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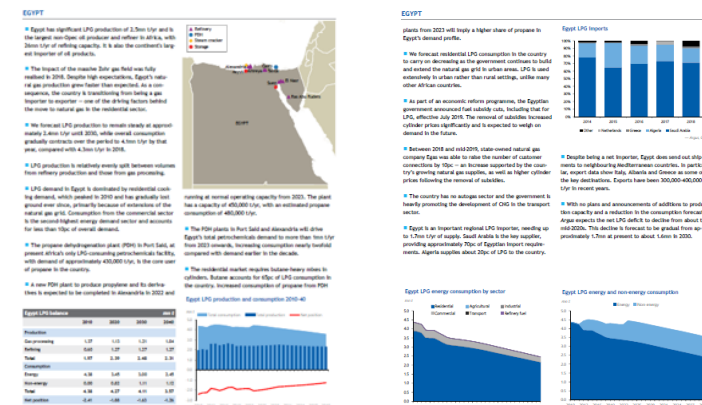
Introducing the new **Argus LPG Analytics**







LPG

illuminating the markets

Market Reporting
Consulting
Events

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	<h3>Petrochemical</h3> <p>Early indicators had shown that lockdowns led to lower utilization rates in impacted countries, as evidenced by early data from China's PDH plants. However, in Europe utilization rates have stayed at high levels though the virus has impacted both feedstock choice and co-product demand. There has been a significant change in the relative price of LPG and naphtha. After years of crackers being incentivized to maximise LPG cracking, naphtha is now trading at a substantial discount to propane. Whilst expectations between this is a short-term situation, it will have a significant impact on 2020 demand and balances, particularly in Europe where many crackers are highly flexible. The response to Covid-19 positively impacted demand for some co-products as more people shop online and consumers of medical supplies increases. However, those used in rubbers, for example, have taken a hit</p>
	<h3>Residential</h3> <p>The impact on the residential sector has varied country to country. China's lockdown in February resulted in a fall in residential consumption. It coincided with Chinese New Years when many factory workers leave cities and return to the family home, inducing heating and cooking demand in cities. This was coupled with supply issues particularly in the US where the lockdown was followed by a period of extreme weather. In India a similar pattern was seen. The media caused a well reported surge of imports as it was coupled with lower refining rates and the same is being observed in numerous South American countries.</p>
	<h3>Transport</h3> <p>The large airports markets (Italy, South Korea, Turkey, Poland) have handled the Covid-19 outbreak differently from weeks-long lockdowns in Italy to no shutdown due to rigorous testing and tracing in South Korea. As a consequence, the impact on these markets will be different. Our forecasts for couriers with a lockdown for air cargo consumption trends in the short term are positive, as both fuels are almost exclusively used in passenger vehicles. In the post-2020 forecast, Airbus forecasts some of this demand destruction to be permanent</p>
	<h3>Industrial/Commercial</h3> <p>The impact of Covid-19 is forecast to be negative for both the industrial and commercial sectors, but of different severities. Consumption of LPG in industry is largely tied to the overall scale of the economy and so a global recession will dampen demand from this sector. The commercial sector is forecast to have a more sizeable drop in demand given it is frequently used in off-peak accommodation, cafes, caravans, etc. These buyers would have a seasonal 'peak' around Easter and also typically have higher demand in the summer months. A forecast move back to more normal activity levels in the second half of the year will be gradual and the economic impact of the virus will be felt particularly on discretionary goods such as holiday</p>



Quarterly reports

With a clear view of what's driving the LPG markets and how it's likely to evolve, clients can be more confident in making critical decisions



Annual long-term report

Understand the connections between underlying market drivers and use these insights to develop more robust strategies



Underlying excel datasets

Explore and integrate data into your models
- saving time for more in-depth analysis

Quarterly reports

Fundamentals Analysis

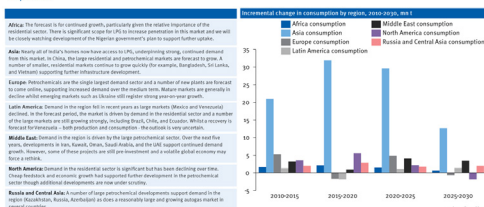
Supply and demand. Demand by sector. Historic data back to 2010 and forecast to 2040. Market broken down into propane and butane

Price forecasts

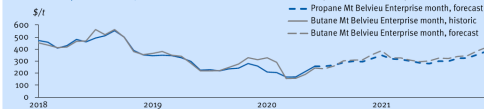
Price forecast out to 2040 for key prices including NW Europe, cfr Japan, Mt Belvieu. Includes crude and regional naphtha prices as well

LPG Demand Outlook

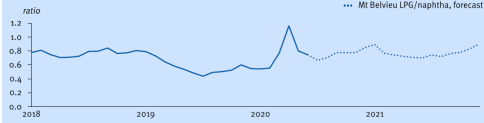
Demand has proven resilient through the outbreak of Covid-19; Asia is forecast to continue impressive expansion



Mont Belvieu Propane and Butane, 2018-21



Mt Belvieu LPG/naphtha, 2018-21

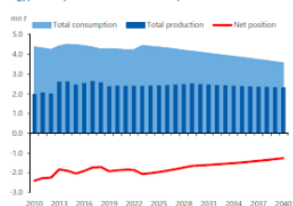


Annual report

Country-level fundamentals analysis – For top 50 LPG markets in the world, the Annual includes detailed data on supply and demand, demand by sector, trade, infrastructure, and market drivers. Forecast covers the period through 2040

Detailed commentary on market drivers Angus analysis covers regulation, development of infrastructure, refineries, and petrochemical plants. We provide context for our forecast and highlight what drivers are most critical for each market

Egypt LPG production and consumption 2010-40



ASIA PACIFIC OVERVIEW

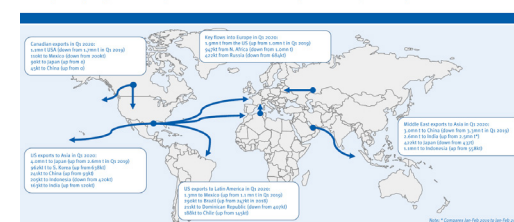
- The region's position as the world's largest consumer of LPG is underpinned by the need to diversify away from oil. Demand growth is expected to be strong, with a shift from oil to LPG in the residential sector. In 2010, the deficit was just 10mtpa.
- Asia-Pacific demand has surged over the past decade with the rise of new markets in different sectors. The forecast demand to rise to as much as 100mtpa in 2030, compared with 10mtpa in 2010. Most of this will come from the residential sector. We forecast that this sector will grow rapidly in the coming years.
- There is also the potential for strong growth in LPG consumption in Bangladesh's underdeveloped residential market, as well as in Pakistan. Household demand could also emerge in Indonesia, Laos and Myanmar – which could follow the example of Vietnam and the Philippines.
- Asia-Pacific's own LPG production capacity looks likely to grow only modestly over the next decade, reaching 10mtpa in 2030, based on China's offshore capacity.
- As a result of the region's growing demand, the region's net position is expected to shift from a net exporter to a net importer by 2030.
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- India's household cooking and heating market is also likely to be strong over the decade, backed by strong economic growth.
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Trade flows

Analysis of historic trade flows between key regions. Includes detailed flows into China, South Korea, and Japan

Global trade flows, Q1 2019 versus Q1 2020

New export capacity in Canada opened routes to Asia; more US product flowing into Europe

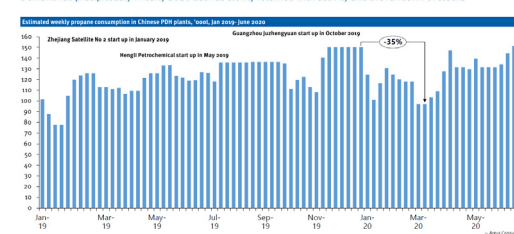


Feedstock demand

Market leading data on demand for propane from China's PDH sector. Also includes details of when new PDH plants will come online and their expected propane consumption. Will highlight those that are refinery integrated versus reliant on imports

Chinese PDH Demand, 2019-2020

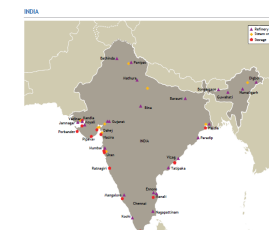
Demand fell precipitously in early 2020 but has slowly returned with activity and the rundown of stocks



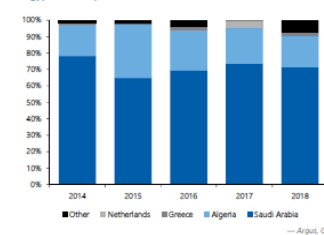
Infrastructure maps

Country-level maps showing refineries, PDH plants, ethylene crackers, and storage sites

Imports by source/exports by destination. Five years of historic trade flow data for each country showing the share of imports and export flows by source and destination



Egypt LPG imports



Connect with our experts



Kristen Mueller
Principal

Kristen is a Principal in the London office. She has more than a dozen years of consulting experience with an emphasis on strategy and analysis. Kristen leads the development of Argus' short and long-term LPG forecast products and contributes to project work. Prior to this role, Kristen led projects for Argus' clients in Europe and Africa focused on LPG, bitumen, and storage markets. She is also a regular speaker at relevant industry events. Before joining Argus, Kristen spent two years at L.E.K., a strategy consulting firm, working with clients across a broad range of sectors. Kristen also spent five years as a financial and data analyst supporting healthcare litigation in Washington D.C. with Navigant Consulting. She has an MBA from London Business School and an MA from Johns Hopkins University.



Michelle Gantert
Senior analyst

Michelle is responsible for delivery of the annual global and European LPG statistical reviews, which Argus publishes in partnership with WLPGA and Liquid Gas Europe. She is the editor of the Argus LPG Outlook, a monthly publication focused on short-term pricing and market fundamentals. She also manages Argus Analytics, a long-term fundamentals forecast. Michelle gained experience in the downstream oil consulting sector working for IHS Markit on crude and oil product valuations and market analysis. She holds a BSc in economics from Bamberg University in Germany and an MSc in energy, environmental technology and economics from City University, London.



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Our dedicated LPG Analytics team are supported by the industry's largest and most experienced team of consultants, analysts, editors and reporters from around the world giving you a regional and global perspective of the markets.

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