

HIGHLIGHTS

Feedstocks

- Crude prices weaken as demand concerns grow
- Naptha prices weaken relative to crude

US

- Export prices hold steady
- Buyers press for further contract price drop

Latin America

- Brazil demand remains healthy
- Chinese offers to Argentina limited

Europe

- Demand remains poor across Europe
- Production remains hampered in CEE

Turkey

- High stocks and low demand push down prices

China

- Rise in futures supports domestic prices

South Asia

- Prices rise on tighter supplies

MARKET PRICES

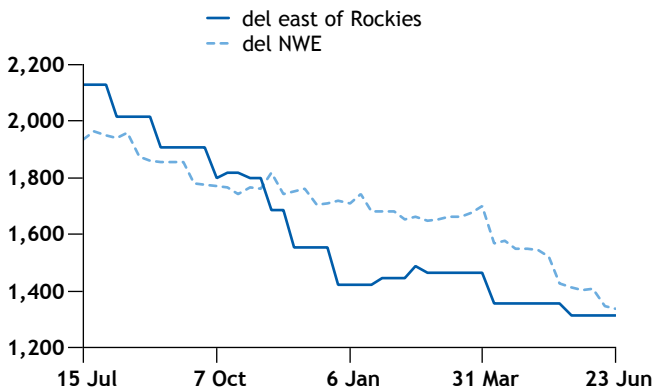
Contract prices				\$/t
	Timing	Contract marker		Argus Δ
US				
PVC pipe del east of Rockies	Jun	1312	-	0.00
Europe				
PVC pipe del NWE	Jun	1336	▼	-11.00
PVC pipe del S Europe	Jun	1363	▼	-11.00
PVC pipe del CEE	Jun	1325	▼	-11.00
PVC paste del NWE	Jun	1591	▼	-24.00

The Argus Δ (delta) is the assessed change in price from the previous month

Spot prices				\$/t
Product and basis		Price		Weekly ±
US				
PVC pipe fas Houston bagged		670-700	-	0.00
Latin America				
PVC pipe, cfr, Brazil (US-Origin)		735	▼	-15.00
PVC pipe, cfr, WCSA (US-Origin)		755	▲	+10.00
Europe				
PVC pipe import price cif Europe		852	▼	-62.00
Turkey & Egypt				
PVC pipe cfr Turkey (Europe-origin)		800-820	▼	-30.00
PVC k70 cfr Turkey (Europe-origin)		830-850	▼	-45.00
PVC pipe cfr Turkey (US-origin)		710-730	▼	-20.00
PVC pipe cfr Egypt		790-830	-	0.00
Asia-Pacific				
PVC pipe fob China (ethylene-based)		720-725	▲	+7.50
PVC pipe fob China (carbide-based)		715-720	▲	+10.00
PVC pipe cfr China		725-755	-	0.00
PVC pipe cfr India		770-790	▲	+5.00
PVC pipe cfr Pakistan		780-800	-	0.00
PVC pipe cfr Bangladesh		790-810	▲	+20.00

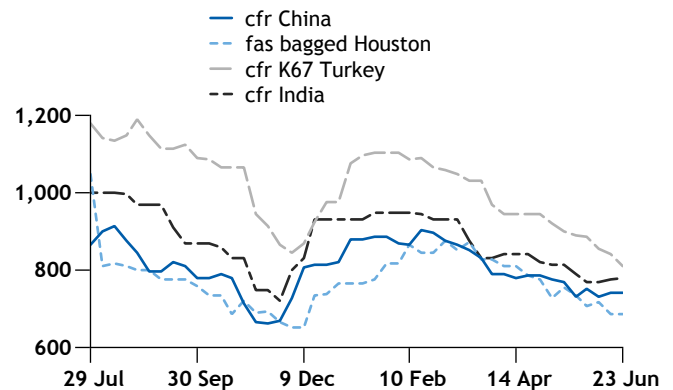
Global PVC contract prices

\$/t

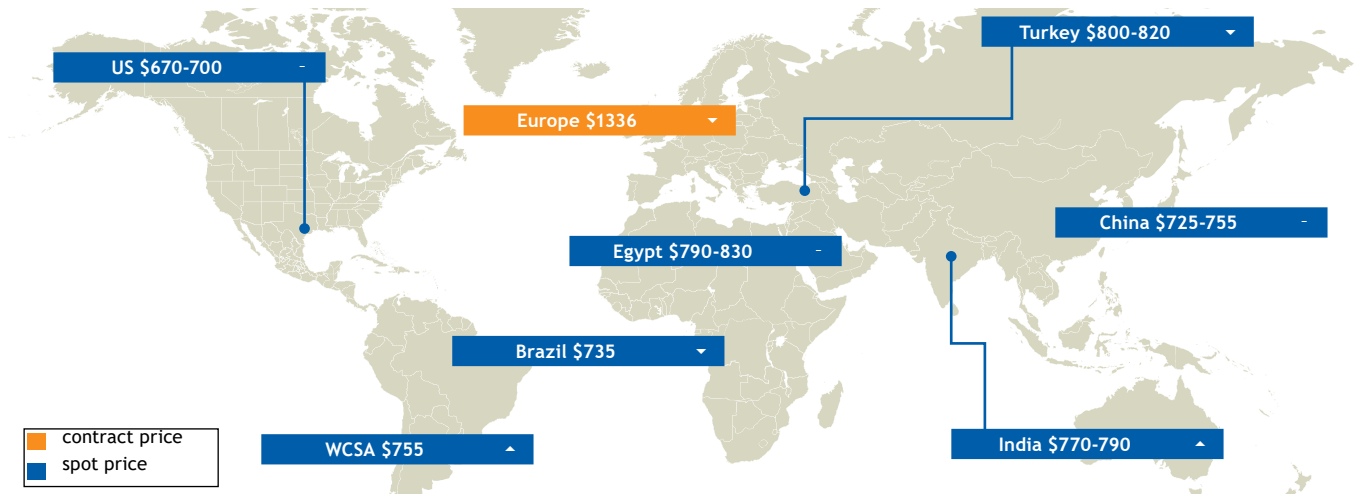


Global PVC spot prices

\$/t



GLOBAL SNAPSHOT



OIL FEEDSTOCKS

Crude oil

Crude prices fell this week on lower demand forecasts from China, and as the Bank of England raised interest rates to a 15-year high of 5pc. State-owned CNPC now expects Chinese oil demand to rise by 3.5pc to 17.2mn b/d this year, lower than a previous growth prediction of 5.1pc by its listed arm PetroChina.

The front-month Ice Brent contract closed at \$73.75/bl on 23 June, while the front-month Nymex WTI contract was at \$69.14/bl as of 18:53 GMT - both down by around \$2/bl week-on-week.

Naphtha

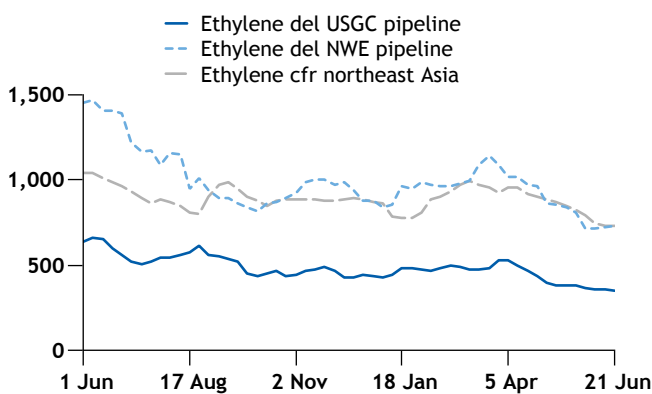
European naphtha prices fell further in the past week and cracks relative to crude fell to their lowest this year. Demand into gasoline blending has not been sufficient to

Crude				\$/bl
	Effective date	Price		Weekly ±
Ice Brent	22 Jun	74.14	▼	-2.47
Nymex WTI	22 Jun	69.51	▼	-2.27
Naphtha				\$/t
70 min paraffin USGC waterborne del	22 Jun	487.80	▼	-40.55
65 para NWE cif	23 Jun	518.50	▼	-32.00
Japan c+f	23 Jun	500.63	▼	-39.62
Ethylene				
	Basis	Effective date	Price	±
del USGC ¢/lb	May	2 Jun	27.50	▼ -2.25
del Europe €/t	Jun	31 May	1,160.00	▼ -80.00
cfr NE Asia \$/t	spot	21 Jun	727.50	- 0.00

Effective date is the date of last assessment. Change is compared with the previous assessment.

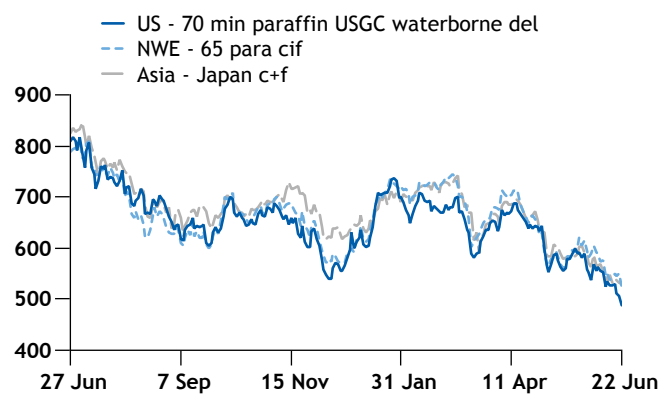
Global ethylene prices

\$/t



Global naphtha prices

\$/t



OIL FEEDSTOCKS

offset the low demand from petrochemicals. Average prices in June so far are €22/t lower than May and at the latest spot price of €476/t would be €31/t lower by the end of the month.

Asia naphtha prices fell and lost more ground relative to crude. Some unplanned cracker maintenance exacerbated already weak demand through the petrochemical chain. Naphtha cracks relative to crude have turned negative in June.

Ethylene

US spot EPC ethylene prices held largely steady, trading between 15.75-16.125¢/lb during the week, as inventories are ample and demand has shown no major increase in the short term. US cracker operators are likely still running between 85-90pc of capacity, which may be a little high given the lacklustre demand picture. Chevron Phillips Chemical’s 1.725mn t/yr ethylene unit at the Cedar Bayou plant in Bay-

town, Texas, had an unexpected shutdown of an ethylene refrigeration compressor on 15 June.

The European ethylene market remains oversupplied, resulting in widespread cracker operating rate reductions. The European July monthly contract price (MCP) discussions will start next week, and the negotiating points will be a re-run of recent months. There will again be calls from buyers to reduce the MCP beyond the feedstock movement, while producers will point to poor naphtha cracking margins. Since the end of last year, MCP movements have not diverged from naphtha feedstocks, which for June are currently €22/t lower on average versus May and could be €31/t lower by the end of the month at the current spot level.

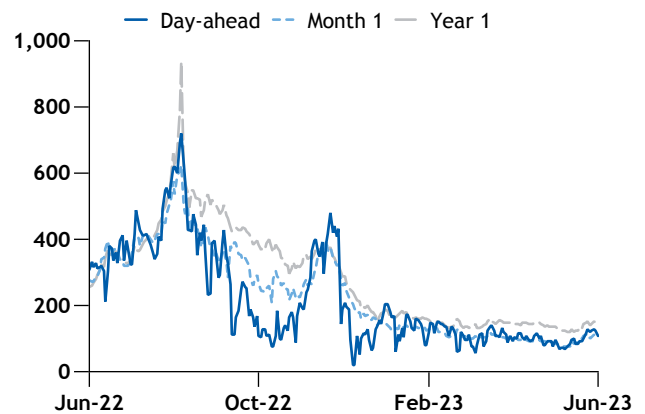
In Asia-Pacific, ethylene prices held largely steady because of a buy-sell stalemate and were supported by a slight rebound in derivative markets. Buying ideas were capped at \$700-720/t cfr China/Taiwan. Sellers have slowed sales and selling ideas were pegged at \$740/t cfr northeast Asia.

GAS, ELECTRICITY AND COAL

- European gas prices stabilised at a higher level after ticking up in recent weeks.
- Coal prices in china halted their recent decline and inched higher as demand for power generation increased and stocks declined

Europe electricity prices

€/MWh



China coal prices

\$/t



US gas prices

\$/mnBtu



CHLOR-ALKALI AND DERIVATIVES

Americas

Weaker caustic soda demand, coupled with increased chlorine offtake into vinyls has led US Gulf coast producers to secure additional market share in the export market by selling some spot material into Latin America.

Europe

More price ideas have emerged for third-quarter business in northwest Europe after last week's €250/dmt increase nomination by a major supplier. There have been no further announcements, but it has emerged that another seller is looking to achieve a target price of €830/dmt fd for quarterly and monthly contracts from July, citing declining margins from lower returns for caustic soda and chlorine, renewed cost pressures from higher electricity prices, and less, if any, volume pressure in its system. A couple of other producers are not planning to make a formal announcement, while several other players are still to decide and will communicate their price approach from July.

Asia-Pacific

Notional fob prices for northeast Asian exports were assessed at \$350-355/dmt in the absence of new fixtures. The caustic soda market in China and Taiwan has quietened ahead of an extended holiday for the Dragon Boat festival. Chinese producers continued to hold firm on their offers of \$350/dmt fob in line with domestic parity price levels, but some producers were trying to sell off some July-loading cargoes earlier before turnarounds end in early July. This was in anticipation of further price drops when producers resume production after maintenance and release more cargoes into the export market. A recent fall in coal prices of close to 17pc compared to earlier month will help to ease cost pressure on producers.

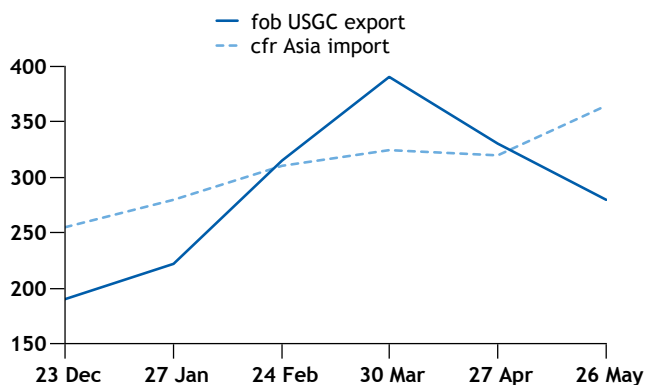
Caustic soda				
	Effective date	Price		±
fob USGC contract \$/dst	May 23	958.00	▼	-25.00
fd NWE contract €/dmt	Q2-2023	950.00	▼	-790.00
fob NE Asia export \$/dmt	Week 25	353.00	▼	-5.00

EDC & VCM				
				\$/t
EDC fob USGC	May 23	280.00	▼	-50.00
EDC cfr Northeast Asia	May 23	365.00	▲	+45.00
VCM cfr Northeast Asia	May 23	620.01	▼	-20.00

Effective date is the date of last assessment. Change is compared with the previous assessment.

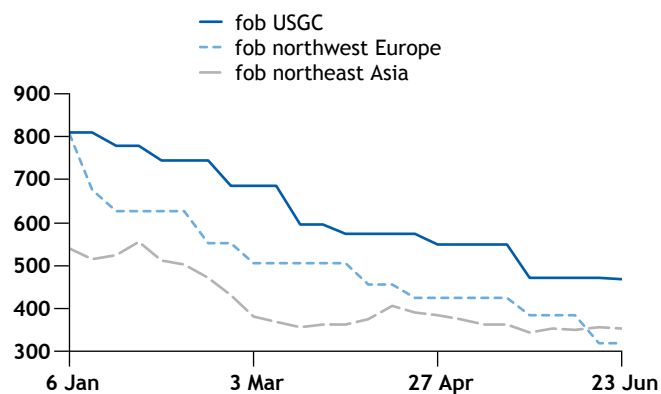
Global EDC prices

\$/t



Global caustic soda export prices

\$/dmt



PVC PRICING ANALYSIS

US

June contract negotiations in the US polyvinyl chloride (PVC) market are ongoing with buyers continuing to press for further price reductions, while producers are seeking flat pricing for the month. Buyers have argued that ongoing weak demand and still low feedstock costs support another price reduction of as much as 2¢/lb, while producers point to signs that demand is going to pick up as reasons for prices to hold steady. The export range held steady at around \$670-700/t fas Houston during the week.

Spot ethylene prices have remained fairly stable over the last two weeks, as inventories are ample and demand has shown no major increase in the short term. June EPC ethylene traded at 15.75¢/lb on 22 June. With ethylene prices still near two-year lows, and export PVC prices below \$700/t, PVC buyers argue there is still plenty of margin for producers to reduce domestic prices further.

Final May data is not yet available from the American Chemistry Council, but preliminary data showed another producer inventory decline last month, with inventories falling by around 215mn lb in May, according to the ACC's Plastics Industry Producers' Statistics Group as compiled by Vault Consulting.

The inventory decline came as production fell by 5.2pc to 1.032bn lb, while sales rose by 6.3pc to 1.247bn lb. Year-to-date production is down by 7.8pc, while year-to-date sales are down by 2.7pc from 2022 levels.

Days of inventory in May fell to their lowest levels in more than two years, at 11.1 days of sales.

Demand in June has begun to stabilize, with optimism that the market could improve in the short term, particularly following stronger-than-expected housing data. US housing starts in May were at a seasonally adjusted annual rate of 1.631mn, up by 21.7pc from the revised April level, and 5.7pc above May 2022 levels, according to data from the US Census Bureau. US building permits in May were at a seasonally adjusted annual rate of 1.491mn, up by 5.2pc from April, but still 12.7pc below May 2022 levels.

Market participants said the stronger-than-expected housing starts are a sign that the construction market could be turning a corner, which will drive further PVC demand. Additionally, one producer said there is hope that government infrastructure funding will also spur some additional demand in the second half of the year.

A few production issues were still ongoing, which, if combined with significant demand improvement, could begin to tighten the market. Market participants said they expect the production issues to be resolved soon, though there

US polyvinyl chloride contracts				¢/lb
	Timing	Argus Δ	Contract marker	Low / High ±
PVC pipe del east of Rockies	Jun	0.00	59.5	-3.0/0.0

The Argus Δ (delta) is the assessed change in price from the previous month

US polyvinyl chloride spot exports				¢/lb
Product and basis		Price		±
PVC pipe fas/Houston bagged		30-32	-	0.0

Latin America polyvinyl chloride markets				\$/t
Product and basis		Price		±
PVC pipe cfr Brazil US-origin		735	▼	-15.00
PVC pipe cfr WCSA US-origin		755	▲	+10.00

was some discussion that some producers may limit operating rates later in the summer to maintain inventories at low levels.

Export prices held largely steady this week, with one producer holding prices at a rollover for \$680/t, and other prices heard around \$670-700/t fas Houston. Demand remains weak in the export market, but with some ongoing production outages in the US, some producers do not feel the pressure to accept lower prices.

There was news this week that some European producers are moving forward with efforts to seek potential anti-dumping duties on US origin PVC into Europe. Any potential duties were expected to be implemented first on general purpose grades before being implemented on other k-values.

While Europe has been a destination for US imports in recent months, some market participants said anti-dumping duties in Europe would not likely have a major impact on US producers, who would still have other destinations available to them.

Latin America

The downward price trend for polyvinyl chloride (PVC) imports into Latin America showed some weakening signs this week in a movement potentially related to demand in different regions of the continent.

In Brazil, where demand has been sustaining trade flows from abroad, prices continued to fall during the week. On the other hand, prices moved up in the west coast South America during the period.

Indeed, US origin pipe-grade PVC spot prices were assessed this week at \$720-750/t cfr for Brazil and \$740-770/t cfr in the west coast South America (WCSA), down \$15/t in the former but up \$10/t in the latter, when compared to as-

sessed prices last week.

As a comparison, Chinese PVC material was heard between \$815-850/t for Brazil and \$830-890/t for the WCSA, both cfr main ports.

In Argentina, there have been offers of US material at \$750/t, \$10/t lower than in the previous week. However, difficulties in obtaining import licenses make it difficult for this material to enter the country. Chinese offers to Argentina were not heard this week.

On the supply side, traders acting in the region are expecting a resumption of US PVC offers in July as this material has been limited for a while. Asian offers, on the other hand, are considered normal. Regional producers are also active in the markets of Latin America.

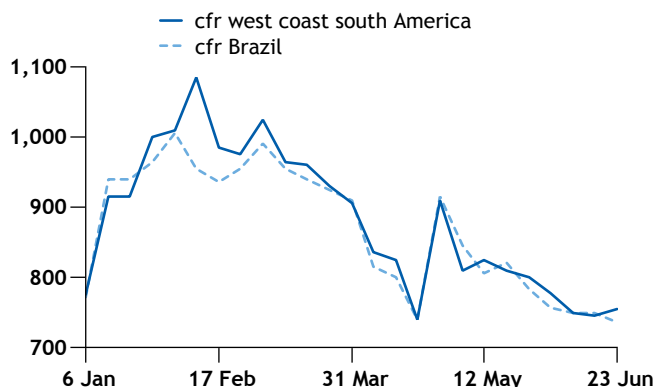
In a different development, a blast on 22 June in a gasoline tank undergoing maintenance at Brazilian petrochemical producer Braskem's ABC complex in Sao Paulo state left one person dead and six people injured.

The explosion caused a fire that has since been brought

under control. Braskem said the cause of the accident is being investigated.

Braskem told Argus that the accident had no impact on production. The complex has a capacity to produce 700,000 t/yr of ethylene, a feedstock for PVC.

Latin America S-PVC prices \$/t



PVC PRICING ANALYSIS

Europe

The European PVC market remains dampened by low demand from customers so far in the second quarter, with no real sign of improvement in the short-term as everyone gears up for the quieter summer season.

Producers are keeping operating rates near technical minimums in order to alleviate inventory build-up and cater for lower demand requirements from their customers, with production cut-backs so far mostly resulting in less product available for export out of Europe. The export market remains quiet also, therefore any feeling of a re-balancing vinyls market remains premature, and this is clearly evident by producers' attempts to destock heavily across EDC, suspension PVC (s-PVC) and paste PVC (e-PVC) grades. Despite such efforts, buyers are viewing the market as more than well-supplied and continue to push for contract price decreases equal to at least the full monthly ethylene cost.

June s-PVC price negotiations are mostly averaging at €80/t, with higher price decreases of €100/t mostly reflective of higher contract price starting positions or supply contracts that conceded lower-than-average price decreases in May. Price decreases appear to be consistent across northwest, southern and central eastern Europe (CEE) so far this month, with producers experiencing difficulty in achieving their price targets of €40-50/t given lower demand requirements, competitively priced offers from other local producers and a narrow, yet present gap between import

Europe polyvinyl chloride contracts				€/t
	Timing	Argus Δ	Contract marker	Low / High ±
PVC pipe del NWE	Jun	-80	1230	-100/-50
PVC pipe del southern Europe	Jun	-80	1255	-100/-50
PVC pipe del central and eastern Europe	Jun	-80	1220	-100/-50
PVC paste del NWE	Jun	-50	1465	-70/-40

The Argus Δ (delta) is the assessed change in price from the previous month

Europe polyvinyl chloride import prices			€/t
Product and basis	Price		±
PVC pipe import price cif Europe	785	▼	-50.0

and domestic contract prices. We will maintain the preliminary June s-PVC contract deltas for northwest, southern and central eastern Europe at €80/t, pending further confirmation from the market.

The June e-PVC market remains equally quiet, with homo-polymer grade availability remaining abundant against lower demand requirements from automotive and flooring segments. Co-polymer availability remains slightly shorter in comparison, but this is not surprising given the lack of alternative domestic capacity and fewer supply options for certain customers. A small number of e-PVC import offers between €1,200-1,400/t delivered continue to trickle into Europe from South Korea and the US, but these are not

translating into physical trades and given lack of import pressure is once again limiting contract price decreases on specialty PVC grades compared with s-PVC. Price relief on e-PVC homo-polymer grades has mostly ranged between €40/t and €70/t, so far in June, and we have decided to adjust our preliminary June e-PVC contract delta for northwest Europe from €40/t to €50/t.

The northwest European market remains quiet. Some producers are noting slightly better volume offtake in June compared with May owing to less public holidays, but this is hardly indicative of improving demand across construction, automotive, cabling and packaging segments as overall performance across these remains well below average for the year. A Germany-based producer recently lifted a force majeure on PVC deliveries out of Knapsack and Cologne.

The southern European market remains equally lacklustre, with the aftermath of flooding in northern Italy continuing to hamper demand requirements from affected manufacturing lines. Although net delivered contract prices here are also noted at €1,000-1,100/t, domestic spot material is also available below €1,000/t DDP among distributors or local producers looking to secure additional volume offtake, but this is hardly reflective of overall contract prices in Europe and has hardly gathered interest among buyers so far given lower demand requirements in southern Europe also.

The CEE market is shifting closer to balanced as local production remains hampered in Poland, Czech Republic and Ukraine, with another producer in Hungary gearing up for planned maintenance in July. Despite this, equally lower demand requirements across CEE are keeping buyers calm over supply security as they feel they can easily source alternate material either domestically or via imports.

PVC import prices into Europe remain competitive against domestic contracts, despite June s-PVC negotiations closing the gap further in many cases. South Korean K67 PVC traded in southern Europe at €820/t cif Europe, while higher k-value

grades from South Korea continue to gather a premium against pipe-grade imports. K65 PVC price offers from the US remain at €710-750/t cif Europe, with some closures confirmed this month at €920/t DDP for August arrival. We will adjust our s-PVC pipe-grade import price to €750-820/t cif Europe.

Turkey polyvinyl chloride markets			\$/t
Product and basis	Price		±
PVC pipe, cfr Turkey (Europe-origin)	800-820	▼	-30.0
PVC k70, cfr Turkey (Europe-origin)	830-850	▼	-45.0
PVC pipe, cfr Turkey (US-origin)	710-730	▼	-20.0

Egypt polyvinyl chloride markets			\$/t
Product and basis	Price		±
PVC pipe cfr Egypt	790-830	-	0.0

Turkey

Polyvinyl chloride (PVC) import prices to Turkey fell this week because of good supply availability and low buying interest.

The most important development of the week in Turkey was the central bank’s decision on interest rates. The bank expressed its strong commitment to end inflation and stabilise the economy, albeit its rise of 650 basis points to 15pc from 8.5pc fell behind expectations. The lira responded by devaluing further before the markets closed.

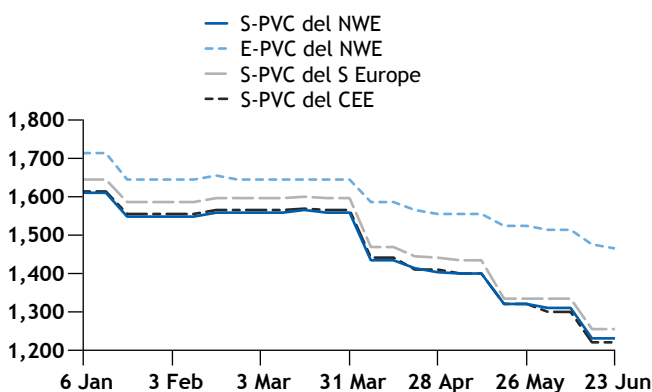
Producers can still get better netbacks from Turkey compared with the Asian markets, they say, which is why they are open to counterbids from buyers at the moment. Ahead of the long religious holiday next week, they are willing to sell material especially before the implications of the slow summer season become more visible. However, since both traders and converters were focused on the holiday, there was little communication this week, let alone transactions. Banks still provide limited financial backing, with many being closed next week. Only a few factories will keep running during the holiday, but their urgent orders were not enough to change the market.

Northwest Europe-origin PVC K67 was assessed at \$800-820/t cfr this week, down by \$30/t at both ends of the range against last week’s assessment. South Korean material was also available at \$800/t cfr.

Northwest Europe-origin PVC K70 was assessed at \$830-850/t, down by \$40/t at the low end and by \$50/t at the high end of the range compared with last week. US origin PVC pipe grades were assessed at \$710-730/t cfr, a decrease of \$20/t at both ends of the range from last week’s assessment.

Europe PVC contract prices

€/t



PVC PRICING ANALYSIS

Egypt

Polyvinyl chloride (PVC) import prices in Egypt rolled over this week on low demand and inadequate importing capacity.

There was little trade in Egypt this week. The lack of foreign exchange has become the main issue of the market recently, which cuts down market activity further on top of the slow polymers trade globally. The religious holidays in

the Middle East have also added up to the scarcity of new offers, or deals. There will be a religious holiday next week, which gives buyers another excuse to postpone their purchases into July. Egyptian trading firms expect to see where the prices will head so they can focus on new deals, but this is still limited to a few companies with enough liquidity.

PVC offers to Egypt were assessed at \$790-830/t cfr, rolled over at both ends of the range compared with last week.

PVC PRICING ANALYSIS

China

China's domestic PVC prices edged higher, tracking an uptrend in PVC futures. Import prices remained steady amid limited transactions.

PVC futures in China rebounded strongly in the middle of week, supported by an unexpected maintenance at a major Chinese carbide-based plant, but corrected downward towards the close of the assessment week. Trades slowed down in the run-up to the Dragon Boat Festival taking place over 22-24 June. Operating rates at downstream pipe producers fell further to 47-50pc, 2-3 percentage points lower from the previous week.

Prices for carbide-based PVC were at 5,600-5,750 yuan/t ex-works, Yn100/t higher from last week's low end. Ethylene-based PVC prices were assessed at Yn5,750-6,000/t, up by Yn100/t from the previous week's low end.

Average operating rates at Chinese PVC plants fell further to 67pc, one percentage point lower from the previous week. Run rates at carbide-based plants fell to 65pc, resulting from an unexpected maintenance at Xinjiang Tianye's PVC plants. Xinjiang Tianye owns a total capacity of 1.3mn t/yr. Ethylene-based plants operated at average run rates of 73pc. Shanghai Chlor-Alkali is carrying out maintenance at its 720,000 t/yr ethylene dichloride (EDC), 200,000 t/yr vinyl chloride monomer (VCM) and 100,000 t/yr PVC units from 10 June for about a month. Suzhou Huasu shut its 130,000 t/yr unit for a 10-day maintenance on 21 June. Sanjiang Chemical is conducting maintenance at its 300,000 t/yr unit for 15 days from 13 June.

The export arbitrage remained open, but trades diminished as Indian buyers slowed down their procurement of raw materials. Carbide-based PVC was offered at \$715-720/t fob China with partial deals done at \$720/t fob China, destined for Africa. Ethylene-based producers raised their offers further to \$725-740/t fob China with limited deals done at

Asia-Pacific polyvinyl chloride markets			
Product and basis	Price		±
China (Yn/t)			
PVC pipe ex-works China (ethylene-based)	5,750-6,000	▲	+50.00
PVC pipe ex-works China (carbide-based)	5,600-5,750	▲	+50.00
China (\$/t)			
PVC pipe fob China (ethylene-based)	720-725	▲	+7.50
PVC pipe fob China (carbide-based)	715-720	▲	+10.00
PVC pipe ex-works China import parity	648-677	▲	+4.49
PVC pipe cfr China	725-755	-	0.00
South Asia (\$/t)			
PVC pipe cfr India	770-790	▲	+5.00
PVC pipe cfr Pakistan	780-800	-	0.00
PVC pipe cfr Bangladesh	790-810	▲	+20.00

\$720-725/t fob China. Carbide-based PVC was assessed at \$715-720/t fob China, \$10/t higher from the previous week. Ethylene-based PVC was assessed at \$720-725/t fob China, up by \$5-10/t from the previous session.

The import market remained quiet in the absence of fresh offers. Well-balanced domestic supply and demand, alongside the ongoing depreciation of the Chinese yuan against the US dollar made domestic buyers reluctant to purchase import cargoes. The cfr price was assessed unchanged at \$725-755/t.

The feedstock EDC market is expected to fall with the end of maintenance at EDC plants in northeast Asia. Tentative offers for import EDC were above \$300/t cfr Asia while the notional buying ideas were much lower, with no deals finalised. Chinese domestic EDC prices remained steady at Yn2,500-2,600/t ex-tank because of limited supplies with scheduled maintenance at EDC plants.

Discussions for imports of VCM have just started. Tentative offers were at \$610-620/t cfr China while the notional buying ideas were at \$580-590/t cfr China, with no deals concluded. The domestic VCM price in east China stabilised at Yn4,900-4,950/t ex-tank.

South Asia

Indian PVC pipe-grade prices were \$5/t higher this week at \$770-790/t cfr India as buyers continued restocking on expectations of prices bottoming out. South Korean producers sold out all available cargoes at \$790/t cif. Cargoes from Japan were sold at \$830-840/t cif. This is equivalent to around \$770-780/t after accounting for duty benefits. Japanese cargoes are not subjected to import duties. Cargoes from Thailand and Vietnam were offered at \$800/t cif. This is equivalent to around \$780/t cif after accounting for duty benefits. Southeast Asian cargoes are subjected to 5pc import duties instead of the standard 7.5pc. A key Taiwanese producer announced new offers at \$760/t cfr. But these cargoes are no longer available.

Ethylene-based Chinese PVC cargoes were offered at \$780-790/t cif. But interest in these cargoes was limited as they were higher than the offers from the key Taiwanese producer at \$760/t cif last week. Indian buyers were only keen on purchasing Chinese cargoes below \$760/t cif. Interest in Chinese cargoes has waned significantly following India's Ministry of Commerce and Industry's quantity restriction recommendation. Some participants were concerned that ethylene-based PVC from China may violate the 2 parts per million restriction on vinyl chloride monomer (VCM) content recommended by India's Ministry of Commerce and Industry.

Market participants initially expected demand to wane because of the monsoon season. But this has changed as participants look to restock on expectations that prices have begun to bottom out. Buyers are of the opinion that a rebound in prices is around the corner. The recovery in PVC prices in China has brought about a renewed sense of optimism among Indian market participants. This is especially because of the stimulus announced that is expected to boost Chinese real estate demand, and spur demand for PVC in China.

Indian pipe-makers are looking to build inventories now while prices are stabilising before the anticipated rebound. But offers were limited this week because of public holidays in China. Offers from key producers in Asia were also limited this week. More offers are expected next week. Market participants expect further restocking to continue in the next two months if prices in China and in the US rise significantly. Some participants are hopeful that this will happen as they expect the housing sector to improve in the coming months. But other participants are staying cautious because caustic soda inventories remain ample.

There were no major production cuts at Indian producers this week. But producers that import feedstock VCM could be facing challenges in production. This is because of production issues at Qatar Vinyl, a major supplier of VCM to non-integrated Indian PVC producers. Privately-owned Reliance Industries faced production issues at its plants two-to-three weeks ago. But this has since been resolved. The producer is now operating at full rates.


Pakistan PVC pipe-grade prices were stable at \$780-800/t cfr Pakistan. Spot offers were limited this week. Pakistani buyers began to face challenges in securing imports as restrictions on letters of credit (LCs) have tightened once again. Buyers are now focused on purchasing domestically and restocking primarily from state-controlled producer Engro. Prices in domestic markets for other polymers such as polyethylene and polypropylene have already risen sharply, according to market participants. It is likely that the same will happen in local PVC markets. Market participants are hoping for a loan from the IMF to improve the current financial situation.

Bangladesh PVC pipe-grade prices were \$20/t higher at \$790-810/t cfr Bangladesh. A Thai producer offered cargoes at \$810/t cfr. Deals were likely to be concluded as market participants said this was an acceptable price. Cargoes on offer last week were sold out.

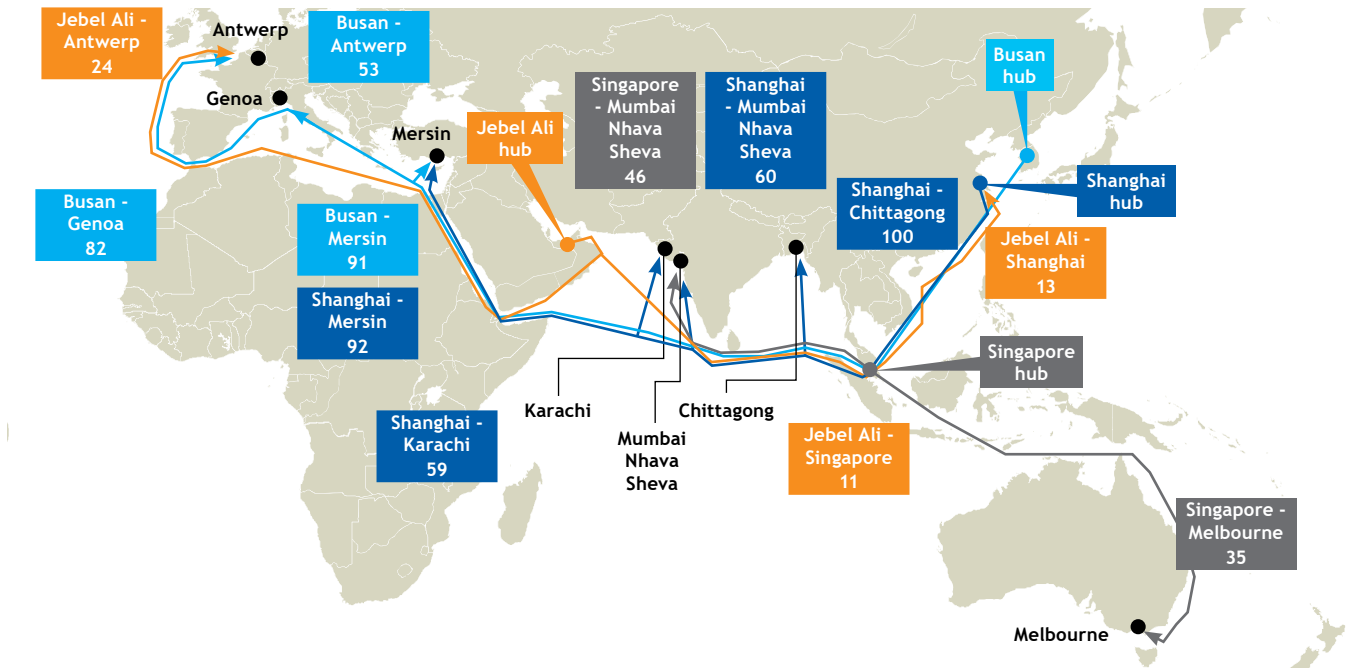
PVC plant maintenance, outages and disruptions						
Status	Plant	Location	Grade	Capacity '000t/yr	Nature of shutdown	Duration
	Hengyang Jiantao	China	Carbide-based	220	Maintenance	18 Oct till now
	Taizhou Liancheng	China	Ethylene-based	600	Reduced rates	70-80% of full cap. from 27 Feb
	Ningbo Hanwha	China	Ethylene-based	400	Reduced rates	90% of full capacity from 20 Mar
	Qinghai Salt Lake Haina	China	Carbide-based	200	Maintenance	28 Mar till now
	Shandong Dongyue	China	Carbide-based	120	Maintenance	25 Mar till now
	Xinjiang Zhongtai	China	Carbide-based	900	Maintenance	7 Jun, 20 days
	Shanghai Chlor-Alkali	China	Ethylene-based	100	Maintenance	15 Jun - 15 Jul
	Erdos NO.1	China	Carbide-based	400	Maintenance	6 Jun, 15-20 days
	Lutai Chemical	China	Carbide-based	360	Maintenance	25 Apr - 22 Jun
	Henan Haohua	China	Carbide-based	400	Low margins	25 May till now
	Inner Mongolia Yihua	China	Carbide-based	350	Maintenance	15 Jun, 7 days
UPDATE	Suzhou Huasu	China	Ethylene-based	130	Maintenance	Extended to 21 Jun, 10 days
	Shanxi Huojiagou	China	Carbide-based	160	Maintenance	End Jun for one week
	Zhejiang Jiahua	China	Ethylene-based	300	Tech issues	13 Jun, 15 days
	Sinopec Qilu	China	Ethylene-based	360	Maintenance	12 Jun, 9 days
	Shanxi Ruiheng	China	Carbide-based	400	Maintenance	14 Jun - end Jun
	Inner Mongolia Dongxing	China	Carbide-based	360	Maintenance	mid Jul
	China Salt Inner Mongolia	China	Carbide-based	400	Maintenance	26 Jul for one week
NEW	Xinjiang Tianye	China	Carbide-based	1300	Maintenance	Unclear, safety inspection
NEW	Qinghai Yihua	China	Carbide-based	300	Maintenance	10 Jul, 10 days
	Karpatnaftochim	Ukraine	Suspension	300	Temporary closure	State of emergency in Ukraine
	Fortischem	Slovakia	Various	-	Reduced rates	High electricity prices
	Spolana	Czech	Suspension	120	Reduced rates	Output shut until Jul
UPDATE	Anwil	Poland	Suspension	340	Reduced rates	Shutdown extended

Global polymer freight rates						\$/t
Origin	Destination	Argus Low	Argus High	±	Source	
Americas						
Houston	Shanghai	32	53	-	Freightos Derived	
Houston	Mersin	65	78	-	Freightos Derived	
Houston	Genoa	21	33	-	Freightos Derived	
Houston	Valencia	21	43	▲	Freightos Derived	
Houston	Antwerp	25	36	-	Freightos Derived	
Houston	Santos	34	48	-	Freightos Derived	
Houston	Buenos Aires	37	55	▼	Freightos Derived	
Houston	Buenaventura	56	93	▼	Freightos Derived	
Houston	Callao	53	82	▼	Freightos Derived	
Houston	Guayaquil	49	84	▼	Freightos Derived	
Houston	Valparaiso	60	74	▼	Freightos Derived	
Santos	Rotterdam	70	80	-	Freightos Derived	
Middle East and North Africa						
Jubail	China	17	22	▲	Argus	
Jubail	Indonesia	25	30	▲	Argus	
Jubail	Karachi	29	34	▲	Argus	
Jubail	Mumbai	25	30	▲	Argus	
Jubail	Turkey	50	60	-	Argus	
Jebel Ali	Shanghai	12	13	▼	Freightos Derived	
Jebel Ali	Singapore	9	12	-	Freightos Derived	
Jebel Ali	Melbourne	45	46	-	Freightos Derived	
Jebel Ali	Tauranga	41	50	-	Freightos Derived	
Jebel Ali	Antwerp	22	26	-	Freightos Derived	
Jebel Ali	Buenaventura	117	117	-	Freightos Derived	
Jebel Ali	Callao	123	132	▲	Freightos Derived	
Port Said	Mersin	10	15	-	Freightos Derived	
Port Said	La Spezia	10	15	▼	Freightos Derived	
Port Said	Antwerp	8	15	▼	Freightos Derived	
Southeast Asia						
Singapore	Karachi	37	53	▲	Freightos Derived	
Singapore	Mumbai Nhava Sheva	39	53	▲	Freightos Derived	
Singapore	Colombo	27	57	▲	Freightos Derived	
Singapore	Melbourne	27	42	▲	Freightos Derived	
Singapore	Tauranga	37	58	▼	Freightos Derived	
Vung Tau	Antwerp	58	74	▼	Freightos Derived	
Vung Tau	Genoa	85	101	▼	Freightos Derived	

Global polymer freight rates						\$/t
Origin	Destination	Argus Low	Argus High	±	Source	
Northeast Asia						
Busan	Mersin	86	95	-	Freightos Derived	
Busan	Koper	88	113	▼	Freightos Derived	
Busan	Genoa	78	85	▼	Freightos Derived	
Busan	Valencia	82	106	▲	Freightos Derived	
Busan	Antwerp	37	68	▼	Freightos Derived	
Busan	Durban	27	46	▼	Freightos Derived	
Busan	Santos	101	121	▲	Freightos Derived	
Busan	Buenaventura	82	87	-	Freightos Derived	
Busan	Callao	83	98	▲	Freightos Derived	
Busan	Melbourne	29	53	▲	Freightos Derived	
Busan	Tauranga	44	64	▲	Freightos Derived	
Shanghai	Nagoya	14	20	-	Freightos Derived	
Shanghai	Laem Chabang	10	14	-	Freightos Derived	
Shanghai	Port Klang	12	17	-	Freightos Derived	
Shanghai	Karachi	56	61	▲	Freightos Derived	
Shanghai	Mumbai Nhava Sheva	55	64	▲	Freightos Derived	
Shanghai	Chennai	62	71	▲	Freightos Derived	
Shanghai	Colombo	65	67	▲	Freightos Derived	
Shanghai	Chittagong	95	105	▲	Freightos Derived	
Shanghai	Mersin	85	98	-	Freightos Derived	
Shanghai	Koper	84	94	▼	Freightos Derived	
Shanghai	Genoa	77	87	▼	Freightos Derived	
Shanghai	Valencia	77	104	▼	Freightos Derived	
Shanghai	Antwerp	37	62	▼	Freightos Derived	
Shanghai	Rotterdam	41	59	▼	Freightos Derived	
Shanghai	Durban	34	56	▼	Freightos Derived	
Shanghai	Santos	85	121	▲	Freightos Derived	
Shanghai	Los Angeles	49	68	▼	Freightos Derived	
Shanghai	Manzanillo	82	106	▲	Freightos Derived	
Shanghai	Buenaventura	80	112	▲	Freightos Derived	
Shanghai	Callao	75	116	▲	Freightos Derived	
Shanghai	San Antonio, Chile	81	106	▲	Freightos Derived	

FREIGHTOS  Argus freight rates are as of the day of publication. Rates derived from Freightos data are of the previous day. Selected polymer spot freight rates are calculated by Argus methodology, based on underlying data from the online freight marketplace, Freightos. Visit www.freightos.com for complete lists of \$/FEU rates in the wider spot container market.

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