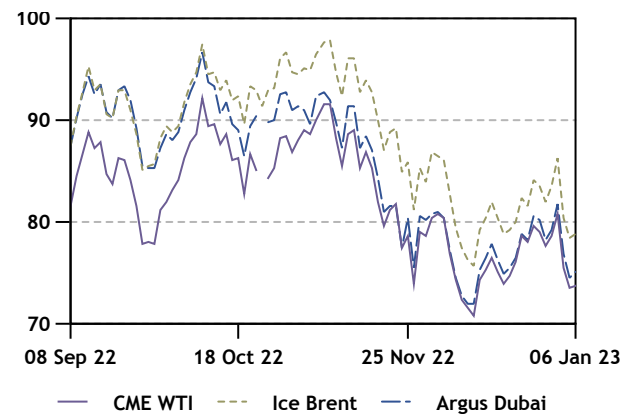
US natural gas in underground storage Bcf



Week ended 30 Dec

- EIA

Nymex WTI, Ice Brent and Argus Dubai \$/bl



ANNOUNCEMENTS

European spot VWA methanol prices to continue

Following consultation, Argus will continue to publish its European spot volume-weighted average (VWA) methanol price assessments.



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