

HIGHLIGHTS

US

July price hike being implemented

South America

Braskem holds August prices steady for now

Europe

Prices remain bearish as supplies gradually increase

Russia and CIS

HDPE, LDPE prices edge up on limited supplies

Turkey

Prices increase amid strong demand

Middle East

Prices rise as producers make new offers

China

Local inventories rise on weak downstream demand

Southeast Asia and Vietnam

Rising Covid-19 infections limited converters' operations

India

Prices continue to firm with demand

Pakistan

Demand firm despite lockdown

Dalian Futures Market

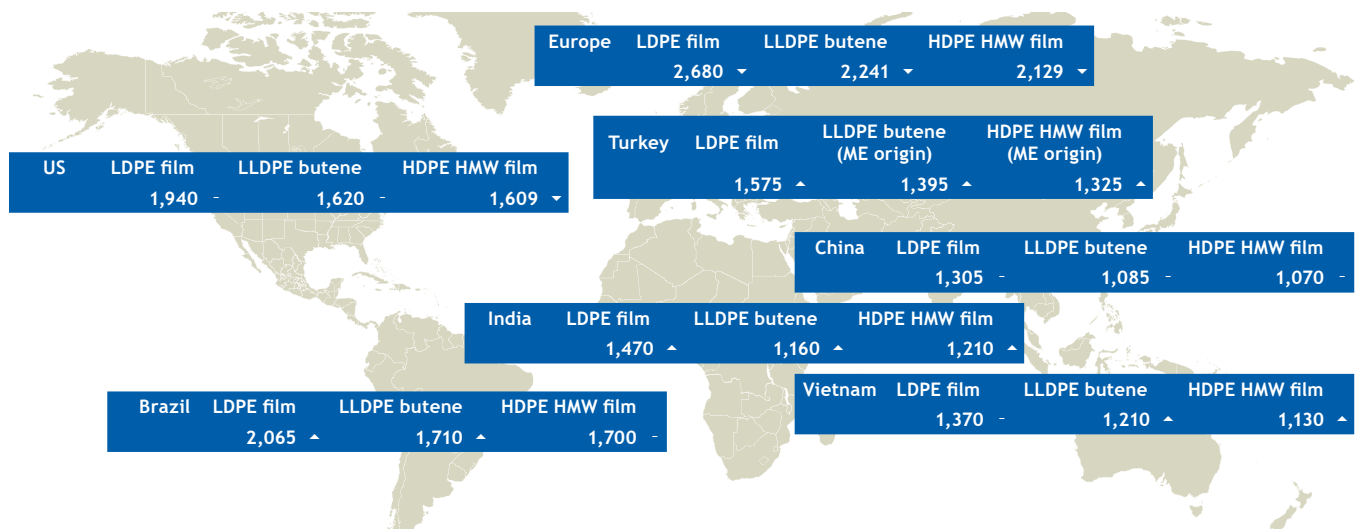
LLDPE futures fell on rising new supplies, weak demand

Fundamentals to watch

Westlake buys recycled plastic products maker
 Saudi Arabia's Sabic swings to \$2bn profit in 2Q
 Japan's Toray ups profit forecast on polymer recovery
 LG Chem's cracker rate cut surprises Asian operators
 Mondi launches sustainable packaging for online groceries
 Potential Gulf of Oman hijacking incident over: UKMTO

Contract prices				\$/t
	Timing	Contract marker		Argus Δ (month-on-month change)
US				
LDPE liner film	Jul	2,546	▲	+110.0
LLDPE butene	Jul	2,249	▲	+111.0
LLDPE hexene	Jul	2,293	▲	+110.0
LLDPE octene	Jul	2,337	▲	+110.0
HDPE injection	Jul	2,249	▲	+111.0
HDPE HMW film	Jul	2,249	▲	+111.0
HDPE BM	Jul	2,271	▲	+110.0
Western Europe				
LDPE liner film	Jul	2,680	▼	-82.0
LLDPE butene	Jul	2,241	▼	-108.0
HDPE injection	Jul	2,076	▼	-107.0
HDPE HMW film	Jul	2,129	▼	-107.0
HDPE BM	Jul	2,000	▼	-135.0
Spot prices				\$/t
	Basis	Price		±
US exports				
LDPE liner film	fas/Houston bagged	1,852-2,028	-	0.0
LLDPE butene	fas/Houston bagged	1,587-1,653	-	0.0
HDPE injection	fas/Houston bagged	1,698-1,742	▼	-11.0
HDPE HMW film	fas/Houston bagged	1,587-1,631	▼	-22.0
HDPE BM	fas/Houston bagged	1,786-1,852	-	0.0
Brazil				
LDPE liner film	cfr	1,930-2,200	▲	+90
LLDPE butene	cfr	1,700-1,720	▲	+50
HDPE injection	cfr	1,700-1,900	▲	+90
HDPE HMW film	cfr	1,680-1,720	-	0
HDPE BM	cfr	1,650-1,850	▲	+68
West coast South America				
LDPE liner film	cfr	1,950-2,220	▲	+90
LLDPE butene	cfr	1,720-1,740	▲	+50
HDPE injection	cfr	1,720-1,920	▲	+90
HDPE HMW film	cfr	1,700-1,740	-	0
HDPE BM	cfr	1,670-1,870	▲	+68
Northwest Europe				
LDPE liner film	del	2,059-2,235	▼	-18
LLDPE butene	del	1,741-1,823	▼	-87
HDPE injection	del	1,647-1,706	▼	-14
HDPE HMW film	del	1,676-1,735	▼	-14
HDPE BM	del	1,588-1,647	▼	-13
Russia and CIS				
LDPE 15803	cpt	1,640-1,662	▲	+17
LDPE 15303	cpt	1,674-1,674	▲	+40
LDPE 10803	cpt	1,588-1,628	▲	+11
HDPE HMW film	cpt	1,332-1,400	▼	-3
Turkey				
LDPE liner film Mideast Gulf origin	cfr	1,550-1,600	▲	+15
LLDPE butene Mideast Gulf origin	cfr	1,370-1,420	▲	+45
LLDPE butene US origin	cfr	1,370-1,420	▲	+40
HDPE HMW film Mideast Gulf origin	cfr	1,300-1,350	▲	+50
HDPE BM Mideast Gulf origin	cfr	1,280-1,330	▲	+20
HDPE HMW film US origin	cfr	1,300-1,350	▲	+50

GLOBAL SNAPSHOT



Key prices								\$/t
	US fas Houston	Timing	Western Europe contract marker	Turkey spot cfr (Mideast origin)	China spot cfr (main origin)	Southeast Asia dutiable spot cfr	India spot cfr	
LDPE liner film	1,852-2,028	Jul	2,680	1,550-1,600	1,280-1,330	1,320-1,340	1,460-1,480	
LLDPE butene	1,587-1,653	Jul	2,241	1,370-1,420	1,060-1,110	1,160-1,180	1,150-1,170	
HDPE HMW film	1,587-1,631	Jul	2,129	1,300-1,350	1,050-1,090	1,120-1,140	1,200-1,220	

Spot prices				\$/t
	Basis	Price		±
Egypt				
HDPE HMW film Mideast Gulf origin	cif	1,350-1,480	▲	+65
LDPE liner film Mideast Gulf origin	cif	1,740-1,800	▲	+270
LLDPE butene Mideast Gulf origin	cif	1,300-1,350	▲	+75
Middle East				
LDPE liner film	del	1,500-1,520	▲	+20
LLDPE butene	del	1,230-1,250	▲	+50
LLDPE hexene	del	1,280-1,300	▲	+50
LLDPE octene	del	1,350-1,400	▲	+50
HDPE HMW film	del	1,250-1,270	▲	+50
Saudi Arabia (CMP)				
LDPE liner film	fob	1,250-1,300	-	0
LLDPE butene	fob	1,030-1,080	-	0
HDPE HMW film	fob	1,020-1,060	-	0
China				
LDPE liner film Main origin	cfr	1,280-1,330	-	0
LDPE liner film All origin	cfr	1,280-1,330	-	0
LDPE liner film domestic	import parity	1,318.00-1,369.43	▼	-4
LLDPE butene Main origin	cfr	1,060-1,110	-	0
LLDPE butene All origin	cfr	1,030-1,110	-	0
LLDPE butene domestic	import parity	1,035.11-1,060.83	▼	-17
HDPE HMW film Main origin	cfr	1,050-1,090	-	0
HDPE HMW film All origin	cfr	1,030-1,090	-	0
HDPE HMW film domestic	import parity	1,047.97-1,105.83	▼	-10
HDPE injection Main origin	cfr	1,030-1,060	-	0
HDPE injection All origin	cfr	1,030-1,060	-	0
HDPE BM Main origin	cfr	1,020-1,060	▼	-10
HDPE BM All origin	cfr	1,020-1,060	▼	-10

Notes: Main origin - Price of PE of GCC, Asean, South Korean and Indian origins.
All origin - Price of PE, regardless of origin.

Spot prices				\$/t
	Basis	Price		±
Southeast Asia dutiable				
LDPE liner film	cfr	1,320-1,340	-	0
LLDPE butene	cfr	1,160-1,180	▲	+20
HDPE HMW film	cfr	1,120-1,140	▲	+15
Southeast Asia duty free				
LDPE liner film	cfr	1,460-1,480	-	0
LLDPE butene	cfr	1,200-1,220	▲	+30
HDPE HMW film	cfr	1,170-1,180	▲	+5
Vietnam				
LDPE liner film	cfr	1,360-1,380	-	0
LLDPE butene	cfr	1,200-1,220	▲	+25
HDPE HMW film	cfr	1,120-1,140	▲	+10
Indonesia				
LDPE liner film Mideast Gulf origin	cfr	1,310-1,320	-	0
LLDPE butene Mideast Gulf origin	cfr	1,170-1,180	▲	+20
HDPE HMW film Mideast Gulf origin	cfr	1,120-1,140	▲	+15
India				
LDPE liner film	cfr	1,460-1,480	▲	+30
LLDPE butene	cfr	1,150-1,170	▲	+50
HDPE HMW film	cfr	1,200-1,220	▲	+70
Pakistan				
LDPE liner film	cfr	1,480-1,500	▲	+20
LLDPE butene	cfr	1,310-1,330	▲	+5
HDPE HMW film	cfr	1,270-1,290	▲	+30
Bangladesh				
LDPE liner film	cfr	1,480-1,500	-	0
LLDPE butene	cfr	1,230-1,250	-	0
HDPE HMW film	cfr	1,200-1,220	-	0
Sri Lanka				
LDPE liner film	cfr	1,480-1,500	-	0
LLDPE butene	cfr	1,230-1,250	-	0
HDPE HMW film	cfr	1,200-1,220	-	0

FEEDSTOCKS

Crude oil

The Ice Brent front-month contract was bearish this week as the spread of the Covid-19 Delta variant weighs on demand recovery prospects. The contract closed at \$71.41/bl on 5 August, down from \$75.54/bl a week earlier.

The Nymex WTI front-month contract fell below the \$70/bl threshold this week as the US reported a build in crude stocks and the Delta variant clouds demand outlooks. US crude inventories rose by 3.6mn bl to 439.2mn bl in the week to 30 July amid a drop in exports, according to the EIA. The Nymex WTI front-month contract closed at \$69.09/bl on 5 August, down from \$73.62/bl on 29 July.

Ethane

Mont Belvieu EPC ethane prices rose to 34.5¢/USG on Thursday, up by 8.9pc from last week, tracking higher natural gas prices and strong petrochemical demand.

Naphtha

On the US Gulf coast, naphtha prices softened this week as increased prompt supplies depressed buying indications. The export arbitrage out of the Gulf coast to typical outlets was shut, reflecting not only an increased number of barge offers but also failed vessel bookings.

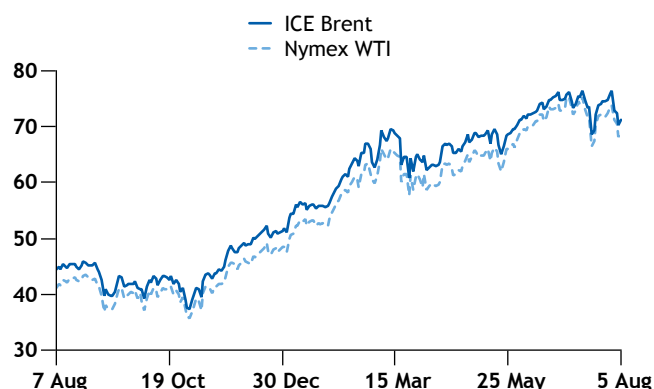
Naphtha margins in northwest Europe remained in positive territory and hit a 10-month high this week amid robust fundamentals. Demand remained strong from gasoline blenders. And offtake from the petrochemical sector remains robust, with demand from key arbitrage region Asia-Pacific also firm. Naphtha averaged €570/t (\$674/t) in July, well up on the €527/t average for June, setting the stage for higher settlements of August's ethylene and propylene monthly contract prices. But with a drop in underlying crude values, prompt naphtha prices stood at €562/t on 5 August - slightly lower than the July average.

Asia-Pacific naphtha margins see-sawed during this week's trading sessions. Asian petrochemical producers continued to buy cargoes for delivery in September, with some buyers also seeking volumes for October delivery. Selling interest was seen out of the Mideast Gulf for August-loading cargoes, and out of India this for September loads. Several Asia-Pacific naphtha cracker operators were surprised by LG Chem's decision to cut operating rates on eroding margins, as margins remain positive. LG Chem will cut operating rates from the start of August at its crackers in South Korea, partly because of the weaker margins. But at least three Asia-Pacific naphtha cracker operators have said they still plan to run at maximum rates.

Crude				\$/bl	
	Effective date	Price		±	
Ice Brent	6 Aug	70.70	▼	-5.63	
Nymex WTI	5 Aug	69.09	▼	-4.86	
Naphtha				\$/t	
	Effective date	Price		±	
70 min paraffin USGC waterborne del	5 Aug	645.76	▼	-28.11	
65 para NWE cif	6 Aug	662.50	▼	-29.25	
Japan c+f	6 Aug	674.00	▼	-26.75	
Ethylene					
	Basis	Effective date	Price	±	
del USGC ¢/lb	Jul	4 Aug	45.25	▲	+11.00
del USGC \$/t	Jul	4 Aug	997.59	▲	
del Europe €/t	Aug	2 Aug	1,173.00	▲	+62.9
del Europe \$/t	Aug	2 Aug	1,392.12	▲	+62.9
cfr NE Asia \$/t	spot	4 Aug	965.00	▼	-20.00

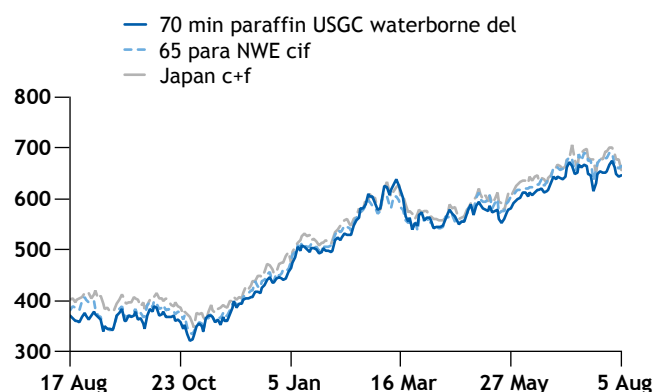
Crude futures

\$/t



Naphtha spot prices

\$/t



Ethylene

US spot ethylene for prompt-month delivery to Mont Belvieu, Texas, rose this week, reaching 52¢/lb on 5 August, the highest price since 16 July. Choctaw, Louisiana, prices were assessed at a 10¢/lb premium to Nova Mont Belvieu prices during the week. July contract ethylene prices settled up by 11¢/lb at 45.25¢/lb. The market is still awaiting the startup of the Baystar cracker, with the fall turnaround season only a month away.

The ethylene market in Europe is in the peak holiday period and quiet. Spot activity has been muted but those needing to cover open positions for August have been able to find material at around the same prices as last week - discounts of 3-5pc to the monthly contract price (MCP). Although the August MCP is €53/t above the July price. The August MCP settled on 2 August, the first working day of the contract month, at €1,173/t, with the increase again lower than producers had targeted, and they were frustrated by their inability to convert a tight market balance into higher cracker margins. Imports from the US are helping to mitigate the effect of unplanned shut-downs in the Netherlands and France but physical availability, price, timing, country of origin and logistics have limited the amounts that have been booked. Operational problems for a two-cracker site in the Netherlands caused by flood damage to the main naphtha feedline are being resolved, although it will still take several weeks for the pipeline to be reinstated. A cracker in Germany continues its slow ramp-up following planned maintenance while another in Italy is late back. One French cracker is off line for unscheduled repairs and there have been several other hiccups in Europe.

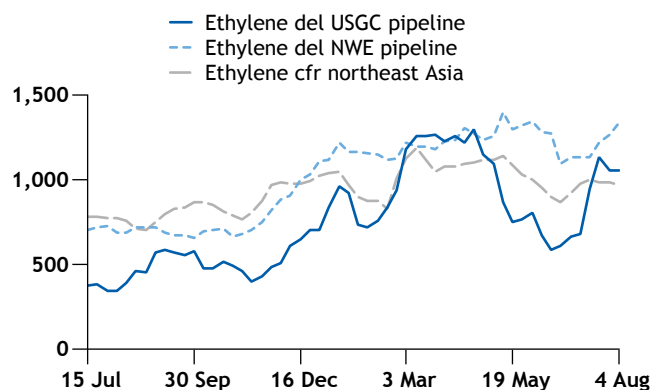
Market sentiment was weaker in northeast Asia, particularly in China, as Covid-19 outbreak concerns weighed on energy prices. Buying ideas for cfr China cargoes were not exceeding \$950/t cfr China against selling ideas of about \$1,000/t cfr China. A deal was discussed at a high \$900s/t cfr China level, but details were not available. Regional supplies have increased slightly as South Korea's GS raised its operating rates at its new 700,000 t/yr cracker in Yeosu to 90pc from the start of August with the aim to increase it to 100pc by mid-August.

Cracker margins

In the US, since the beginning of August, light naphtha has become the most attractive feed on paper, as variable costs for light naphtha have fallen to around 8¢/lb, while ethane, the next most advantaged, remains just above 10¢/lb. The change has come as ethane prices have strengthened, while light naphtha prices have fallen slightly. US crackers are likely to stick with ethane, as many new crackers are geared towards lighter feedstocks.

Ethylene spot prices

\$/t



Market highlight

- US July ethylene contracts rise by 11¢/lb at 45.25¢/lb.

European margins are steady as producers appear unable to convert a tight market balance into higher cracker margins. The August monthly contract price of ethylene settled on 2 August at € 1,173/t (\$1,379), lower than producers had targeted. Imports from the US are helping to mitigate the effect of unplanned shutdowns in the Netherlands and France, but the amounts booked have been limited.

Asian naphtha cracker cash margins dropped to \$111/t, down by \$79/t from the previous week. Propane cracker cash margins flipped into negative territory again at \$58/t, down by \$65/t. Higher feedstock naphtha and propane prices exerted pressure on olefins producers, which led to cut runs at crackers. South Korea's LG Chem started to slow its Daesan and Yeosu-based crackers because of eroding margins at the start of August.

PRICING ANALYSIS

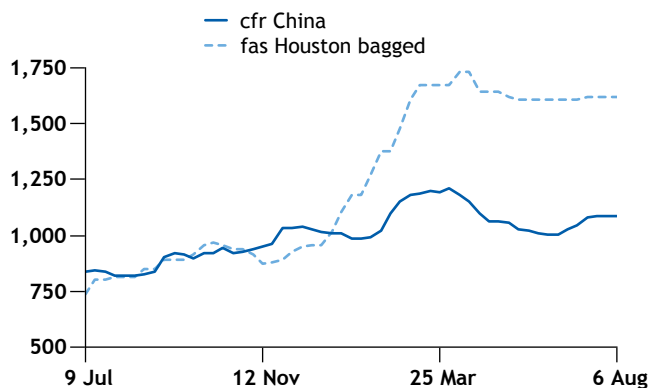
US

US PE contracts for July appear likely to settle higher by 5¢/lb as prolonged negotiations have so far failed to convince any producer to back off of the July price increase proposal. There has been talk of non-market agreements being made for a rollover for the month, but that could not be confirmed. Some buyers have agreed to settle at the increase, while other buyers still do not consider contracts settled. The Argus preliminary price has been moved up by 5¢/lb to show expected direction, but prices will not be finalized until next week.

PE supply in August is improving, though a handful of

US vs China LLDPE film prices

\$/t



producers remain on *force majeure* and maintenance outages are planned for coming months. LyondellBasell informed customers this week it had restarted the PE units at its La Porte, Texas, site, after taking them down in the immediate aftermath of a chemical leak at a nearby acetic acid plant, which resulted in two fatalities. A few other minor problems were reported in the market, including reduced production in Texas due to ethylene supply limitations. Chevron Phillips Chemical is expected to take some PE capacity at Cedar Bayou, Texas, down for maintenance in September.

Spot availability is beginning to improve slightly, but prices are steady, to even slightly higher, depending on grade. High-density polyethylene (HDPE) injection and blow molding are the tightest grades. Linear low-density polyethylene (LLDPE) availability has improved the most

July supply and demand figures are not yet available. Market participants have said PE operating rates should improve, but it is difficult to weigh the impact of outages that occurred last month.

Demand in July was strong, and that trend is continuing in August, as buyers throughout the chain restock and build extra inventory to protect against further supply disruptions.

There are still discussions of imported PE, particularly HDPE grades, making its way to the US, but the latest trade data do not appear to bear that out. June HDPE imports rose to 97,281t, up by 0.7pc from May, but down by 4.3pc from June 2020, and still below the prior 12-month average of 108,763t. High freight prices, port delays, high demurrage charges, and steep inland freight prices are expected to limit interest in imports.

US export prices are steady, with availability still limited. HDPE injection and blow molding remain the most difficult to source, while LLDPE and low-density polyethylene are slightly more available. US prices are not attractive to most global buyers, with the exception of Latin America, due to

US contracts				€/lb
	Timing	Argus Δ (month-on-month change)	Contract marker	Low / High ±
LDPE liner film	Jul	+5.0	115.50	0.0/+5.0
LLDPE butene	Jul	+5.0	102.00	0.0/+5.0
LLDPE hexene	Jul	+5.0	104.00	0.0/+5.0
LLDPE octene	Jul	+5.0	106.00	0.0/+5.0
HDPE injection	Jul	+5.0	102.00	0.0/+5.0
HDPE HMW film	Jul	+5.0	102.00	0.0/+5.0
HDPE BM	Jul	+5.0	103.00	0.0/+5.0

US exports			€/lb
	Basis	Price	±
LDPE liner film	fas/Houston bagged	84-92	nc
LLDPE butene	fas/Houston bagged	72-75	nc
HDPE injection	fas/Houston bagged	77-79	-0.5
HDPE HMW film	fas/Houston bagged	72-74	-1.0
HDPE BM	fas/Houston bagged	81-84	nc

the shorter shipping time and lower shipping costs from the US to that region.

Latin America

Braskem informed customers early in the week that domestic Brazilian PE prices will remain stable at least until today, with any changes made as necessary. The steady-for-now pricing comes following two consecutive price cuts for PE grades in June and July. On the supply side, stable domestic prices have made domestic material more attractive, as some US produced PE grades remain hard to find in Latin America. US imported LLDPE and HDPE high molecular weight are competitive but prices for those materials are on an upward trend.

Import offers from the Middle East and Asia remain the most common in the region, followed by Europe. HDPE blow molding (BM) offers from Europe and the Middle East were at \$1,675/t, and HDPE injection from Asia was at \$1,700-1,790/t. As a comparison, US produced HDPE BM was at \$1,850/t.

Brazilian demand for imported PE grades increased slightly, with contracts closed this week for delivery in the southeastern and southern ports of the country after the wait-and-see approach observed last week. Trading activities in the northern and northeastern ports of Manaus and Suape remained stable after the increased activities of last week.

Braskem has cut operating rates at all of its naphtha and gas crackers to balance the market, with maintenance turnarounds planned from July to October at downstream units. Triunfo's cracker is exporting its excess ethylene in the south, and an HDPE unit will start a 20-day maintenance project in August.

In the west coast South America, demand has varied depending on the country and on the PE grade.

Mexican PE demand has improved in the past few weeks, topping levels during the previous year, and local buyers are accepting the higher US prices.

In Central America credit lines are lower than buyers' needs, with some selling opportunities being missed because of the issue.

Asian freight prices, the most important issue recently affecting PE buyers in Latin America, seem to have stabilized around \$480/t-\$550/t this week.

Braskem said in an earnings call this week that it has boosted its domestic resin sales by 10pc in the second quarter as demand recovered from last year's Covid-19 induced slump. Braskem sold 792,000 metric tonnes (t) of resin domestically in the quarter, up from 719,000t in the same period last year.

Exports fell by 46pc to 178,000t over the same period, reflecting lower volumes of resins for shipment abroad as domestic demand normalized with the recovery from last year's Covid-related restrictions and demand shock.

First half growth in resin sales was 6pc on the year because of the demand normalization, Braskem chief financial officer Pedro Freitas said.

Resin sales to Mexico declined 32pc from a year earlier, Braskem said.

In January to July 2021, Brazilian PE imports rose by 35pc to 786,000t. LLDPE imports represented 56pc of the total, mostly for hexene and octene grades. The US is still the top supplier with 60pc of the total, but Canada, Saudi Arabia and China have taken advantage of high prices in Brazil to ship more to the region. In July, Brazil's top suppliers were the US, Argentina, Canada and China.

Brazilian PE exports fell by 35pc to 295,900t in the first seven months of 2021 compared with 2020, with a significant reduction in material headed to Asia. South American countries have been the main destination for Brazil's exports, but the Netherlands took the second-largest amount, only behind Argentina. Export prices are well above 2020's.

Europe

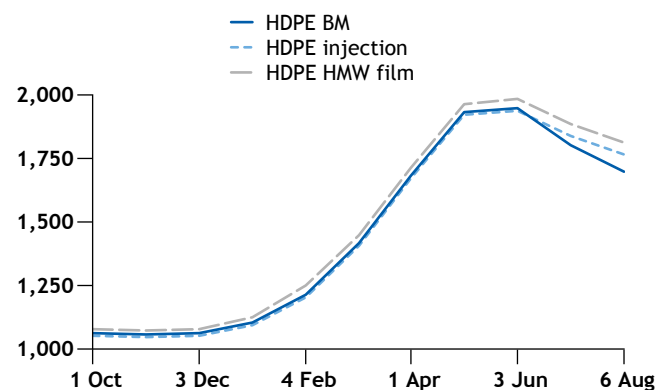
Bearishness has persisted in the European polyethylene (PE) market as supplies gradually increase for most grades. Most producers managed to replenish inventories in July, and while these were still not high, no tightness was heard in the market on most PE grades. This was despite force majeure declarations by a producer in the previous week on supplies of all PE grades from plants in the Netherlands and Germany - after a disruption of feedstock naphtha supplies to its crackers in the Netherlands, which is expected to last for most of August.

Western Europe contracts					€/t
	Timing	Argus Δ (month-on-month change)	Contract marker	Low / High ±	
LDPE liner film	Jul	-50.0	2,278	-80.0/0.0	
LLDPE butene	Jul	-75.0	1,905	-100.0/-50.0	
HDPE injection	Jul	-75.0	1,765	-100.0/-50.0	
HDPE HMW film	Jul	-75.0	1,810	-100.0/-50.0	
HDPE BM	Jul	-100.0	1,700	-150.0/-50.0	

Northwest Europe spot					€/t
	Basis	Price		±	
LDPE liner film	del	1,750-1,900	-	0	
LLDPE butene	del	1,480-1,550	▼	-60	
HDPE injection	del	1,400-1,450	-	0	
HDPE HMW film	del	1,425-1,475	-	0	
HDPE BM	del	1,350-1,400	-	0	

West Europe HDPE contract prices

€/t



But PE demand remains strong, particularly from the packaging and consumer goods segments. In July, the eurozone manufacturing sector's purchasing managers' index (PMI) grew at its slowest rate since March, as production struggled to meet demand. The IHS Markit manufacturing PMI reading was 62.8 in July, compared with 63.4 in June. All surveyed countries had a reading above 50 - indicating expansion - and Germany recorded its highest rate of growth in three months.

PE producers' margins remain strong and well above historical levels. And coupled with increased availability, their focus is gradually shifting towards maintaining their respective market shares and maximising total returns. Bearish pressure has also been exerted from imports from the Middle East and other regions, particularly on HDPE and LLDPE butene grades. Expectations are now widespread that freely negotiated contract prices of most PE grades will face decreases in August. Some lower settlements have already been reported, alongside some lower initial asking ideas from producers. But not all producers have so far indicated

initial ideas at a decrease to July, with some still aiming to keep prices flat in August. Expectations are also fading on seeing any meaningful increase in trans-Atlantic imports of PE this year as US supply remains tight, while demand there remains strong. Some market participants suggested that PE availability in the US would only increase after October, and even then, exports could be more focused on covering shorts in the Latin American markets.

An early settlement for August on HDPE blow moulding was reported by a buyer in the previous week, at a decrease of €65/t from July - with availability of lower-priced imports the main catalyst in decreasing European domestic prices. With the feedstock ethylene contract price for August settled at a €53/t increase, this would translate to a €118/t drop in gross margin on that particular contract.

The lower settlement came as blow moulding grade was the most bearish among all HDPE grades in July, amid increased domestic production and higher imports. It remains to be seen whether contract prices in August for other HDPE grades fall in tandem with that on blow moulding. But spot prices of all HDPE grades held steady this week, after having dropped in the previous week. An increase in spot liquidity was also heard this week, with a trade for HDPE film reported at €1,450/t ddp. The sentiment of some market participants was that spot prices could have bottomed at these levels, especially as the economics of imports from the Middle East and adjacent regions are becoming difficult. HDPE offers for August shipment were heard at around \$1,550/t fob Egypt, which would equate to around or above €1,500/t ddp for September delivery.

Settlements for HDPE contract prices in July were reported at three-digit decreases for a second consecutive month. Decreases of €100/t were secured by some buyers for all HDPE grades, with at least €50/t reductions reported on most contracts. But a sharper decrease of €150/t was also reported for HDPE blow moulding contracts in some cases. For HDPE blow moulding, the final assessment of the *Argus* delta for July was at a €100/t decrease. For HDPE injection moulding and film grades, the final assessments of the *Argus* deltas for July stood at a €75/t decrease.

On LDPE, an early settlement for August was reported this week at a decrease of €100/t. Initial offers from most producers for August contract prices have been heard between a rollover to July and a €50/t decrease. This suggests most producers are set to see a reduction in LDPE margins as they would not be able to pass on the €53/t increase in feedstock ethylene costs.

But mixed views were heard on spot prices of LDPE this week, with some market participants seeing prices holding steady, but some saw a slight increase in the making amid strong demand. Spot trades were reported at €1,750/t ddp

France and ddp Belgium, whereas some sellers' ideas hovered at €1,850-1,950/t. The spot price of LDPE was assessed stable this week at €1,750-1,900/t (\$2,059-2,235/t) ddp northwest Europe.

LDPE contract prices in July also faced decreases in most cases, with settlements reported between an €80/t decrease and a rollover to June prices - but instances of rollovers have been limited. Buyers hopes of securing decreases of up to €100/t did not materialise in July as most producers managed to confine decreases to two digits. The final assessment of LDPE's *Argus* delta for July was made at a €50/t decrease.

Spot liquidity on LLDPE butene also gained momentum in the spot market this week. But it came with a renewed wave of downside on spot prices, which dropped below the €1,500/t threshold in some cases, amid increased domestic production and higher imports. Spot trades were reported at €1,480/t ddp France and €1,520/t ddp Germany, but some sellers' ideas remained at or above €1,550/t ddp. Offers on imports were heard at around \$1,600/t fob Egypt for August shipment, which would equate to around or above €1,550/t ddp for September delivery. The spot price of LLDPE butene was assessed in a slightly wider range of €1,480-1,550/t (\$1,741-1,823/t) ddp northwest Europe, down by €70/t at the low end and €50/t at the high end.

July LLDPE butene contract settlements were reported at decreases of up to €100/t, a continuation from June, when decreases of up to €100/t were also secured by buyers. Most buyers secured €50-100/t cuts in contract prices, with producers inclined to preserve their market shares as their margins stood well above historical averages. The final assessment of the *Argus* delta for July LLDPE butene was at a €75/t decrease.

Russia and CIS

LDPE and HDPE prices in Russia increased a bit during the week on limited supplies in the market. Prices can increase in the future as a result of rising logistics costs during the summer harvesting period and the transportation of fruits and vegetables, trading firms said.

LDPE-grade 15803-020 this week was offered for Rbs120,000-122,083/t (\$1,640-1,669/t) cpt Moscow, compared with Rbs120,000-121,667/t cpt Moscow a week ago.

The price for LDPE-grade 15303-003 this week was

Russia and CIS domestic			Roubles/t	
	Basis	Price		±
LDPE 15803	cpt inc VAT	144,000-146,000	▲	+500
LDPE 15303	cpt inc VAT	147,000-147,000	▲	+2500
LDPE 10803	cpt inc VAT	139,500-143,000	-	0
HDPE HMW film	cpt inc VAT	117,000-123,000	▼	-1000

Rbs120,833-122,500/t (\$1,651-1,674/t) cpt Moscow, compared with Rbs122,500/t cpt Moscow a week ago.

The price range for LDPE-grade 10803-020 was Rbs116,667-120,000/t (\$1,595-1,640/t) cpt Moscow, compared with Rbs116,250-119,167/t cpt Moscow a week ago.

This week, LDPE-grade 10803-020 produced by Rosneft's Angarsk polymer plant appeared in the market. The plant was stopped for the maintenance from 22 June -1 August.

Offers of LDPE from Gazprom Neftekhim Salavat were absent because of a planned month-long shutdown that started on 20 July.

The price range for HDPE this week was Rbs98,333-102,500/t (\$1,344-1,401/t) cpt Moscow, compared with Rbs97,500-102,500/t cpt Moscow a week ago.

Prices for HDPE produced by Lukoil's Stavrolen plant increased to Rbs99,167-100,833/t cpt Moscow from Rbs97,500-99,167/t cpt Moscow. HDPE prices for Kazanorgsintez's product did not change from Rbs100,000-102,500/t cpt Moscow.

Prices for Sibur's product also remained the same, at Rbs98,333-100,000/t cpt Moscow. The supply of product from Sibur Holding has held stable, despite a fire at Russian state-controlled Gazprom's Novy Urengoy condensate treatment plant on 5 August. The fire led to the suspension of the Surgut gas processing plant that produces LPG and NGLs used as feedstock at the Zapsibneftekhim petrochemicals complex.

Kazanorgsintez will have planned maintenances to its LDPE production from 16 September-12 October and to HDPE production from 16 September-10 October. The Stavrolen plant will shut down its HDPE production from 23 September until the end of November.

Turkey

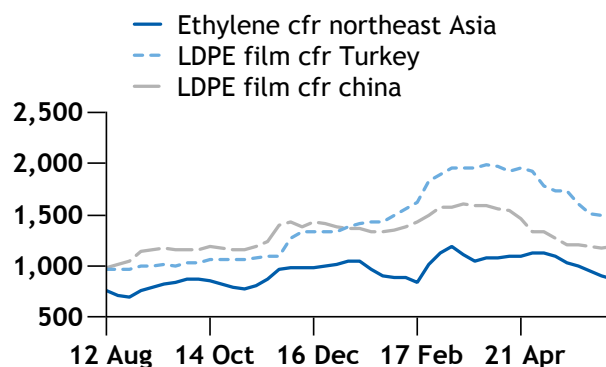
Polyethylene (PE) import prices into Turkey firmed this week as demand for PE held strong. The domestic market is dynamic but there could be a supply shortage emerging in August amid scarcity of ex-stock material in the market. Participants are waiting for the material in transit for supply to fulfil the underlying demand. Shipping bottlenecks and container shortages remain problematic for buyers and traders.

Forests and settlements on the Aegean and Mediterranean coasts have been severely damaged in the fires that have been burning for more than a week in Turkey. Many homes and businesses suffered financial losses in fires in touristic areas. The fires also took a toll on tourism, and will continue to do so as some of the major hotels have been evacuated. It is thought that the fires will adversely affect demand for PE.

Middle East-origin HDPE film is assessed at \$1,300-1,350/t

Turkey vs China LDPE prices

\$/t



cfr this week, \$50/t higher than last week's assessment. HDPE supply is healthier than the other PE grades as there is more ex-stock HDPE film material in the market. But with no threat to supply security, demand is lower for HDPE film. Iranian offers were available at \$1,315/t cpt, \$15/t higher than last week. There were no South Korean offers this week, because the producers prefer to offer to destinations with higher netbacks. Limited HDPE film offers were available from the US, with the assessment at \$1,300-1,350/t cfr, \$50/t higher than last week. Russian offers were also heard at \$1,300-1,330/t cfr. Middle East-origin HDPE blow moulding is assessed at \$1,280-1,330/t cfr this week, \$10/t higher on the low end and \$30/t higher on the high end. No offers from Iran were heard.

Middle East-origin LDPE demand is strong, but there is a shortage of ex-stock material in the domestic market. Supplies of the grade will remain tight until the imported volumes arrive, sources said. The assessment for Middle East-origin LDPE is at \$1,550-1,600/t cfr this week, \$30/t higher on the low end and stable on the high end. Domestic producer Petkim increased its LDPE price to \$1,900/t, \$180/t higher than its previous price last week. European offers were available at \$1,780/t cfr and Iranian offers were heard at \$1,550-1,560/t cpt, \$50-60/t higher than last week's offers.

Middle East-origin LLDPE butene prices also increased this week, with the assessment at \$1,370-1,420/t cfr, \$50/t higher on the low end and \$40/t higher on the high end. Middle East-origin ex-stock material was available at \$1,410-1,420/t fca and Indian material was heard at \$1,340/t cfr. No offers were available this week on US origin LLDPE butene but prices were assessed at \$1,370-1,420/t cfr, \$40/t higher than last week, in line with those for Middle East origin. Russian offers were also available at 1,390-1,400/t cfr.

Egypt

Polyethylene (PE) import prices into Egypt firmed this week amid an expected uptick in demand after the Eid holiday. But supply is tightening and shortages looms for August.

Major domestic producer Sidpec is carrying out maintenance until September, which is adding to the tightness, although with Sidpec's shutdown Ethyldco will have more capacity to restock. And ethylene supply in Saudi Arabia, Egypt's biggest supplier, is limited, so Saudi PE supply is short too. Other than that, Gasco in Egypt is short of ethane, which is impacting production.

Saudi HDPE film is assessed at \$1,350-1,480/t cif this week, \$50/t higher at the low end and \$80/t higher at the high end compared with last week. The Saudi LDPE assessment rose more sharply to \$1,740-1,800/t cif, up by \$290/t at the low end and \$250/t at the high end. Saudi LLDPE prices were up as well, at \$1,300-1,350/t cif, \$100/t higher at the low end and \$50/t higher at the high end.

The price range for PE grades is typically \$20-30. In recent weeks the range has started to widen as a result of the gap between the prices that traders and domestic producers offer, but the range is expected to close by mid-month.

Middle East

Middle East PE prices firmed as key producers began announcing new offers. LDPE film was assessed \$20/t higher at \$1,500-1,520/t del Middle East. A key Saudi producer offered cargoes at \$1,540/t del. Another Saudi producer offered cargoes at \$1,520/t del. LLDPE film was \$50/t higher at \$1,230-1,250/t del Middle East. A Saudi producer offered cargoes at \$1,340/t del. But it could not be confirmed if any deals were done. Cargoes from Kuwait and Oman were offered in the range of \$1,230-1,250/t del.

LLDPE hexene was \$50/t higher at \$1,280-1,300/t del Middle East. LLDPE octene rose by \$50/t to \$1,350-1,400/t del Middle East. HDPE film was \$50/t higher at \$1,250-1,270/t del Middle East. Cargoes from a Key Saudi producer were offered at \$1,300-1,350/t del. Omani cargoes were offered at \$1,260-1,270/t del. A Kuwaiti producer offered cargoes at \$1,250/t del.

Saudi Arabia's LDPE film was offered at \$2,000/t del Saudi Arabia. LLDPE film was offered at \$1,620/t del Saudi Arabia. HDPE film was offered at \$1,670/t del Saudi Arabia.

Producers raised prices in line with global price movements. Demand has been weak in the Middle East over the past few months, with many downstream converters lowering operating rates. Demand in the Middle East is expected to return to firmer levels in September when the summer months are over and cooler temperatures allow for more

Market highlight

- Middle East PE prices firmed with global prices.

downstream activity. Negotiations are currently continuing for August cargoes and are expected to conclude in the coming weeks as more producers continue to make offers.

Jubail United is currently having a shutdown at its 400,000 t/yr HDPE/LLDPE swing unit in Jubail because of reduced operations at its 1.4mn t/yr ethane cracker. The company is still in the process of investigating the issues and has not outlined detailed maintenance plans. Another key producer was heard to be having production issues at its 1.1mn t/yr PE plant in Al Jubail. Operating rates were lowered significantly, according to market participants.

Producers have been balancing their operating rates with global demand and limited availability of ethane. This has made it difficult for producers that are aiming to increase their operating rates to reduce PE production per tonne costs to maximize margins. Ethane availability was reduced by 10-12pc this week, according to market participants.

Export LDPE film was assessed at \$1,250-1,300/t fob Saudi Arabia China main ports. LLDPE film was assessed at \$1,030-1,080/t on the same basis. HDPE film was assessed at \$1,020-1,060/t on the same basis.

PE supplies have lengthened in the Middle East this year with the start-up of OQ's new HDPE/LLDPE 880,000 t/yr swing plant in Sohar, Oman. Operating rates at this new plant are expected to increase in September to meet the increased global demand for HDPE and LLDPE. Export volumes have been consistent in the past few months. But some market participants have reported that there is a three-week shutdown at this new plant because of a leak in the flair system.

Saudi petrochemical producer Sabic and US petrochemical producer Dow took over the marketing of Sadara Chemical's products in the Middle East from 1 July. Sabic will also handling marketing and sales of state-controlled Saudi Aramco's PE products from next year. This will include Aramco's joint ventures S-Oil in South Korea and Pengerang in Malaysia. The additional assets in Asia will give Sabic the added flexibility and more room to allocate its resources efficiently in export markets. But market participants are concerned about how this will affect the current distributorship arrangements that Aramco has. Participants expect that some distributors to lose their distribution rights to key markets following Sabic's takeover.

China

The Chinese polyethylene (PE) market softened with the trend of linear low-density polyethylene (LLDPE) futures, which increased then fell this week. Higher inventories also limited buying interest. Imminent new production capacity also pressured the price outlook.

Cfr China prices kept largely stable. Disruptions in the Middle East reduced export availability. Saudi producer JUPC cuts its cracker operations because of power issues. Its downstream 400,000 t/yr full-density polyethylene unit was also shut. Low-density polyethylene (LDPE) prices rolled over at \$1,280-1,330/t cfr China. Deals for Middle East-origin cargoes were done at \$1,330-1,350/t. Spot prices for LLDPE were at \$1,060-1,110/t cfr China. Saudi-origin cargoes were offered at \$1,160/t. High-density polyethylene (HDPE) film prices were unchanged at \$1,050-1,090/t cfr China with offers for South Korean cargoes at \$1,120/t, with deals \$30/t lower.

Inventories at state-controlled Sinopec and PetroChina rebounded to 720,000t from 655,000t last week. Consumption rates showed a noticeable slowing because of weaker downstream demand.

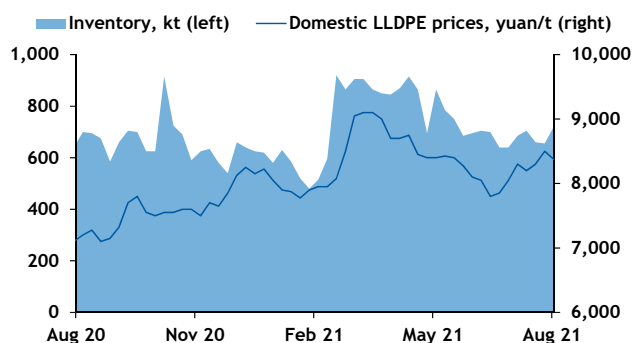
Chinese domestic prices fell by 75-125 yuan/t this week. LLDPE prices dropped the most with the trend in futures. Prices were Yn125/t lower at Yn8,150-8,350/t ex-works in east China. LDPE prices fell by Yn25/t to Yn10,350-10,750/t ex-works in east China. HDPE film prices fell by Yn75/t to Yn8,250-8,700/t ex-works in east China. PE demand extended its weakness in August. Agriculture film converters have maintained low operating rates during the summer lull. The traditional peak demand season for packaging usually starts from early September, although persistently high freight rates this year may continue to hamper export orders for finished products.

China's PE production dropped during July-August with 3.7mnt /yr of PE output capacity having planned or unplanned shutdowns. These included coal-to-olefins or methanol-to-olefin producers Jiutai Energy, Pucheng Clean Energy and China Coal Mengda with a total 900,000 t/yr of PE production capacity. Cracker-based producer Huajin Ethylene shut its 300,000 t/yr HDPE unit on 15 July for a 45-day turnaround. Sinopec Qilu's 650,000 t/yr PE units started a 50-day turnaround on 2 August. Zhejiang Satellite's 400,000 t/yr HDPE unit in Lianyungang suffered technical issues and was shut on 13 July for a two-week maintenance.

But the upcoming 2.65mn t/yr of new PE output capacity due to start in August may make up some of the production losses from maintenance. PetroChina Lanzhou Petrochemical achieved on-specification ethylene production at its first ethane-fed cracker on 3 August. The 400,000 t/

China domestic			Yn/t
	Basis	Price	±
LDPE liner film	ex-works	10,350-10,750	-25
LLDPE butene	ex-works	8,150-8,350	-125
HDPE HMW film	ex-works	8,250-8,700	-75

Sinopec, Petrochina inventory vs domestic LLDPE



Market highlight

- The peak demand season for PE into packaging usually starts from early September, but persistently high freight rates may continue to hamper Chinese exports of finished products this year.

yr LLDPE/HDPE plant started operations on 16 July and the 400,000 t/yr HDPE plant obtained on-specification production on 29 July.

Southeast Asia and Vietnam

Southeast Asian spot trading activity thinned out following regular end-month purchases last week. PE supplies in southeast Asia have tightened because of regional plant maintenance and reduced offers from other international producers. Most international producers do not seem to have a huge surplus of PE stocks, which resulted in firm export offers despite weaker buying interest in southeast Asia. But Asean-origin or domestic PE supplies have remained adequate and competitive as continuing Covid-19 outbreaks and restrictions disrupt downstream production and demand for finished goods.

Converters faced a big challenge in workers' management because of widespread Covid-19 infections in most countries, which prompted most converters to cut production in their labor-intensive operations. But most converters continued to replenish resin supplies cautiously to ensure consistent availability of raw materials, with expectations of continued port congestion and shipping delays. The pandemic has caused severe supply chain disruptions globally and

possibly forced converters relying on imports to give in to higher PE import prices to ensure continuous supply of raw materials. Vietnam saw its PE prices rising ahead of other southeast Asian countries despite strict Covid-19 restrictions imposed in the country, as it lacks its own PE production.

Covid-19 restrictions remained largely in place across southeast Asian countries to combat the Delta variant. But strict lockdowns to curb Covid-19 were difficult to impose by regional governments, with a large population unable to work remotely and highly dependent on daily wages. Vaccinations are progressing quickly in main cities across southeast Asia but are slow in rural areas, which poses a risk of cases remaining high throughout this year's third quarter. The Philippine government reimposed lockdown measures in its capital city Manila with its more than 13mn population from 6-20 August to curb its new surge in Covid-19 infections. This is expected to weaken Philippine domestic demand for finished goods. Indonesia extended its lockdown to 9 August, while Vietnam also extended lockdowns up to mid-August.

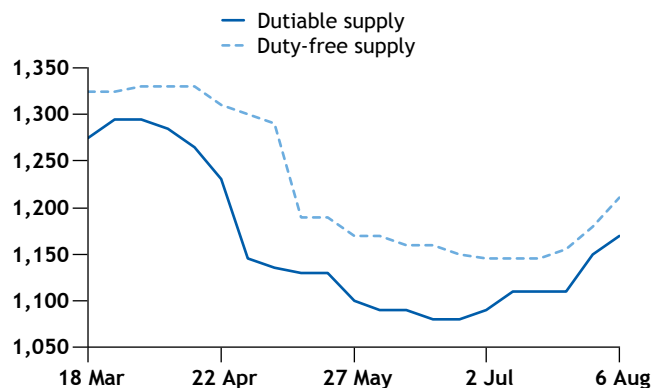
Overall demand for PE resins remained weak but vary across converters. Recovering western economies are driving exports of finished products from southeast Asia, with low labor costs and readily available goods manufacturing facilities. But higher container freight rates and difficulty in securing freight spaces slowed exports of finished goods from the region. High Covid-19 infections led to intermittent disruptions at manufacturing plants, which led to weaker requirements for PE resins. Thailand is seeing a worsening Covid-19 outbreak across plastic factories, which led to weaker domestic PE demand.

Feedstock naphtha prices fell by more than \$10/t to a weekly average of \$681/t cfr Japan. Regional plant maintenance boosted the average of duty-free LLDPE and HDPE prices by close to \$20/t to \$1,193/t cfr southeast Asia. The PE-naphtha price spread increased by \$30/t to \$511/t but remained low, especially after factoring in higher domestic trucking and freight rates for exports.

Regional PE supplies tightened further with a key producer starting maintenance activity in August. Malaysia's Petronas shut its 125,000 t/yr LLDPE and 125,000 t/yr HDPE units around 22 July for a three-week maintenance. Singapore Chevron's 220,000 t/yr HDPE unit is still having maintenance that started from mid-July. Malaysia's Lotte Titan shut its 220,000 t/yr HDPE unit from 31 July for a long overdue maintenance. Its 285,000 t/yr naphtha cracker will also be shut from 6 August for maintenance. Thailand's PTT is expected to postpone a 40-day maintenance at its 300,000 t/yr HDPE unit, earlier planned for the end of August, but other details were unclear.

SE Asia LLDPE film prices

\$/t



Dutiable LDPE film prices were unchanged at \$1,320-1,340/t cfr southeast Asia with a lack of discussions. Spot LLDPE film transactions were limited but Middle East supplies at below \$1,200/t cfr were hardly found because of sudden surge in Vietnamese buying interest last week. HDPE film prices rose to \$1,120-1,140/t cfr southeast Asia. Middle East HDPE film offers were mostly \$1,170-1,180 cfr southeast Asia last week but deals eventually closed at \$1,140-1,150/t cfr southeast Asia for August shipments.

Duty-free LDPE film prices remained at \$1,460-1,480/t cfr southeast Asia. Thailand-origin LDPE film offers were \$1,500/t cfr southeast Asia but no deals could be confirmed. LLDPE film prices rose to \$1,200-1,220/t cfr southeast Asia. Thailand-origin LLDPE film offers were at \$1,220/t cfr southeast Asia. Philippines-origin LLDPE film offers were at \$1,250/t cfr Indonesia last week but no deals could be confirmed. Duty-free HDPE film prices rose slightly to \$1,170-1,180/t cfr southeast Asia. Thailand-origin HDPE film offers were \$1,180-1,210/t cfr southeast Asia.

The surge in PE import prices boosted domestic prices in most southeast Asian countries, even as downstream PE consumption remained weak and uncertain with continuing Covid-19 outbreaks. This led to most converters continuing to adopt a wait-and-see approach.

Spot transactions were limited in Vietnam, with subdued buying interest. But domestic PE prices rose slightly, possibly because of lower stocks at some distributors' warehouses caused by delay in import arrivals. PE import prices remained firm or increased slightly against last week but volumes transacted were limited this week, according to traders. Middle East-origin LDPE film offers were at \$1,370-1,400/t cfr Vietnam. LLDPE film prices increased further to \$1,200-1,220/t cfr Vietnam. Middle East-origin LLDPE film supplies traded at \$1,240/t cfr Vietnam to consumers. Indonesia-origin LLDPE film supplies could have traded at

\$1,230/t cfr Vietnam earlier this week. HDPE film prices rose to \$1,120-1,140/t cfr Vietnam. Middle East-origin HDPE film supplies mostly traded at \$1,160/t cfr Vietnam to consumers.

South Asia

Indian PE prices rose as buying appetite continued to firm. LDPE film was \$30/t higher at \$1,460-1,480/t cfr India. A key Saudi producer offered cargoes at \$1,470/t cfr with deals done at this level. Selling ideas from other key Middle East producers were higher at \$1,500/t. LLDPE film rose by \$50/t to \$1,150-1,170/t cfr India on higher buying ideas. HDPE film rose by \$70/t to \$1,200-1,220/t cfr India. A key Saudi producer offered cargoes last week at \$1,200/t. Deals were done this week at the same level. Another key Saudi producer offered cargoes at \$1,220/t cfr with deals done at this level.

Domestic HDPE prices were raised by 1,000 rupees/t (\$13/t) across all grades. LDPE and LLDPE prices were raised by Rs1,500/t across all grades. The price changes took effect on 1 August.

Daily new Covid-19 infections continued to wane in India with 42,625 new infections recorded on 3 August, according to government data. Market participants have been encouraged by the falling cases that has firmed up buying appetite. LLDPE prices in cfr markets were higher because of higher prices in Vietnam, which saw more cargoes being diverted there. Downstream operating continued to increase, bolstered by the demand for final goods. The domestic price increments prompted more buyers to purchase cargoes from the cfr markets on expectations that the markets have turned bullish and prices will continue to increase domestically in the next few weeks.

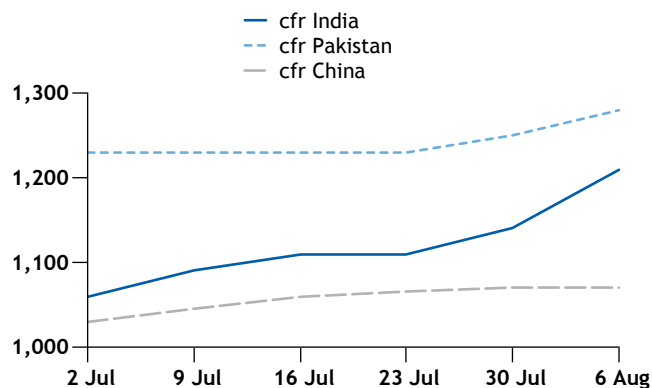
The increase in domestic demand have eased producers' inventory pressure. Freight costs and shipping delays remain an issue for participants in the import and export markets. Producers in export markets were focusing on exports to the Americas and Europe on firmer container availability. Participants echoed that shipping lines have allocated bigger vessels for cargoes destined for the Americas on higher freight rates. Securing vessels to other destinations in Asia has been a challenge. Freight costs for India-origin voyages remain high given the tighter container availability.

Securing shipping lines for southeast Asia-origin cargoes has also proven to be a challenge in import markets. This has made it difficult for southeast Asian producers to compete with Middle East producers without compromising their netbacks. Participants are also concerned about potential delays of southeast Asian cargoes given current shipping bottlenecks.

PE supplies are expected to lengthen in south Asia this year with the start-up of HPCL-Mittal Energy's 800,000 t/yr

South Asia vs China HDPE prices

\$/t



LLDPE/HDPE swing unit and with its 450,000 t/yr HDPE plant on track for a fourth-quarter start-up in Bathinda. Private-sector producer Reliance Industries will be having a planned turnaround at its 450,000 t/yr LDPE plant in Jamnagar in August, according to market participants.

India's state-controlled Haldia Petrochemicals has scheduled a 30-day turnaround at its Haldia complex in West Bengal state in early August. The complex houses two LLDPE/HDPE swing units with capacity of 390,000 t/yr and 225,000 t/yr, as well as a 330,000 t/yr HDPE plant. A fire broke out at its 700,000 t/yr naphtha-fed cracker complex on 3 August. The fire was put out shortly after it started at the naphtha tanks at the complex. There were no injuries or significant damage to property, according to sources close to the producer. No delays are expected from the fire.

Pakistani PE prices rose as key Middle East producers continued announcing new offers for August. LDPE film firmed by \$20/t to \$1,480-1,500/t cfr Pakistan. A key Saudi producer offered cargoes at \$1,500/t cfr. An Abu Dhabi producer offered cargoes at \$1,500/t cfr. LLDPE film was \$5/t higher at \$1,310-1,330/t cfr. HDPE film was \$30/t higher at \$1,240-1,260/t cfr. A Kuwaiti producer offered cargoes at \$1,270/t cfr with deals done at this level. Another Middle East producer offered cargoes at \$1,290/t cfr with deals done.

Pakistan is currently in a strict Covid-19 lockdown across most of its major cities from 3-31 August. Demand is unlikely to take a big hit as many converters are still continuing operations under the restricted guidelines and buying has held firm despite the lockdown. But downstream activity in Karachi is expected to take a hit during the lockdown as the infection rate is worse than the other cities, according to market participants.

Bangladeshi PE prices were stable as spot offers remained limited. LDPE film was stable at \$1,480-1,500/t cfr

Bangladesh. LLDPE film held at \$1,230-1,250/t cfr Bangladesh. HDPE film remained at \$1,200-1,220/t cfr Bangladesh. The Covid-19 situation continued to exacerbate as Bangladesh recorded 13,817 new daily infections, according to government data. Buying appetite was softer. But workers were returning to factories to continue working despite the lockdown, according to market participants. Some converters in Bangladesh closed operations last week because of the lockdown. Demand is expected to remain stable but below the normal firm levels.

Sri Lanka's PE prices were stable as spot offers remained limited. LDPE film was stable at \$1,480-1,500/t cfr Sri Lanka. LLDPE film held at \$1,230-1,250/t cfr Sri Lanka. HDPE film remained at \$1,200-1,220/t cfr Sri Lanka. There has uncertainty around Sri Lanka, brought on by US dollar liquidity issues. Some sellers were avoiding making offers to Sri Lanka because of this.

FUNDAMENTALS

Global production news

Westlake sees continued strong PVC, PE demand

Westlake Chemical expects robust demand that boosted second quarter prices for PVC and polyolefins to continue.

Vinyls segment prices in the quarter rose more than 53pc from a year earlier and 18pc from the first quarter, buoyed by surging US home construction and limited global PVC capacity additions, executives at the Houston-based company said today on an earnings call. The seasonal drop in construction that typically occurs in the latter part of the year will have less of an impact on PVC demand this year, as the global economy is recovering from the Covid-19 pandemic, chief executive Albert Chao said.

The company's polyethylene (PE) sales prices rose in the second quarter by 26pc from the prior quarter, as robust packaging demand continued. Inventories remain tight for polyethylene as plant maintenance and lingering effects from the mid-February Texas winter storm have prevented a build. The July PE contract price should settle up 5¢/lb, but prices are likely to then decrease through the end of the year, Chao said.

The only planned turnaround for the company in the third quarter is on the 660,000 metric tonne/yr Petro II ethylene unit in Lake Charles, Louisiana, beginning in September and lasting 60 days.

Westlake during the quarter agreed to acquire Boral North America and LASCO fittings, adding more product lines in PVC and building materials markets. Both acquisitions are

expected to be completed by the end of the year.

Second quarter profit in the olefins segment rose to \$277mn, up by \$252mn from a year earlier and \$103mn higher than the first quarter. Olefins sales prices doubled from a year earlier, but volumes decreased by 14pc.

Vinyls segment profit rose to \$435mn, up by \$415mn from a year earlier, as building and construction demand drove higher sales prices and volumes.

Total second-quarter profit rose to \$522mn, up from \$507mn a year earlier and \$280mn in the first quarter.

Westlake buys recycled plastic products maker

Westlake Chemical has agreed to acquire Ohio-based Dimex, a producer of recycled plastic products.

Dimex produces products such as landscape edging, industrial matting and marine dock edging that are produced from post-industrial-recycled plastics – typically waste recovered from manufacturers – including polyvinyl chloride, polyethylene and thermoplastic elastomers.

Marietta, Ohio-based Dimex, which generates annual sales of about \$100mn, has 300 employees and over 400,000 square feet of processing, manufacturing and warehousing facilities.

The acquisition of Dimex is at least the third acquisition by Houston-based Westlake in three months, including Boral's North America building products business and LASCO fittings.

The Dimex deal is expected to close by the end of the year. Financial terms were not disclosed.

LyondellBasell restarting Texas units after accident

LyondellBasell is restarting the olefins and polymers units at its La Porte, Texas, petrochemical plant following a 27 July accident at a nearby acetic acid reactor that resulted in two fatalities.

The units have been down since the incident, during which approximately 100,000 lb of an acetic acid mixture leaked during planned maintenance of the unit, sending 30 people to the hospital and killing two.

An investigation into the incident is continuing, and a security area and health and safety zone have been established around the acetic acid reactor. Because the olefins and polymers units are located on another part of the La Porte site, the company has been given approval by regulatory agencies to restart those facilities. Flaring is expected to occur with the restart of the olefins unit, the company said.

LyondellBasell has approximately 1.18mn t/yr of ethylene capacity and approximately 969,000t/yr of polyethylene capacity at the La Porte site.

Plant maintenance, outages and disruptions							
Status	Plant	Location	Grade	Capacity '000t/yr	Duration	Remarks	Source
	LyondellBasell Industries	US	HDPE	218	Mid-Feb	Chocolate Bayou plant restarting, FM in place	Producer
	LyondellBasell Industries	US	LDPE	151	Mid-Feb	La Porte plant restarting, FM in place	Producer
	LyondellBasell Industries	US	HDPE	821	Mid-Feb	Matagorda plant expected to restart soon, FM announced	Producer
	Dow	US	HDPE	1383	7 May	FM announced for Unipol HDPE blow molding grade	Producer
	LyondellBasell Industries	US	LLDPE	318	17 Jun	FM announced on LLDPE at La Porte, Texas plant	Producer
	Formosa Plastics	US	LDPE	400	Mid-Jul	Plant heard to be shut down	Industry
	Chevron Phillips Chemical	US	HDPE	300	Mid-Sep to early Oct	Planned maintenance at the Cedar Bayou, Texas plant	Industry
	Chevron Phillips Chemical	US	LLDPE/HDPE	1191	Mid-Sep to early Oct	Planned maintenance at the Cedar Bayou, Texas plant	Industry
	Angarsk Polymer Plant	Russia	LDPE	75	22 Jun for 40 days	Planned maintenance	Producer
	Gazprom Neftekhim Salavat	Russia	LDPE	46	20 Jul for one month	Planned maintenance	Producer
	SIDPEC	Egypt	LLDPE/HDPE	225	Aug for one month	Maintenance	Industry
NEW	Jubail United (JUPEC)	Middle East	LLDPE/HDPE	400	4 Aug	Power issues disrupted upstream cracker operations	Industry
	Sinopec Maoming	China	LLDPE	220	27 Jun to mid-Jul	Maintenance	Producer
	Shaanxi China Coal Yan-chang	China	HDPE	300	28 Jun for three weeks	Maintenance	Producer
UPDATE	Pucheng Clean Energy	China	LLDPE/HDPE	300	15 Jul - 6 Aug	Maintenance	Producer
	Jiutai Energy	China	LLDPE/HDPE	280	15 Jul for one month	Maintenance	Producer
	Huajin Ethylene	China	HDPE	300	15 Jul for 45 days	Maintenance	Producer
	Sinopec Qilu	China	LDPE	140	7 Jul for one week	Unplanned shutdown	Producer
	Mengda Energy	China	LLDPE/HDPE	300	16 Jul for one month	Maintenance	Producer
	Shaanxi Yanchang Yan'an	China	HDPE	450	End Jul for one month	Maintenance	Producer
	Zhongtian Hechuang	China	LLDPE	350	End Jul for one week	Maintenance	Producer
	Shenhua Yulin	China	LDPE	300	Mid-Aug for 25 days	Maintenance	Producer
UPDATE	Sinopec Qilu	China	LLDPE/HDPE	650	2 Aug - 20 Sep	Maintenance	Producer
NEW	Zhongtian Hechuang	China	LLDPE	300	Aug	Maintenance	Producer
	Haldia Petrochemicals	India	LLDPE/HDPE	390	Aug for one month	Planned maintenance postponed to August	Industry
	Haldia Petrochemicals	India	LLDPE/HDPE	225	Aug for one month	Planned maintenance postponed to August	Industry
	Haldia Petrochemicals	India	HDPE	330	Aug for one month	Planned maintenance postponed to August	Industry
	Reliance Industries	India	LDPE	450	Aug for one month	Maintenance at Jamnagar plant	Industry
	PTT Global Chemical	Thailand	HDPE	250	Mid-Jul for 15 days	Planned maintenance	Industry
	Chevron Phillips Chemical	Singapore	HDPE	200	Mid-Jul for one month	Maintenance	Industry
	Petronas Chemicals	Malaysia	LLDPE/HDPE	250	22 Jul for three weeks	Maintenance postponed from June	Producer
UPDATE	Lotte Chemical Titan	Malaysia	HDPE	220	31 Jul for one month	Maintenance postponed from early July	Producer
NEW	PTT Global Chemical	Thailand	HDPE	300	End Aug for 40 days	Maintenance postponed	Industry

Brazil's Braskem boosts domestic resin sales

Brazilian petrochemical manufacturer Braskem boosted its domestic resin sales by 10pc in the second quarter as demand recovered from last year's Covid-19 induced slump.

Braskem sold 792,000 metric tonnes (t) of resin domestically in the quarter, up from 719,000t in the same period last year. Exports fell by 46pc to 178,000t over the same period, reflecting lower volumes of resins for shipment abroad as domestic demand normalizes with the recovery from last year's Covid-19 related restrictions and demand shock.

First half growth in resin sales was 6pc on the year because of the demand normalization, Braskem chief financial

officer Pedro Freitas said in an earnings call today.

"Some markets such as agriculture and automotive are showing sign of improved demand," Freitas said.

In the US and Europe, Braskem's second quarter resin sales increased by 26pc and 14pc, respectively, compared to the same period last year. Resin sales to Mexico declined 32pc from a year earlier.

Braskem also benefited in the second quarter from wider spreads for resins in the US and Europe, and higher sales volumes in the US, where sales hit a record 449,000t in the second quarter.

New start-ups							
Status	Plant	Location	Grade	Capacity '000t/yr	Start-up	Remarks	Source
	Gulf Coast Growth Ventures	US	HDPE	650	4Q		Industry
	Gulf Coast Growth Ventures	US	LLDPE/HDPE	600	4Q		Industry
UPDATE	OQ	Oman	LLDPE/HDPE	880	2Q	Plant shut for few weeks due to technical issues	Industry
	Sinopec Zhanjiang	China	LDPE/EVA	100	1Q	Only EVA production expected	Industry
	Sinochem Quanzhou	China	LDPE/EVA	100	Apr	Only EVA production expected	Industry
	Haiguo Longyou Daqing Lianyi Petrochemical	China	HDPE	400	Mid-May	Shut from 7 July to August for maintenance	Industry
	Lianyungang Petrochemical (Zhejiang Satellite)	China	HDPE	400	End Apr	Shut for two-week maintenance from 13 July	Producer
	Ningbo Huatai Shengfu	China	LLDPE/HDPE	400	End Apr	Plant started	Producer
	Sinopec-SK Wuhan Petrochemical	China	HDPE	300	Aug	Delayed from June	Producer
	Shandong Shouguang Luqing Petrochemical	China	HDPE	350	Aug	Delayed from July	Producer
	Shandong Shouguang Luqing Petrochemical	China	LLDPE	400	Aug	Delayed from July	Producer
	PetroChina Changqing Petrochemical	China	HDPE	400	Aug	Delayed from July	Producer
	PetroChina Changqing Petrochemical	China	LLDPE/HDPE	400	Aug	Delayed from July	Producer
	Zhejiang Petrochemical	China	HDPE	350	Aug	Delayed from July	Producer
	Zhejiang Petrochemical	China	LLDPE/HDPE	450	Aug	Delayed from July	Producer
	Zhejiang Petrochemical	China	LDPE/EVA	300	End 2021	Only EVA production expected	Producer
	Zhejiang Petrochemical	China	LDPE	400	End 2021		Producer
	PetroChina Tarim Oilfield	China	HDPE	300	4Q		Industry
	PetroChina Tarim Oilfield	China	LLDPE/HDPE	300	4Q		Industry
	Qinghai Damei	China	LLDPE/HDPE	300	2H	Delayed from 2Q	Producer
	Tianjin Bohua	China	LLDPE/HDPE	300	End 2021		Producer
	Daelim Industrial Co	South Korea	LLDPE	200	End Feb		Producer
	GS Caltex	South Korea	HDPE	500	End May	Plant expected to be ramped up to 100pc from mid-July	Producer
	LG Chem	South Korea	HDPE	200	End Jun	Plant started	Producer
	LG Chem	South Korea	LLDPE	300	End Jun	Plant started	Producer
	LG Chem	South Korea	LLDPE	300	3Q		Producer
	Hyundai Chemical	South Korea	HDPE	500	End 2021		Producer
	Hyundai Chemical	South Korea	LDPE/EVA	300	End 2021		Producer
	HPCL-Mittal Energy Limited	India	LLDPE/HDPE	800	4Q		Producer
	HPCL-Mittal Energy Limited	India	HDPE	450	4Q		Producer
UPDATE	PRefChem	Malaysia	LLDPE/HDPE	350	End 2021/Early 2022		Industry
UPDATE	PRefChem	Malaysia	HDPE	400	Early 2022		Industry
	JG Summit Petrochemical	Philippines	HDPE	250	1Q 2022		Producer

"We believe that petrochemical spreads have peaked during the second half, and although there is a prospect of them falling, margins should still remain at very strong levels," Freitas said.

The company also saw more profitable spreads for PE in the US, for PP in the US and Europe, and for polyvinyl chloride (PVC) in Asia.

Braskem's utilization rate at domestic operations was 76pc during the second quarter, up by 6 percentage points on the year. Domestic utilization fell by 6 points from the first quarter because of a scheduled maintenance shutdown at the company's ABC petrochemical complex in São Paulo state.

Braskem's plants in the US ran at 98pc capacity during the quarter, up from 90pc in the second quarter of 2020, reflecting the current normalization of operations from the worst impacts of the Covid-19 pandemic last year.

In Mexico, the Braskem-Idesa joint venture cracker and derivative units operated at 58pc of capacity in the second quarter, down from 80pc a year earlier, and flat compared to the previous quarter. The year-on-year decline resulted from lower ethane supply from Pemex and lower volumes of imported ethane due to occasional instability in Braskem-Idesa's power supply.

For the remainder of 2021, Braskem wants to expand its ethane imports operation and is working with the Mexican

government to finalize a definitive ethane supply agreement for Braskem-Idesa, the company said. Ethane imports for its Mexican operations to complement the local supply were around 16,500 bl/d in June, but quarterly average imports were 8,800 bl/d.

Braskem posted a \$1.4bn profit in the second quarter, compared to a loss of \$469mn a year earlier.

Saudi Arabia's Sabic swings to \$2bn profit in 2Q

Saudi Arabian petrochemicals giant Sabic has reported a much improved financial performance in the second quarter on the back of higher sales and prices.

The company, which is majority-owned by state-controlled Saudi Aramco, earned a profit of SR7.64bn (\$2bn) on revenues of SR42.42bn in April-June. This compares with a profit of SR4.86bn and revenue of SR37.53bn in the previous three months and a loss of SR2.22bn on revenues of SR24.62bn in the second quarter of last year.

The stronger performance "was driven by higher sales volumes and prices, supported by a rise in oil prices and a healthy supply and demand balance for most of our key products as the global economy continued its path to recovery", chief executive Yousef al-Benyan said. Sabic expects to increase its market share in the US, China and Africa, "which are promising growth markets", he said.

Sabic sees demand remaining strong in the second half of 2021. It expects margins to "moderate but to remain healthy as oil prices and feedstock costs remain elevated". Sabic's bullish outlook comes after polyethylene (PE) and polypropylene (PP) producers in Europe saw margins hit fresh highs in the second quarter amid robust demand and tight supply.

Argus assessed European PP homopolymer gross contract premiums over feedstock propylene at an average of €955/t (\$1,132/t) in April-June, compared with €552/t in the first quarter. Gross contract margins for PE followed a similar pattern, with premiums for HDPE blow moulding and LDPE grades rising to €835/t and €1,225/t in the second quarter, from €505/t and €743/t in the first quarter, respectively.

Despite the strong outlook on demand, these levels are likely to be unsustainable amid higher feedstock costs and as polymer prices face downward pressure in the western hemisphere, driven by a gradual easing of supply constraints and the prospect of new global capacity coming online later this year. PE and PP gross margins in Europe already saw some contraction at the tail end of the second quarter and in July, although they remain well above historical averages.

Sabic is now the petrochemicals arm of Aramco, after the latter completed its acquisition of a 70pc stake a year ago. The companies have since been streamlining their operations to "capture synergies to drive more efficiency and add customer value", Sabic said.

Marketing and sales responsibilities for a number of petrochemicals and polymers have been transferred from Aramco to Sabic, allowing Aramco's trading subsidiary ATC to focus on fuel products. The new streamlined work streams "realised \$230mn of value" by the end of the second quarter, according to Sabic.

Saudi's JUPC cuts cracker operations

Saudi Arabia-based petrochemical producer Jubail United (JUPC), an affiliate of state-controlled Sabic, is likely to have heavily loaded down operations at its 1.4m t/yr ethane cracker in Jubail yesterday because of power issues.

Its downstream ethylene glycol (MEG) plants, each with 700,000 t/yr of production capacity, were shut after the incident. JUPC's another downstream 400,000 t/yr full-density polyethylene unit was also shut together. The company is still in the process of investigating the issues and has not outlined detailed maintenance plans.

China's MEG futures on the Dalian Commodity Exchange responded to the unexpected shutdown with a 3.65pc rise in the morning trading session today, with the September contract rebounding to 5,446 yuan/t or \$707/t on an import parity basis following three days of falls.

LG Chem's cracker rate cut surprises Asian operators

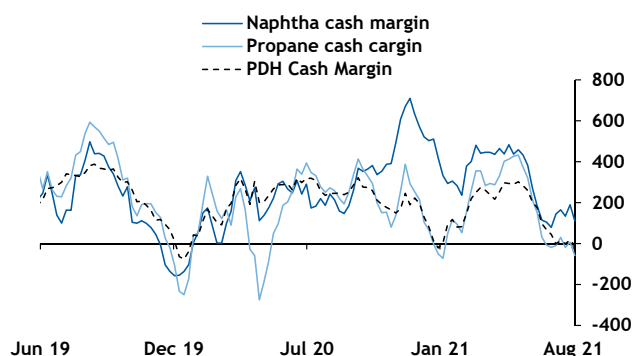
Several Asian naphtha cracker operators were surprised by LG Chem's decision to cut operating rates on eroding margins, as naphtha cracker margins remained in positive territory.

The South Korean petrochemical producer cut operating rates from the start of August at its crackers in Daesan and Yeosu in part due to weaker margins. The company is trying to balance its surplus ethylene supplies after its downstream polyethylene line shut. Difficulties in locating spot vessels and unsatisfied export prices accounted for the decision.

At least three Asian naphtha cracker operators have pointed out they still plan to run their naphtha crackers at the maximum despite the dip in petrochemical margins.

Naphtha cracker cash margins

\$/t



Margins are not as strong as before but it is still surprising for a South Korean cracker to start the run cut process, it's usually a Japanese or southeast Asian cracker, said a cracker operator.

The naphtha cracker cash margin, or Argus ethylene's price minus Argus' cfr Japan naphtha price as a feedstock and other relevant variable and fixed cost, stood at \$111/t on 3 August, down from the average of \$356/t in first-half 2021 but remained in positive territory. Naphtha crackers saw strong margins in the first half of the year following an uptick in olefin prices on supply shortages and robust derivatives demand. But prices started to decline in June as supplies from new crackers emerged in South Korea and China, eroding the naphtha cracker margin to \$79/t by the end of June, the lowest since March 2020.

Ethylene margins have also shrunk against a surge in naphtha feedstock prices. A combination of strong gasoline prices against a cut in supply from China, low arbitrage arrivals against strong European prices, firm LPG prices, an alternative cracker feedstock have propelled the light distillate margin to exceed a five-year high.

LG Chem's 1.27mn t/yr Daesan-based cracker operations were reduced to around 80spc. The older 1.16mn t/yr Yeosu-based cracker is running at a low-90pc. Both crackers were running at full capacity prior to the cuts. LG Chem has kept its new 800,000 t/yr Yeosu-based cracker running at the high 90pc.

Japan's Toray ups profit forecast on polymer recovery

Japan's petrochemical producer Toray has raised its April 2021-March 2022 profit forecast on continued demand growth of its polymers amid gradual domestic and overseas economic recovery.

Toray expects demand for its polymers including acrylonitrile butadiene styrene resin, polyolefin and other engineering plastics to continue growing. The forecast prompted Toray to lift its overall 2021-22 profit forecast by 12.5pc to ¥90bn (\$824.1mn) from initial expectations in mid-May.

Toray's polymer sales during April-June increased on the year when Covid-19 pressured demand. The company's polymer sales were also supported by stronger auto production and economic recovery in China.

Mitsubishi Chemical also raised its April-September profit forecast by 79.5pc to ¥79bn from previous expectations in mid-May. The company sold more petrochemical goods including polyolefin, ethylene, propylene and toluene during April-June than a year earlier when its ethylene crackers were under maintenance and demand was suppressed by the pandemic.

PetroChina Lanzhou starts up Changqing ethane cracker

China's state-controlled petrochemical producer PetroChina Lanzhou Petrochemical achieved on-specification ethylene production at its first ethane-fed cracker on 3 August, just 28 hours after feeding in ethane.

The cracker at Changqing in Yulin county in northwestern China's Shaanxi province is fed with ethane from its Changqing gas fractionation plant and can produce up to 800,000 t/yr of ethylene at capacity.

The 20bn m³/yr gas fractionation plant in Yulin is capable of fractionating methane, ethane and LPG. Ethane will be fed into the ethylene cracker, while LPG and other light ends will be transported to PetroChina Lanzhou Petrochemical.

The cracker is also the first large-scale ethylene cracker that adopts PetroChina's proprietary ethane cracking technology.

PetroChina Lanzhou has also built 800,000 t/yr of polyethylene (PE) capacity integrated to the new cracker. The two PE units started up in advance, feeding on merchant ethylene supplies.

The 400,000 t/yr linear-low density/high-density polyethylene plant started operations on 16 July and the 400,000 t/yr high-density polyethylene plant achieved on-specification production on 29 July.

It is the fourth new ethylene cracker to start up in China this year following Huatai Shengfu's 600,000 t/yr mixed feed cracker, Zhejiang Satellite's 1.25mn t/yr ethane cracker and Zhejiang Petrochemical's 1.4mn t/yr No.2 naphtha cracker.

India's Adani sets up petrochemical subsidiary

Major Indian conglomerate Adani Enterprises has set up a new subsidiary, Adani Petrochemicals (APL), to invest in refineries, petrochemical complexes, specialty chemical units, hydrogen and related chemical plants.

No details were released of the scale of the investment, types of chemicals or timeline, but APL intends to be in direct competition with India's largest private-sector refiner and petrochemicals producer Reliance Industries (RIL).

Adani's previous forays into the petrochemical sector include an initial deal with German chemical producer BASF in 2019 to invest in a €2bn chemical plant in Mundra, Gujarat. The deal was expanded a year later to include Abu Dhabi's state-owned energy firm Adnoc and Austrian chemical company Borealis. The plan was later put on hold because of the Covid-19 pandemic.

RIL's Jamnagar complex in western India houses the world's largest integrated refining and petrochemical hub with crude processing capacity of 1.24mn b/d integrated to an off-gas cracker with 1.5mn t/yr ethylene capacity. The

company has a total paraxylene capacity of 4.3mn t/yr and is one of the world's largest producers of polyester fibre and yarn.

Adani, which already has a stronghold in sustainable energy, deepened its partnership with France's TotalEnergies – previously known as Total – in January, when the French firm acquired a 20pc interest in Adani Green Energy.

Fire breaks out at India's Haldia Petrochemicals

A fire broke out at Indian state-controlled Haldia Petrochemicals' (HPL) 700,000 t/yr naphtha-fed cracker complex in east India's West Bengal state yesterday afternoon.

The fire was put out shortly after it erupted at naphtha

tanks at the complex. There were no injuries or significant damage to property, according to sources close to the producer.

The fire was likely started by a spark that lit up open hydrocarbon sources resulting from a leakage while transporting naphtha from pipelines to the tanks, sources said. HPL was conducting a month-long maintenance at the petrochemical complex when the fire broke out.

The turnaround was initially planned for May but was postponed to August because of manpower shortages brought on by Covid-19 restrictions. No delays are expected from the fire, according to market participants

Packaging and downstream applications

Packaging stocks					
Company	Industry	Ticker	5 Aug	29 Jul	±
Reynolds	Consumer goods	NASDAQ: REYN	\$ 27.90	\$ 28.92	-3.53% ▼
Amcor	Food and beverages, pharma and personal care	NYSE: AMCR	\$ 11.68	\$ 11.64	0.34% ▲
Sealed Air	Food and beverages and consumer goods	NYSE: SEE	\$ 58.11	\$ 56.13	3.53% ▲
Berry Global	Personal care and consumer goods	NYSE: BERY	\$ 63.00	\$ 64.22	-1.90% ▼
Sonoco Products	Consumer goods and industrial products	NYSE: SON	\$ 63.04	\$ 63.86	-1.28% ▼
Mondi	Agriculture, chemical and medical	LON: MNDI	£ 2,068.00	£ 2,009.00	2.94% ▲
Huhtamaki Group	Food and beverages	HEL: HUH1V	€ 45.46	€ 44.67	1.77% ▲

Mondi launches sustainable packaging for online groceries

UK-headquartered packaging company Mondi has introduced a new range of sustainable corrugated packaging solutions targeted at online grocery delivery services across Europe.

The new fully-recyclable packaging is designed to hold products from perishable foods to wines. The solutions can be customised for pick-up and delivery options.

The increased reliance on e-commerce has prompted Mondi to introduce more sustainable solutions for online groceries. The introduction of these new sustainable options brings Mondi closer to achieving its ambition of making all its products reusable, recyclable or compostable by 2025.

A total of seven new products were introduced in Mondi's new online grocery offerings.

Supply chain and shipping

Potential Gulf of Oman hijacking incident over: UKMTO

A potential hijacking incident off the coast of the UAE in the Gulf of Oman has now concluded after trespassers that boarded the vessel disembarked, the UK Maritime Trade Operations (UKMTO) said today.

"Boarders have left the vessel. Vessel is safe. Incident complete," the UK navy-linked organisation said.

The incident, which took place about 58 miles (93km) east of Fujairah, came soon after last week's deadly attack on a products tanker in the Indian Ocean off the coast of Oman, which the US, UK and Israel have all since pinned on Iran. Tehran has repeatedly denied involvement, with Iran's foreign ministry calling the incident "suspicious."

The waters around the Gulf of Oman and strait of Hormuz represent one of the world's busiest shipping routes, with at least 20 oil, chemicals and LNG carriers in the area at the time of the incident.

At no point has the UKMTO named the vessel involved in the potential hijacking. But security firm Dryad Global identified it as the Panama-flagged bitumen carrier Asphalt Princess. The vessel's owner is listed as Emirati-listed Glory International.

The vessel departed Iran on 24 June and was destined for Sohar in Oman, according to Vortexa.

The UKMTO is continuing to advise all vessels "to exercise extreme caution when transiting this area."

These recent incidents are just the latest in a series of events affecting tankers in the waters around the Mideast Gulf. These include attacks by Yemen's Houthi forces on Saudi Arabian tankers, and episodes in the strait of Hormuz and the UAE in 2019 which the US also blamed on Iran.

Polymer freight			\$/t
Origin	Destination	Rates	
US	Asia	80-100	-
US	Turkey	60-70	-
Jubail	Mumbai	45-50	-
Jubail	Karachi	60-65	-
Jubail	China	28-32	-
Jubail	Indonesia	60-65	-

Dry bulk vessels collide in Yangtze

Two dry bulk vessels were involved in an accident on China's Yangtze river yesterday, leaving one damaged.

Bulk Shenzhen, a 208,000 dwt Newcastlemax vessel owned by 2020 Bulkters, collided with the 81,364 dwt Kam-sarmax vessel RB Lisa, owned by RB Shipping, while navigating under pilot in the early morning of 2 August.

Bulk Shenzhen was part loaded with 103,655t of iron ore

QUOTE OF THE WEEK

“India is the only market in Asia that is willing to buy right now”

– India-based trader trader

destined for Jinangyin, China, according to 2020 Bulkters. The company said there was no loss of life, personal injury, pollution or other environmental damage, and that Bulk Shenzhen and RB Lisa are now at anchor on the river.

The Bulk Shenzhen reportedly sustained some damage in the bow area above the water line but could proceed to its discharge port under its own power. Vesseltracker shows the ship near to the port of Changjiangkou, an important hub for coal, iron ore and grain. There are no reports of delays resulting from the incident.



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