argusmedia.com

Argus Methanol

Formerly Jim Jordan & Associates Global Methanol Report

Issue 23-8 Friday 24 February 2023

MARKET SNAPSHOT

Global prices

		24 Feb					January	
US		*¢/USG*	±	*$/t*	±		*¢/USG*	*$/t*
US Contract Index - range		173.00-177.00		575-589			173.00-173.00	575-575
US Contract Index - wtd avg		175.10		582			173.00	582
Methanex MNDRP		173.00		575			173.00	575
SCC - US MPP		177.00		589			173.00	589
US spot - TX GC barge	24 Feb	110.00-110.00	-2.00	366-366	-7	27 Jan	101.00-112.00	336-372
	17 Feb	112.00-112.00		372-372		20 Jan	95.00-98.00	316-326
	10 Feb	110.00-110.00		366-366		13 Jan	97.50-97.50	324-324
	3 Feb	110.00-110.00		366-366		6 Jan	102.00-104.00	339-346
US spot - TX GC barge wtd avg		108.91	+5.63	362	+19		103.28	343
USGC fob contract, non-discount		173.00-177.00		575-589			173.00-173.00	575-575
Truck/railcar		*¢/USG*	±	*$/t*	±		*¢/USG*	*$/t*
fob USGC		110.00-118.00		366-392			110.00-118.00	366-392
fob US northeast		118.00-125.00		392-416			116.00-123.00	386-409
fob US southeast		118.00-125.00		392-416			116.00-123.00	386-409
fob US Midwest		141.00-148.00		469-492			138.00-145.00	459-482
Canada		*C$/t*	±	*$/t*	±		*C$/t*	*$/t*
Western Canada distributor price		805		591			805	591
Asia-Pacific		*¢/USG*	±	*$/t*	±		*¢/USG*	*$/t*
cfr China		96-98		318-327			93-98	308-327
cfr South Korea		108-111		360-370			105-111	350-370
cfr Taiwan		104-110		345-365			102-108	340-360
cfr southeast Asia		111-114	-1.50	370-380	-5		113-120	375-400
cfr India WC		88-93	-4.06	293-310	-14		99-104	330-345
Methanex APCP		129		430			123	410
China domestic		*Yn/t*	±	*$/t*	±		*Yn/t*	*$/t*
East China domestic ex-tank, prompt		2,660-2,780	+25.00	317-332	+1.00		2,605-2,730	313-332
East China domestic ex-tank, 2-4 week delivery		2,635-2,765	+52.50	314-330	+4.50		2,600-2,765	311-336
South China domestic ex-tank, prompt		2,630-2,720	+35.00	313-324	+2.00		2,580-2,720	306-331
India domestic		*INR/kg*	±	*$/t*	±		*INR/kg*	*$/t*
India domestic ex-tank		26.50-27.50	-0.25	292-304	-2.51		29.00-31.00	326-350
Europe		*€/t*	±	*$/t*	±		*€/t*	*$/t*
Europe contract		478		504			478	504
Methanex MEPCP		478		504			478	504
T2 fob Rotterdam spot		333-339	+1.50	351-358	2		300-344	317-363
T2 fob Rotterdam spot VWA		337.36	+30.21	357.26	+22.78		307.15	334.48
Europe monthly contract, Feb		481.5	+6.50	508.02	7		475.00	501.16

INDUSTRY EQUIVALENT

US

	Timing	$/t	€/t	¢/USG
US Contract Index	Feb	582	552	175.10
US spot - TX GC barge		366	347	110.00
Methanex MNDRP	Feb	575	545	173.00
SCC - US MPP	Feb	589	558	177.00

World

	$/t	€/t	¢/USG
Global average	433	410	130.11

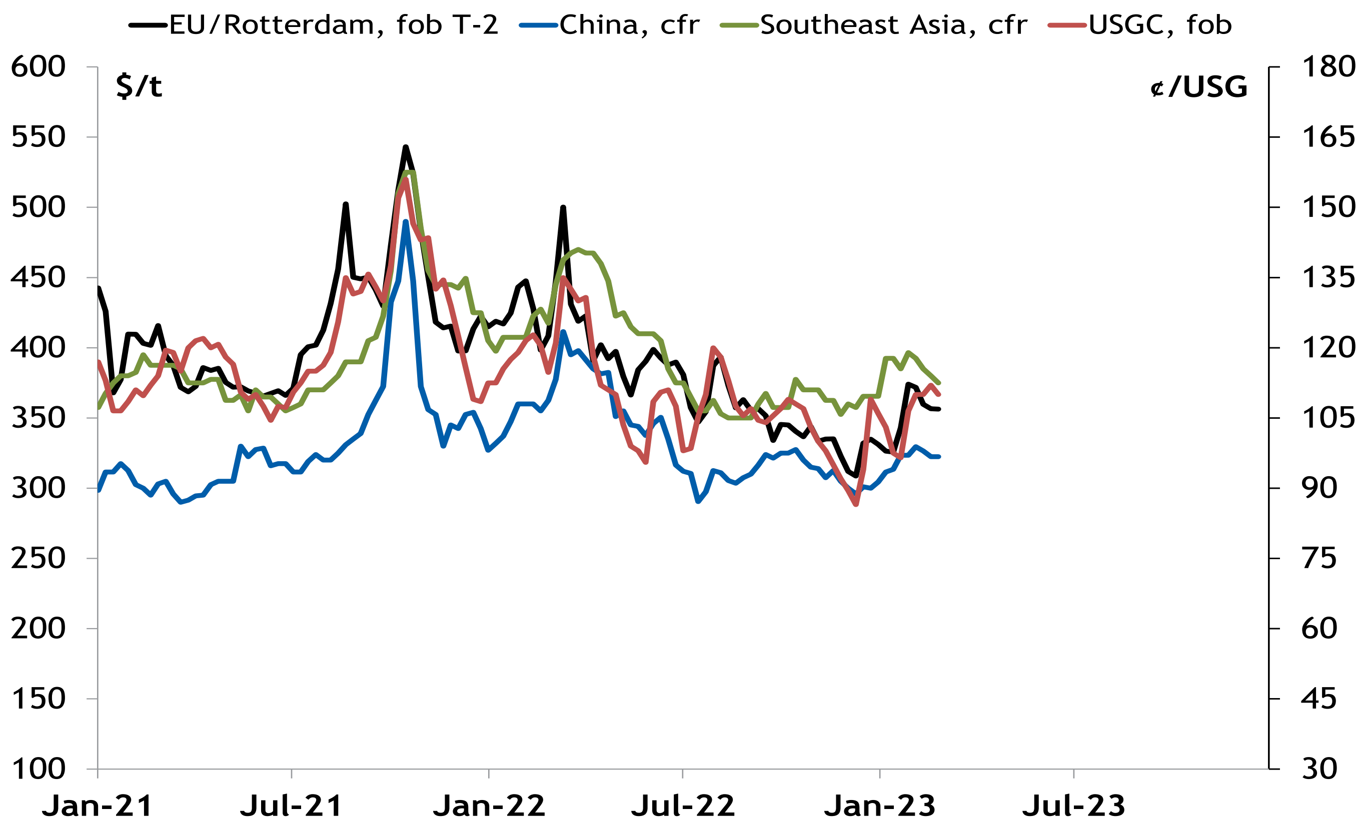
Europe

	Timing	$/t	€/t	¢/USG
T2 fob Rotterdam spot		355	336	106.62
Europe contract	1Q23	504	478	151.68
Methanex MEPCP	1Q23	504	478	151.68

Asia-Pacific

	Timing	$/t	€/t	¢/USG
cfr China		323	306	96.99
cfr South Korea		365	346	109.77
cfr Taiwan		355	336	106.77
cfr southeast Asia		375	355	112.78
cfr India WC		302	286	90.68
Methanex Asia contract	Jan	430	408	129.32

Global spot methanol pricing

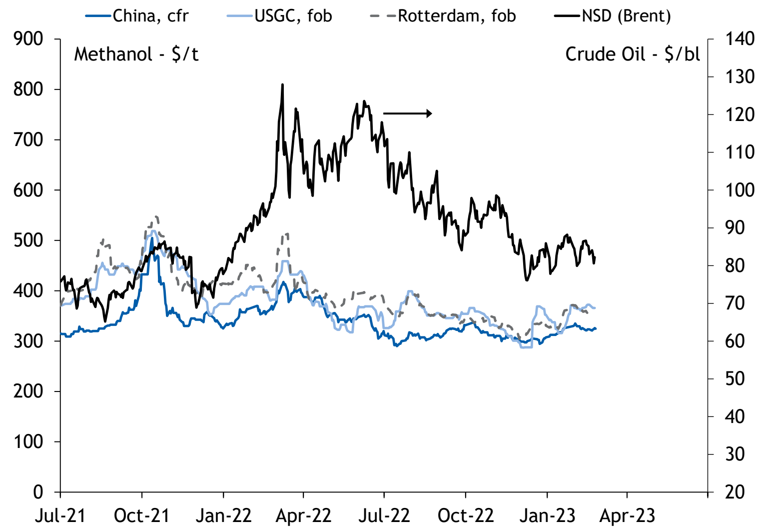


GLOBAL METHANOL INDUSTRY RECAP

Oil, economy, weekly bits and pieces:

- Crude futures weakened as tanker data showed Europe sustaining strong non-Russian diesel imports after the EU embargo on Russian supplies entered force on 5 February. Bearish sentiment was amplified after US economic data highlighted the likelihood of further interest rate rises ahead, quelling a recent equity market recovery and placing a floor under the USD index.
- With Opec and IEA coming out with robust 2023 oil demand forecasts amid heightened expectations for Chinese demand rebound, further crude downside is likely limited. Limits to US shale production growth, Russian plans to cut output 500,000 bl/d in March and Saudi claims supply restraint will persist through 2023 further suggest limited downside.

Daily methanol pricing vs crude oil



- Henry Hub gas futures hit two-year lows on muted storage draws and mild weather forecasts, while Chinese customs cleared three cargoes of Australian thermal coal imports, ending three-year informal ban.
- The USD index rose for a third week as chunky January US inflation and retail sales indices raised the likelihood of further Fed rate rises ahead, with terminal rate seen potentially at 5.25pc.
- China's new homes prices rose for the first time in a year and the Politburo Standing Committee declared "decisive victory" over Covid-19, claiming also the world's lowest fatality rate.

Average weekly WTI and NSD slipped $3/bl this week, ending at $75/bl and $83/bl, respectively. Prices weakened seemingly on fears aggressive rates hike by the Fed would drive the economy into recession, further denting fuel demand. Pioneer CEO Scott Sheffield has predicted, that, while oil has been rangebound over the last five or six months, Brent will break $90/bl this summer and climb back to $100/bl sometime in the second half of the year. He also thought WTI would be in the low $90's/bl by the end of the year as well. MTO operating rates dipped this week as Ningbo Fund shut for maintenance. Rates drop to 53pc (MTO/MTP) versus 61pc last week, still disappointing those in the market thinking MTO rates would jump post the Lunar New Year holidays. With multiple MTO producers now having alternative cracker production as well (to make olefins), MTO operating rates are expected to remain reduced for some time. Rest of world demand moves mostly sideways. Methanol production issues are steadily reducing, particularly as more Iran methanol units are understood to be re-starting from winter curtailments. Still, the return of exports (ex Iran) are a month away. Southeast Asia, the US and Europe have all seen planned/unplanned outages reducing supplies year to date but appear to be improving (the exception being Europe with the large Equinor unit out into April). Spot prices are flat-to-down in Asia, down in North America while slightly stronger in Europe. The market still lacks energy.

China sentiments remain lackluster, with (sadly) a coal mine disaster underpinning coal prices and driving higher inland methanol prices. The failure of the MTO sector to improve, coupled with increasing Iran exports soon are likely to pull spot prices down sooner than later. Asia-Pacific sees India prices drop $13.5/t on average, southeast Asia slip $5/t on average while all other markets roll from last week's assessments. China's MTO sector performance dips to a one-month low, to 53pc from last week's 61pc and we believe will see little improvement anytime soon. Iran methanol production continues to return from winter curtailments.

US Gulf coast methanol production may see all producers running (together) for the first time since mid-December

GLOBAL METHANOL INDUSTRY RECAP

of last year. Spot trading activity was limited to the first part of the week, done a couple of times at 110¢/USG, representing this week's assessment, down 2¢/USG from last week. Bid's had dropped to 105¢/USG levels as the week ends.

Europe spot trading picked up this week, with average spot prices improving €1.5/t as compared to last week (€333-339/t). Equinor remains down for planned gas pipeline maintenance. Rotterdam inventories as said to be near 60pc levels, with much of the industry saying supplies are comfortable at this time.

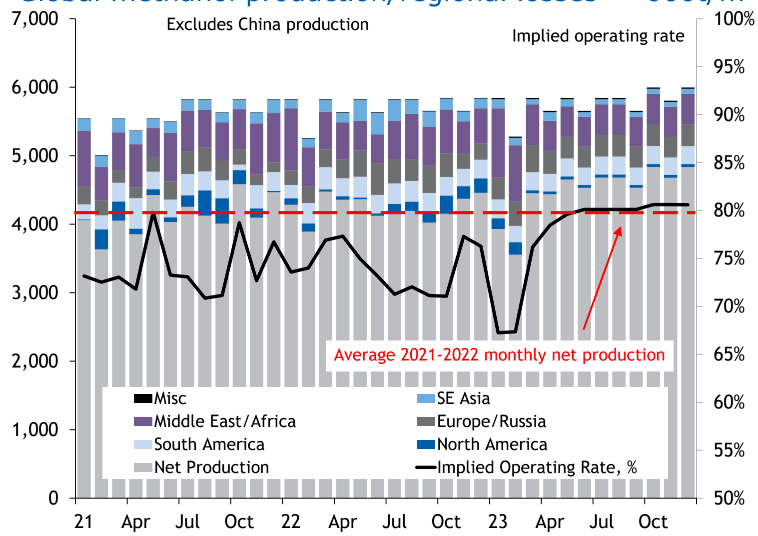
OPERATIONS OVERVIEW

Americas — "All US Gulf coast producers now appear to be operating."

Europe/Russia — "Equinor down February into April."

- The Equinor unit is down for planned maintenance and not returning to service until early April for natural gas supply line maintenance.
- Tomsk continues to run at reduced rates, with other Russia units still at reduced rates as well.
- MSK Serbia remains offline.

Global methanol production/regional losses - '000t/m



Middle East/Africa — "Iran sees more methanol units returning from winter curtailments. Sabalan may restart by weeks end. Kaveh remain down."

- The most recent update from Iran's Kaveh, whose 2.3mn t/yr unit has been shut since 5 December, still puts the earliest restart date in mid-March.
- Iran's Zagros clarified one of its two methanol units has been shut since 6 December. Its second unit is understood to be running at 30-35pc of capacity.
- Iran's Marjan, Fanavaran and Kimiya Pars methanol units appear to have restarted in recent weeks but are understood to be operating at curtailed rates of 50-70pc of capacity.
- Iran's Bushehr unit is understood to have restarted its 1.65mn t/yr methanol unit in late January and currently operating at 70-80pc of capacity.
- The Sabalan methanol unit remains shut due to feedstock shortages, but some suggest the unit could restart in the coming week.

Southeast Asia/India — "Petronas No. 1 unit restarts after planned two-week outage. Brunei will shut in April for a planned turnaround."

- Brunei Methanol plans to carry out a maintenance turnaround in late April 2023, expected to last for 45 days.
- Petronas has restarted its smaller No. 1 unit following a planned two-week outage.
- Indonesia's Kaltim Methanol Industri is understood to be running well.

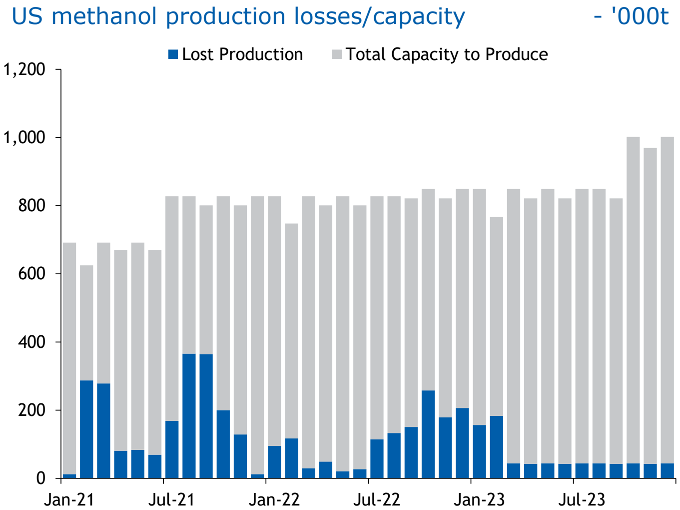
NORTH AMERICA

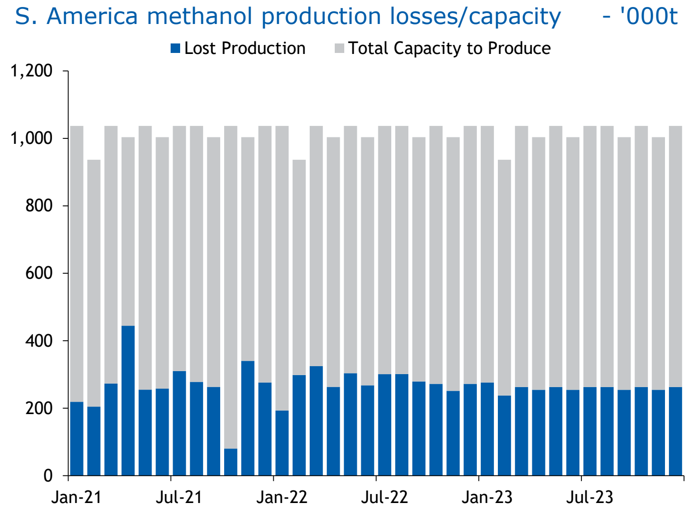
2023 METHANOL UNIT OPERATING SCHEDULE Major facilities - '000t *Smaller units may not be shown but included in capacity and production loss figures*														
COMPANY	*LOCATION*	*CAPACITY*	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Methanex	Canada, Kitimat	0												
Pemex	Texmulcan, MEX	180												
OCI North America	Beaumont, TX	1,030	o o o o	o										
Natgasoline LLC	Beaumont, TX	1,650	O	O										
Fairway LLC	Clear Lake, TX	1,500	M	MMM										
Eastman	Kingsport, TN	195												
Lyondell/Basell	Channelview, TX	780	O o											
Lyondell/Basell (Millenniu	Deer Park, TX	680	o											
Methanex Geismar #1	Geismar, LA	1,100												
Methanex Geismar #2	Geismar, LA	1,100												
Methanex Geismar #3	Geismar, LA	1,800	UC	UC	UC	UC	UC	UC	UC	UC	UC	UC		
Pampa Fuels LLC	Pampa, TX	65												
Praxair	Geismar, LA	45												
US Methanol	Institute, WVA	250												
West Virginia Methanol		-												
Koch Methanol One	St. James Parish	1,600	R											
YPF	Argentina	420												
Methanex #1	Chile	850	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Methanex #4	Chile	850	r r r r	r r r r	r r r r	r r r r	r r r r	I I I I	I I I I	I I I I	I I I I	I I I I	r r r r	r r r r
CMC (M2)	Trinidad	550	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Methanol IV (M4)	Trinidad	550	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
TTMC #1 (M1)	Trinidad	450	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I
TTMC #2 (M3)	Trinidad	550	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
MHTL (M5)	Trinidad	1,900	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Titan - Methanex	Trinidad	850	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I
Atlas Methanex/BP	Trinidad	1,750	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
CGCL/Mitsubishi	Trinidad	1,000	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Metor	Venezuela	850												
Metor 2	Venezuela	850												
Supermetanol	Venezuela	790	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Total Nameplate Capacity		24,825	1,956	1,766	1,956	1,892	1,956	1,892	1,956	1,956	1,892	2,108	2,040	2,108
Lost Capacity/Production		3,886	433	421	307	297	307	297	307	307	297	307	297	307
Effective Capacity/Production		19,593	1,523	1,346	1,648	1,595	1,648	1,595	1,648	1,648	1,595	1,801	1,743	1,801
			78%	76%	84%	84%	84%	84%	84%	84%	84%	85%	85%	85%

I = Idled Unit *S = Standby (Mothballed)* *M = Planned Maintenance*
R = Reduced Rate Operation >25% *r = Reduced Rate Operation <25%* *UC = Under Construction* *O = Operational Problem*

Best we can conclude, all US Gulf methanol producers are back and running as the week ends. If so, this may be the first time all producers are running since perhaps mid-December last year. Again, should this be the situation and producers no longer need to dip into the spot arena, we can assume spot prices will fast begin softening. A first glimpse of this may be from Thursday’s bids dropping to 105¢/USG against offers at 109¢/USG after earlier week deals were done at higher 110¢/USG levels. For the week, these early deals at 110¢/USG set the price assessment for the week, but here too March business was done at 108¢, 109¢ and 110¢/USG suggesting weaker sentiments/pricing ahead.

NORTH AMERICA





The industry awaits the end of winter, although this week parts of the US again got slammed with another blast of winter weather. As winter weather subsides, we can count of methanol demand into the housing and auto segments seeing improvement—albeit perhaps small.

US MTBE prices moved lower this week with gasoline but remain more expensive than competing blendstocks. High MTBE margins continue to incentivize full operating rates. One producer appears to have recently ended planned downtime and we are not aware of any other planned outages in 1Q. In late 1Q or early 2Q, LyondellBasell is expected to commission its new MTBE/ETBE unit, which is expected to bring some increased methanol demand.

Market pricing

US Gulf coast spot methanol prices dipped slightly this week, although relatively speaking the market was active.

Despite Monday being a non-publishing day due to the US Presidents Day holiday, the market was active with spot trades concluded. February delivery traded twice at 110¢/USG, fob ITC, for 10,000 bl each deal. March also traded twice Monday, once at 108¢/USG and another at 109¢/USG.

USGC methanol spot transactions

Timing	Date	Price - ¢/USG	Volume - bls
February	20-Feb	110.00	10,000
February	20-Feb	110.00	10,000
March	20-Feb	108.00	10,000
March	20-Feb	109.00	10,000
March	22-Feb	110.00	10,000

February spot was assessed on either side of 110¢/USG for Tuesday and Wednesday, as limited activity emerged for the front month. No bids or offers were reported for the remainder of the week as February delivery expired Thursday.

March delivery traded at 110¢/USG on Wednesday, with a fob ITC deal reported at that level, for 10,000 bl.

Thursday, March offers slipped to 109¢/USG, against bids at 105¢/USG.

Argus will post this week's spot methanol price range at 110¢/USG ($366/t; €345/t/t), down by 2¢/USG from last week.

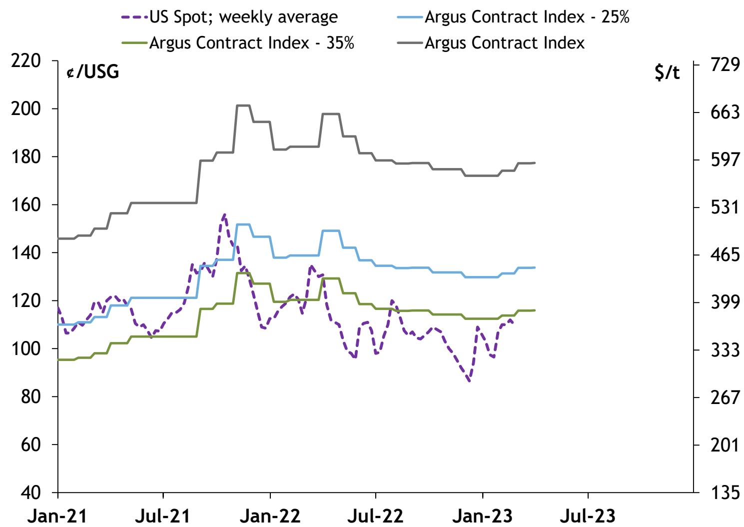
NORTH AMERICA

The *Argus* US Methanol spot weighted average for February was locked at 108.9¢/USG ($362.1/t; €342.0/t), up 5.63¢/USG from December.

Methanol marketer and producer Southern Chemical nominated its March contract price at 177¢/USG, a rollover from February, while Vancouver-based methanol producer Methanex posted its March methanol non-discounted contract price at 179¢/USG, up 6¢/USG from February.

Methanex increased its Western Canada Distribution Price for March to CAD$820/t ($607/t), up by CAD$15/t from February.

USGC methanol spot & contract pricing



EUROPE

2023 METHANOL UNIT OPERATING SCHEDULE
Major facilities - '000t
Smaller units may not be shown but included in capacity and production loss figures

COMPANY	*LOCATION*	*CAPACITY*	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
BASF	Germany #1	330												
Shell/DEA	Germany	400												
Mider	Germany	660												
BP RP	Germany	285												
OCI	Netherlands	952	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I
Equinor	Norway	900		MMMM	MMMM	MM								
Central Europe	Various	400	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Tomsk PC	Russia	1,000				r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Metafrax(Gubakha)	Russia	1,200												
Togliatti Azot	Russia	900												
Shchekino Azot	Russia	1,000												
Azot Tula	Russia	300												
SPP	Russia	160	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I
Nevinnomysskiy	Russia	130												
Other Russia	Various	575	RRRR	RRRR	RRRR	RRRR	RRRR	RRRR	RRRR	RRRR	RRRR	RRRR	RRRR	RRRR
Other CIS	Various	300	RRRR	RRRR	RRRR	RRRR	RRRR	RRRR	RRRR	RRRR	RRRR	RRRR	RRRR	RRRR
SOCAR	Azerbaijan	720	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Total Nameplate Capacity		10,212	867	783	867	839	867	839	867	867	839	867	839	867
Lost Capacity/Production		7,770	747	774	698	638	622	602	622	622	602	622	602	622
Effective Capacity/Production		2,442	120	10	169	201	246	238	246	246	238	246	238	246
			14%	1%	20%	24%	28%	28%	28%	28%	28%	28%	28%	28%

I = Idled Unit *S = Standby (Mothballed)* *M = Planned Maintenance*
R = Reduced Rate Operation >25% *r = Reduced Rate Operation <25%* *UC = Under Construction* *O = Operational Problem*

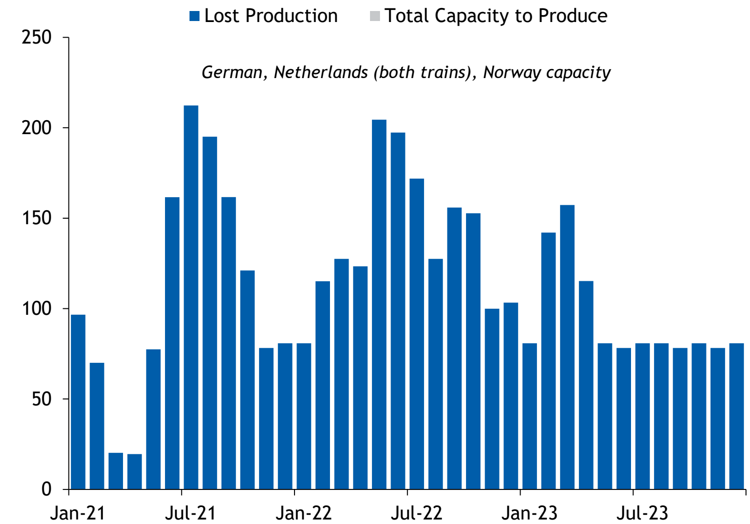
EUROPE

Europe's methanol market sees fundamentals largely stable and balanced from the previous week. Some market participants noted this week nominations have been up or increasing.

There were varying views on methanol supply, with some describing the market as long, while others saw stocks at levels of about 60pc in Rotterdam.

Methanol exports from northwest Europe are understood to be moving to a terminal in Poland, while some buyers in central and eastern Europe are also understood to have taken volumes out of Rotterdam via train.

Europe methanol production losses/capacity - '000t



The methanol market has been relatively long this year (to date), with ample supply in Rotterdam, despite a large methanol unit being offline in the region. Lower US gas prices and therefore lower feedstock costs for regional producers there may incentivize continued exports from North America to Europe, with freight rates also having recently eased, now said to be around $45-55/t for 40,000t parcel sizes this week.

Methanol demand remains soft into some downstream segments and margins continue to be pressured by high energy costs in Europe. But some derivative sectors are seeing perhaps less pressure than others, enjoying healthy run rates or more positive margins.

In the fuels segment, the biodiesel market is said to be seeing positive margins, as is MTBE. In terms of MTBE feedstocks, the availability of C4s has improved in Europe; last year the market was tight with limited supply.

Demand for silicones has been healthy, sources said, while formaldehyde and MMA chains are seeing some pressure from high energy prices. In the acetic acid market, supply is described as balanced to long, with prices generally stable.

In the European derivative market, there continues to be competition from lower-priced imports from Asia, consumers say. The European formaldehyde, acetic acid and MMA chains, for example, have seen competition from imports from the US and Asia recently.

In the automotive segment, while up from a modest base, EU passenger car registrations were up 11.3pc in January 2023, compared to the previous year, the Acea said this week. Passenger car registrations in January totaled 760,041 units, up from 682,596 units in the same month in 2022, according to Acea data.

The cif UK biomethanol price ticked lower on the week, closing at $1,300/t Thursday. Spot activity remains subdued, with obligated parties relying on volumes purchased under term contracts in the first part of the year.

Market pricing

Trading was more active this week, although spot prices remain very much aligned with last week's assessments.

Monday, two methanol spot barge deals were concluded, one for March loading dates and the other for April

EUROPE

loading dates, both at €337/t, basis fob Rotterdam, and each for 1,000t.

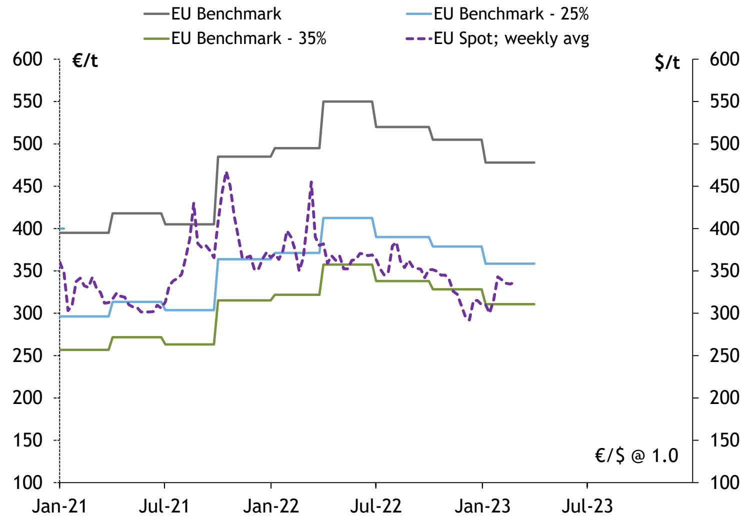
Tuesday, a spot deal was concluded, for a methanol barge loading in February, at €333/t, basis fob Rotterdam, for 1,000t, while two subsequent deals were then transacted, for barges with March loading dates, one at €337/t and the other at €339/t, for 1,000t each and both standard Rotterdam terms.

Wednesday, 3,000t (three 1,000t lots) was traded, for methanol loading in March, at €337/t, basis fob Rotterdam.

Thursday, three more spot deals were concluded, at €337/t, for March loading dates, basis fob Rotterdam, for 1,000t each.

Friday, the market remained busy, with several spot methanol barge trades concluded at €337/t, for March loading dates.

Europe methanol spot & benchmark pricing



Based on the collection of trades done for February this week, *Argus* will post the weekly spot methanol price range at €333-339/t, basis fob Rotterdam (nominal $353-360/t; 106-108¢/USG), up €1.5/t from last week.

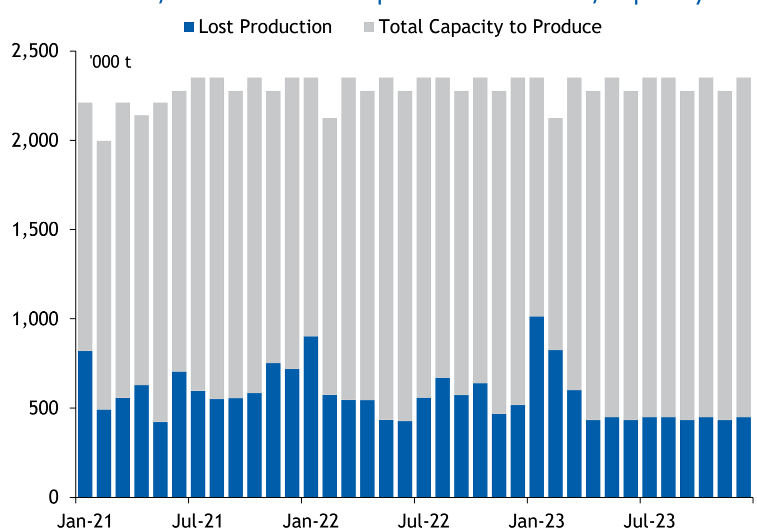
MIDDLE EAST/AFRICA

Methanol production output in Iran is expected to increase further in the coming weeks. Among the units having restarted, Kimiya Pars is understood to be up and running at 70pc of capacity. Fanavaran is also understood to have restarted, operating at 50pc of capacity.

However, Kaveh's 2.3mn t/yr unit remains off-line, with the earliest potential restart date in mid-March.

The Sabalan methanol unit remains shut due to feedstock shortages, but some market participants say the unit could restart in the coming week. Zagros Petrochemical continues to operate only one of its two methanol units, at a reduced rate of 35pc.

Middle East/Africa methanol production losses/capacity



MIDDLE EAST/AFRICA

2023 METHANOL UNIT OPERATING SCHEDULE Major facilities - '000t *Smaller units may not be shown but included in capacity and production loss figures*														
COMPANY	*LOCATION*	*CAPACITY*	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
SOCAR	Azerbaijan	720	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Gulf PC	Bahrain	465												
NPC-Shiraz	Iran	84												
Kaveh	Iran	2,300	I I I I	I I I I	I I r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
NPC-Kharg Island	Iran	660												
NPC-Fanavaran	Iran	1,000	r I I I	I I r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
NPC-Zagros #1	Iran	1,650	I I I I	I I I I	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
NPC-Zagros #2	Iran	1,650	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Marjan	Iran	1,650	O O O O	I I r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Bushehr	Iran	1,650	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Kimiya Pars	Iran	1,650	r I I I	I I r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Sabalan	Iran	1,650	r I I I	I I I I	I I I I	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Dena	Iran	1,650	UC	UC	UC	UC	UC	UC	UC	UC	UC	UC	UC	UC
Apadana	Iran	1,650	UC	UC	UC	UC	UC	UC	UC	UC	UC	UC	UC	UC
Siraf	Iran	1,650	UC	UC	UC	UC	UC	UC	UC	UC	UC	UC	UC	UC
NOC	Libya	660	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
QAFAC	Qatar	1,050												
Ar Razi	Saudi Arabia #1	700	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Ar Razi	Saudi Arabia #2	700	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Ar Razi	Saudi Arabia #3	850	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Ar Razi	Saudi Arabia #4	850	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Ar Razi	Saudi Arabia #5	1,650	r O r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Nat'l MeOH	Saudi Arabia	1,000												
IMC	Saudi Arabia	1,200												
Chemanol	Saudi Arabia	230												
Oman Methanol Company	Oman	1,150												
Salalah Methanol	Oman	1,300												
AMPCO	Equatorial Guine	1,150												
Emethanex	Egypt	1,260												
	Total Nameplate Capacity	33,109	2,392	2,160	2,392	2,314	2,392	2,314	2,392	2,392	2,314	2,392	2,314	2,392
	Lost Capacity/Production	6,414	1,014	824	600	434	448	434	448	448	434	448	434	449
	Effective Capacity/Production	21,745	1,378	1,336	1,791	1,881	1,944	1,881	1,944	1,944	1,881	1,944	1,881	1,942
			58%	62%	75%	81%	81%	81%	81%	81%	81%	81%	81%	81%

I = Idled Unit *S = Standby (Mothballed)* *M = Planned Maintenance*
R = Reduced Rate Operation >25% *r = Reduced Rate Operation <25%* *UC = Under Construction* *O = Operational Problem*

While most producers in the Middle East outside of Iran are operating well, few were inclined to reduce offers to Asia despite weak buying interest. Vessel availability was described to be the main bottleneck, with freight rates still elevated. Vessel space for cargoes loading from the Middle East remains tight, creating challenges for producers looking to export prompt cargoes. Some suppliers had previously been willing to consider accepting lower bids in order to clear off any unsold February-loading cargoes, but such offers were no longer widely available this week.

ASIA-PACIFIC

2023 METHANOL UNIT OPERATING SCHEDULE
Major facilities - '000t
Smaller units may not be shown but included in capacity and production loss figures

COMPANY	*LOCATION*	*CAPACITY*	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Brunei Methanol Company	Brunei	850	r r r r	r r r r	r r r r	MMMM	M M	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Kaltim	Indonesia	770	M M											
MEDCO	Indonesia	-	I I I II	I I I II	I I I II	I I I II	I I I II	I I I II	I I I II	I I I II	I I I II	I I I II	I I I II	I I I I
Petronas Chemicals	Maylaysia	750	r r r r	r r M M	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Petronas Chemicals	Maylaysia	1,650	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Methanex	Waitara	520	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I	I I I I
Methanex	Montunui	900	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Methanex	Montunui	900	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r	r r r r
Total Nameplate Capacity		33,109	9,644	8,711	9,644	9,333	9,644	9,333	9,669	9,669	9,358	9,950	9,629	9,958
Lost Capacity/Production		3,423	303	246	298	284	301	279	299	299	280	284	266	284
Effective Capacity/Production		111,118	9,341	8,464	9,346	9,049	9,343	9,054	9,371	9,371	9,078	9,666	9,363	9,674
			97%	97%	97%	97%	97%	97%	97%	97%	97%	97%	97%	97%

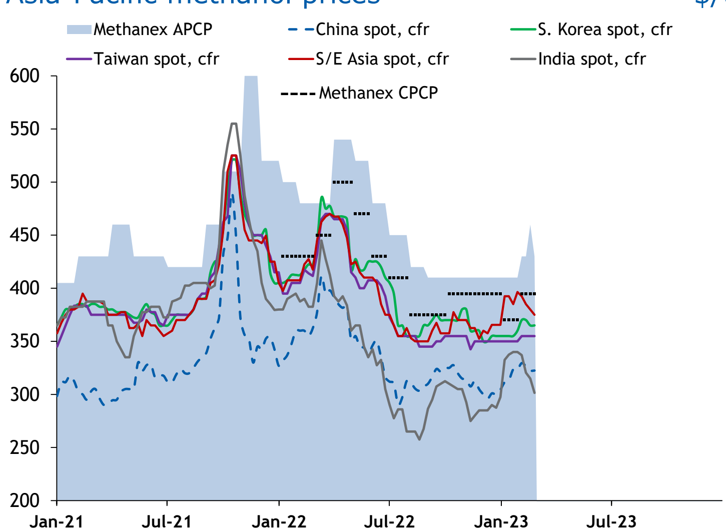
I = Idled Unit *S = Standby (Mothballed)* *M = Planned Maintenance*
R = Reduced Rate Operation >25% *r = Reduced Rate Operation <25%* *UC = Under Construction* *O = Operational Problem*

Market summary

The Asia-Pacific spot methanol market was divided in terms of direction, with sellers seeking to maintain offers following late-week gains in domestic China prices. But buyers were in no hurry to secure spot product due to expectations of improving supplies ex-Iran in the coming weeks.

Only China's domestic market bucked the prevalent stable-to-lower trend, boosted by a speculative surge in upstream coal prices after the collapse of an open-pit coal mine in Inner Mongolia. Sentiment was also buoyed by firmer downstream olefins prices. Demand from the key methanol-to-olefins (MTO) sector, however, dipped, as Ningbo Fund shut its MTO unit for a ten-day maintenance turnaround.

Asia-Pacific methanol prices - $/t



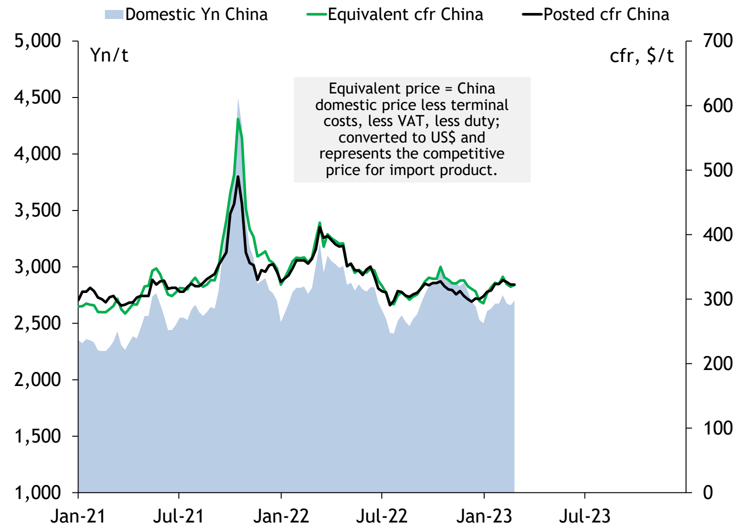
Planned maintenance across several MTBE units in South Korea and Taiwan is expected to curb buying interest for spot cargoes in the wider northeast Asian region in March.

In southeast Asia, production output ticked higher with Petronas having restarted its No. 1 methanol unit over the weekend, following the completion of a planned maintenance turnaround. Seasonal demand for fuel-based applications could strengthen in the coming weeks, ahead of the Islamic fasting month of Ramadan.

ASIA-PACIFIC

China

China methanol pricing

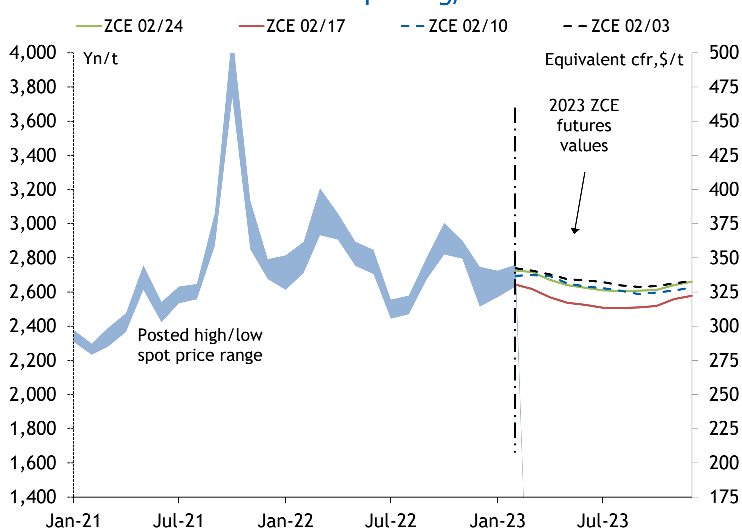


China's methanol market—mainly the domestic market—rebounded this week after a two-week correction although fundamentals have seen little change.

Spot prices mainly tracked market sentiment, which turned more upbeat following prices surges in both feedstock coal prices and downstream olefin prices.

While the strength in coal prices were mainly driven by speculation after the collapse of an open-pit coal mine in Inner Mongolia on 22 February, olefin prices were supported by a general uptrend in chemical commodity futures this week, as there are more signs of economic recovery in China; such as crowds returning to shopping malls, long queues at restaurants, the restart of construction projects, the rebound in property prices, to name but a few.

Domestic China methanol pricing/ZCE futures



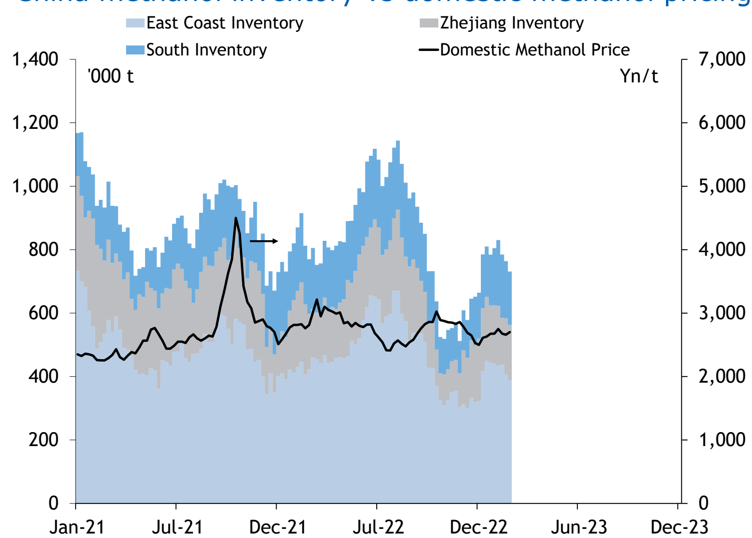
However, the market still seemingly lacks confidence in potential price upside. The general increase of consumption in China, and higher olefin prices, do not seem to be transferring to higher MTO operations just yet. Quite the opposite, this week's MTO sector operating rates fell back to a one-month low, of 56pc, as Ningbo Fund commenced planned maintenance. Additionally, the strategy of two major coastal MTO producers appears to be the prioritized use of their new crackers to produce olefins over MTO's as crackers involve a lot more investment. Further, news emerged late in the week more Iran methanol units are returning to production in recent weeks, also weighing on sentiments as increased imports are expected from March.

In the spot trading arena, discussions for imports diminished this week after active trades the previous two weeks. A single deal was concluded mid-week, on a floating price basis, at a 1.8pc premium to cfr China assessments, for a 5,000t Middle East cargo loading in early March. Bids and offers on a fixed price basis were seen at $325-330/t levels, cfr China, mid-week as well, but disappeared late-week amid wait-and-see sentiment after a rise in domestic prices. Cfr China prices were assessed stable this week in the absence of fixed price-based spot trades.

ASIA-PACIFIC

Domestic prices eased lower at the beginning of the week as news of increasing domestic methanol production in March weighed on sentiments. Prompt prices fell Yn30-35/t from last Friday, with cargoes traded Yn2,660-2,685/t levels, ex-tank Taicang ($318-321/t import parity basis). But a strong price rebound in chemical commodity futures (21 February) boosted sentiment. Trade prices for prompt deliveries edged-up to Yn2,690-2,700/t levels, ex-tank Taicang, on Tuesday and rose again on Wednesday, to the Yn2,700-2,715/t range as methanol futures extended gains. A surge in coal prices (23-24 February) following a severe coal mine accident in Inner Mongolia drove methanol futures up 2pc. Prices of prompt cargoes also responded to higher coal prices with a rise of Yn55-65/t late in the week, with trades taking place in the range of Yn2,745-2,780/t, ex-tank Taicang ($326-331/t import parity basis).

China methanol inventory vs domestic methanol pricing



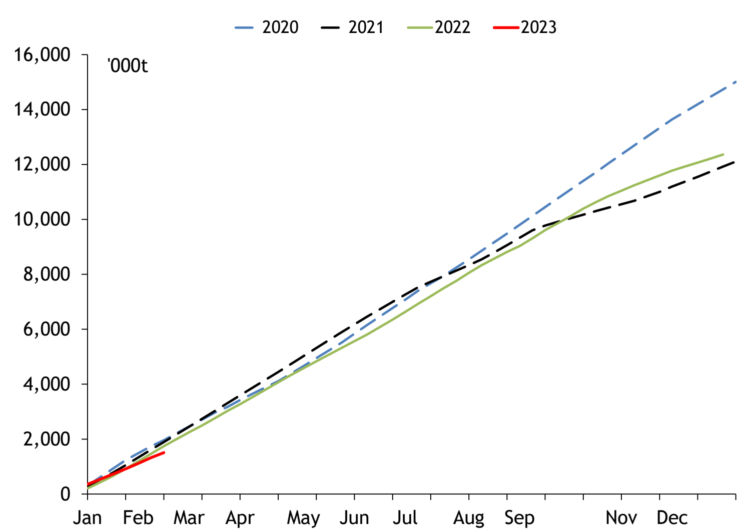
The intermonth spread of forward deliveries to that of prompt narrowed to Yn15-25/t this week, from last week's Yn45-50/t. Forward prices rose more than prompt, tracking more closely with futures. Trades for forward deliveries were concluded in the range of Yn2,635-2,765/t, ex-tank Taicang, equivalent to $314-330/t on an import parity basis, up Yn15-90/t from the previous week.

Prompt supply remains curtailed upon limited import arrivals. Port inventories fell for the third consecutive week, to 731,000t this week. East China Jiangsu's inventories fell to 389,000t, down 18,000t from last week. East China Zhejiang's stocks inched lower by 3,000t, to 174,000t. South China's inventories dropped to 168,000t, down 12,000t.

Methanol supplies from inland China had been expected to increase notedly in March, but the sudden uptick in coal prices this week—surging 15pc to a one-month high of $172/t, fob Qinhuangdao—undermined the production plans of some major coal-based methanol producers.

Baofeng Energy had previously planned to bring back production at its 1.5mn t/yr unit this Friday, but now has postponed these plans due to cost concerns. Jiutai Energy had said it had planned to restart its 2mn t/yr unit this week, but so far there has been no progress. Nevertheless, some units were still in the process of restarting this week, including Henan Hebi's 600,000 t/yr unit (idle since mid-November last year) and Shanxi Huayu's 900,000 t/yr unit which was shut the second week

MTO merchant methanol cumulative demand



ASIA-PACIFIC

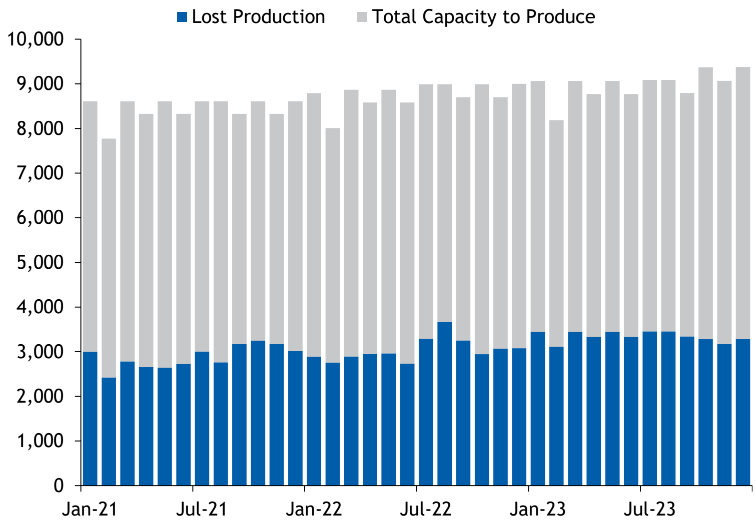
of February. Inland methanol prices rose Yn10-120/t this week on the back of higher coal prices, to Yn2,130-2,290/t levels, ex-tank ($252-272/t import parity basis) in Inner Mongolia and northern Shaanxi.

Demand from the MTO sector was reduced this week. Ningbo Fund shut its 600,000 t/yr MTO unit on 19 February, for 10 days of maintenance. Average run rates for this sector slipped to 53pc, from 61pc (if excluding MTPs), or to 56pc from 64pc if to further exclude a long idled MTO unit. Jiangsu Sailboat's 830,000 t/yr MTO unit is understood to remain shut through March due to ample olefin supply from its new cracker. Zhejiang Xingxing is aiming to start up its new 1mn t/yr cracker in March, with the company then having the flexibility to adjust olefin production between MTO and its new cracker, which may not be good for MTO production either.

MTO margins, if simply based on olefin prices, were stable this week, holding at -$175/t this week. Integrated MTO margin estimates weakened to -$135/t, from last week's -$115/t. Margins for Ningbo Fund and Zhejiang Xingxing were unchanged, at -$335/t and -$265/t respectively, Jiangsu Sailboat's margins fell sharply, by $50/t, to $200/t following a 3pc fall in its major derivative ethylene vinyl acetate market. Inland MTO margins turned negative again, to -$5/t, from $10/t after the increases of inland methanol prices.

In other derivative market, domestic MTBE prices rose early in the week, but subsequently retreated due to losses in gasoline values. Offers in the domestic market were raised as inventory pressures eased, with several coastal suppliers having off-loaded some volumes to the export market. Production output holds steady, with Shandong Chengtai Chemical's 200,000 t/yr MTBE unit shut since late December for a maintenance turnaround. Ex-tank MTBE cargoes in both east and south China were traded over a wider range, with discussions at Yn7,000-7,200/t ex-tank, or the equivalent of about $866/t on an import parity basis.

China methanol production losses/capacity - '000t



ASIA-PACIFIC

South Korea and Taiwan

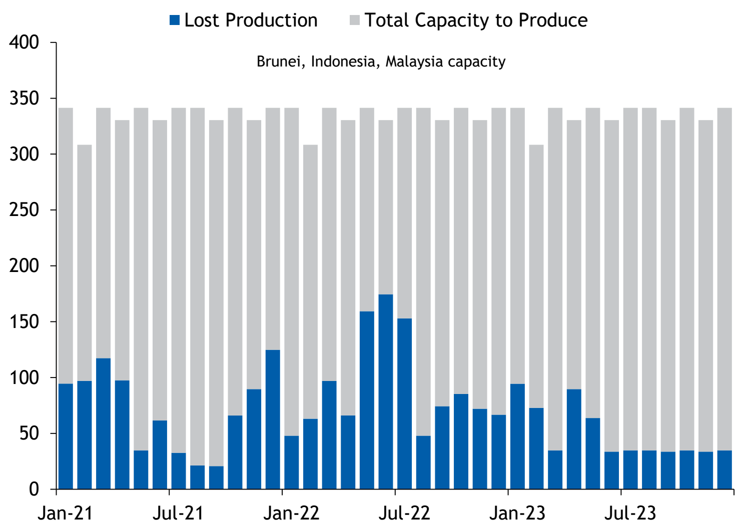
Methanol derivative consumption in South Korea remains curtailed, with Hyundai Chemical operating its 200,000 t/yr MTBE unit at reduced rates (80pc) due to insufficient feedstocks. A slew of MTBE unit outages is also expected to take place in March. GS Caltex is expected to shut its 100,000 t/yr MTBE unit for a maintenance turnaround in the coming month, in line with an outage at its residual fluid catalytic cracker (RFCC) unit from March to May. S-Oil is also expected to shut its 370,000 t/yr No. 2 MTBE train in late March. In other derivative sectors, LG MMA expected to shut its downstream No. 2 methyl methacrylate unit for a three-week maintenance turnaround in March.

The cfr South Korean market remains void of buying interest as a result, with spot prices remaining notionally stable, at $360-370/t levels.

Derivative consumption in Taiwan is also expected to dip in the coming month, with Formosa expected to shut one of its two MTBE units from early March to early April. The Taiwanese market continues to be thinly-discussed as a result, with buyers focused on consuming term volumes. Notional buy-sell indications were unchanged, at $345-365/t levels, cfr Taiwan basis.

Southeast Asia

Southeast Asia methanol production losses/capacity - '000t



Southeast Asia sees methanol demand in Malaysia showing signs of strengthening ahead of the Islamic fasting month of Ramadan, mainly for fuel-based applications like MTBE. However, consumption from the formaldehyde and acetic acid sectors remains slow.

Momentum in Indonesia has been relatively slower to build, with no clear signs of a demand uptick just yet.

Looking at methanol supply, Petronas has restarted its smaller No. 1 methanol unit on schedule earlier this week, following the completion of a scheduled maintenance turnaround. The unit is understood to be operating normally. In Indonesia, Kaltim Methanol Industri is understood to be operating at near full capacity.

Notional indications in the cfr southeast Asia market inched lower this week, although no firm trades heard concluded. Selling indications for 5,000t, April arrival parcel were seen at $380-385/t levels, cfr southeast Asia basis, while buying indications were at $350-370/t levels.

ASIA-PACIFIC

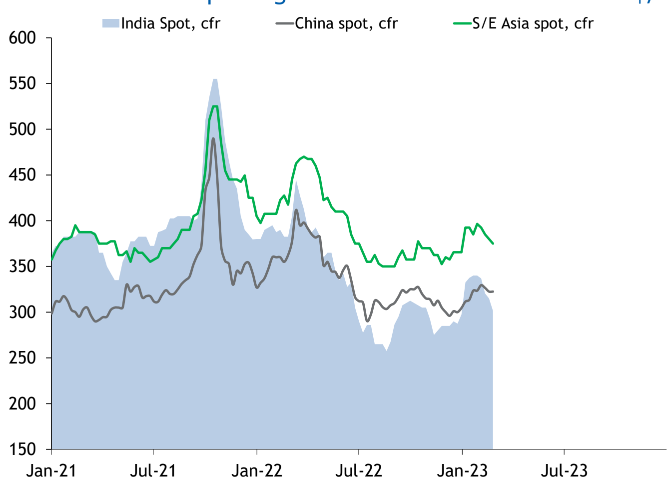
India

Spot methanol trade discussions have been contentious in recent weeks, against a backdrop of sluggish domestic demand and constricted supplies from the Middle East. Current domestic inventory levels at the major ports are understood to be high, with some distributors in the domestic market having little option but to cut local offers to liquidate stocks. Still, producers in the Middle East did not appear eager to chase bids lower, with some having already sold-out March loading cargoes. Middle East suppliers are fully aware the Indian market remains well-supplied by other regions (including Russian and Venezuelan product) and have no desire to partake in a "race to the bottom" on prices.

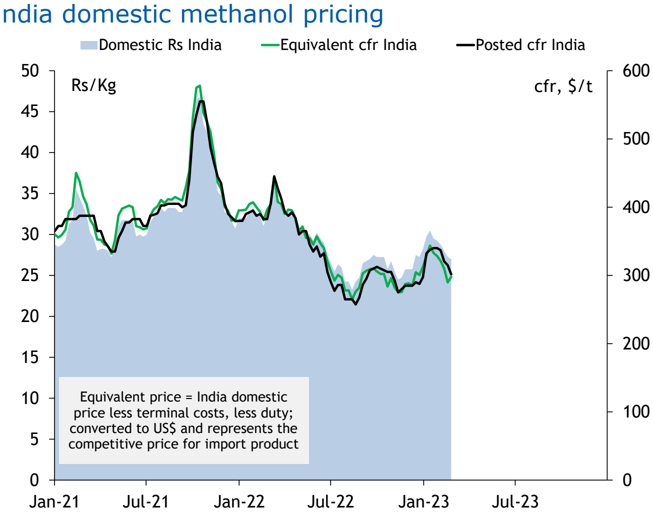
Buying indications were located over a very wide range. A deal for a 5,000t, 1H March loading cargo may have been done at $295/t cfr India, but neither the buying nor the selling parties could be confirmed at the time of publication.

Bids and buying indications were located over a very wide range, of $293-307/t, cfr India basis. Offers and selling indications for Middle East origin cargoes were at $310-315/t levels, cfr India. An offer for Middle East origin cargo was heard as low as $300/t, cfr India, during the week. Domestic ex-tank methanol prices were stable-to-lower, in the Rs26.5-27.5/kg.

India methanol pricing - $/t



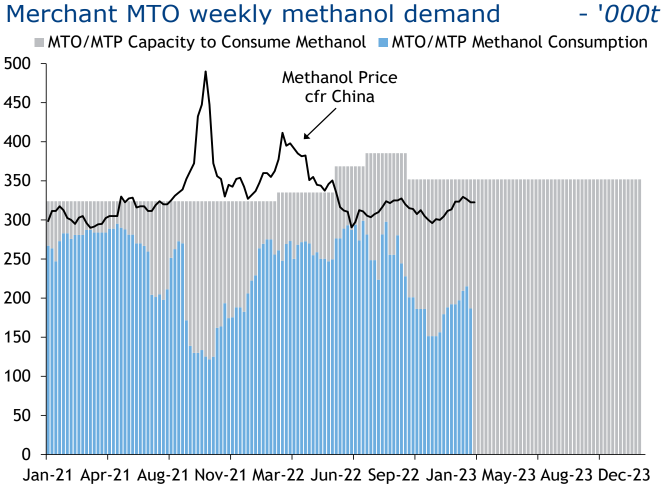
India domestic methanol pricing



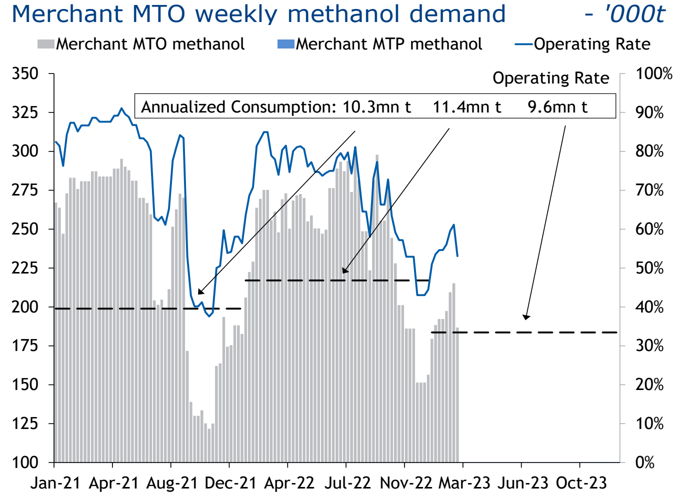
CHINA MTO/MTP METRICS

China MTO/MTP Producers - Operating Status										
				Olefin	Methanol		Operating Rates			
Start-up	Producer	Location	Process	Capacity	Demand	Capacity	3-Feb	10-Feb	17-Feb	24-Feb
Oct-11	**Sinopec Zhongyuan Ethylene**	Puyang, Henan	MTO	200	580	-	0%	0%	0%	0%
Feb-13	**Ningbo Fund Energy (former Skyford)**	Ningbo, Zhejiang	MTO	600	1,740	-	85%	85%	85%	0%
Sep-13	**Chengzhi Nanjing Clean Energy**	Nanjing, Jiangsu	MTO	300	870	500	0%	0%	0%	0%
Nov-14	**Shandong Shenda Chemical (Levima)**	Tengzhou, Shandong	MTO	460	1,334	-	95%	95%	95%	95%
Apr-15	**Zhejiang Xingxing Chemical**	Jiaxing, Zhejiang	MTO	690	2,001	-	90%	80%	95%	95%
Jun-15	**Yangmei Hengtong**	Linyi, Shandong	MTO	300	870	-	60%	85%	85%	85%
Dec-15	**Shenhua Yulin**	Yulin, Shaanxi	MTO	600	1,740	600	CTO	CTO	CTO	CTO
Apr-16	**China Coal Mengda Energy**	Ordos, Inner Mongolia	MTO	600	1,740	600	100%	100%	100%	100%
Dec-16	**Changzhou Fund Energy**	Changzhou, Jiangsu	MTO	330	957	-	70%	70%	70%	70%
Dec-16	**Jiangsu Sailboat Chemical**	Lianyungang, Jiangsu	MTO	830	2,407	-	0%	0%	0%	0%
May-19	**Jiutai Energy**	Ordos, Inner Mongolia	MTO	600	1,740	1,000	CTO	CTO	CTO	CTO
Jul-19	**Nanjing Chengzhi Chemical No. 2**	Nanjing, Jiangsu	MTO	600	1,740	-	70%	85%	85%	85%
Apr-20	**Jilin Connell Chemical No. 1**	Jilin, Jilin	MTO	300	870	200	0%	0%	0%	0%
Jun-22	Tianjin Bohua No,1	Tianjin	MTO	600	1,740	-	70%	90%	90%	90%
Aug-22	**Shandong Luxi Chemical**	Liaocheng, Shandong	From CTO	300	870	-	0%	0%	0%	0%
Mar 22	Xinjiang Hengyou	Xinjiang	MTP	200	580	-	60%	60%	60%	60%
MTO Weighted Average Weekly Operating Rates (*including MTP*)							56%	60%	61%	53%

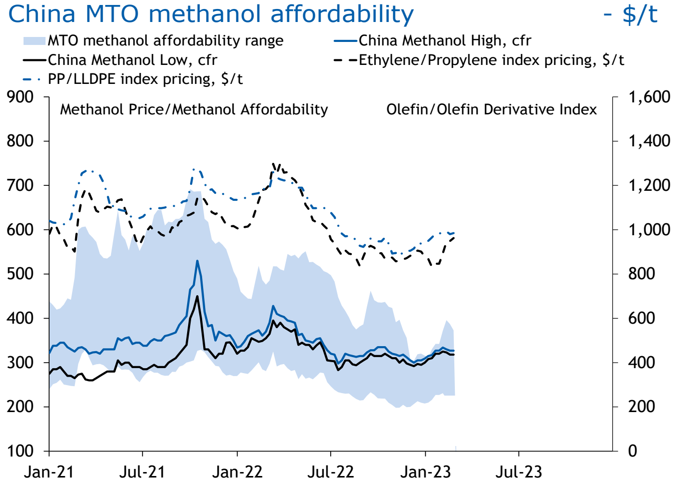
Merchant MTO weekly methanol demand - '000t



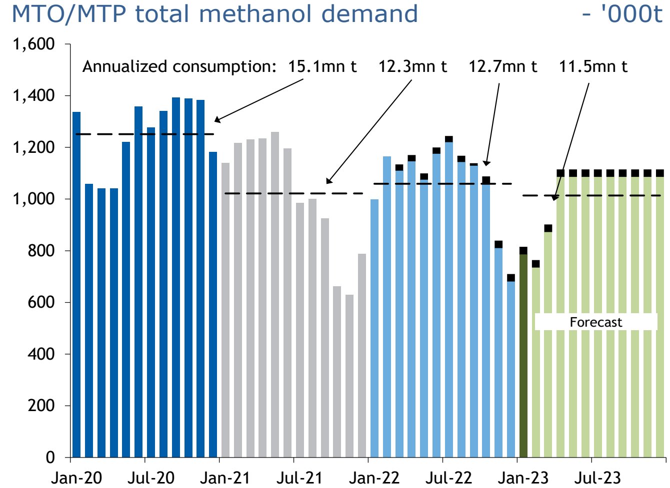
Merchant MTO weekly methanol demand - '000t



China MTO methanol affordability - $/t

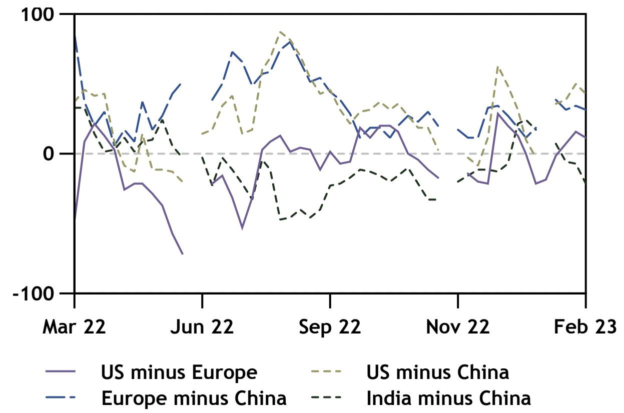


MTO/MTP total methanol demand - '000t

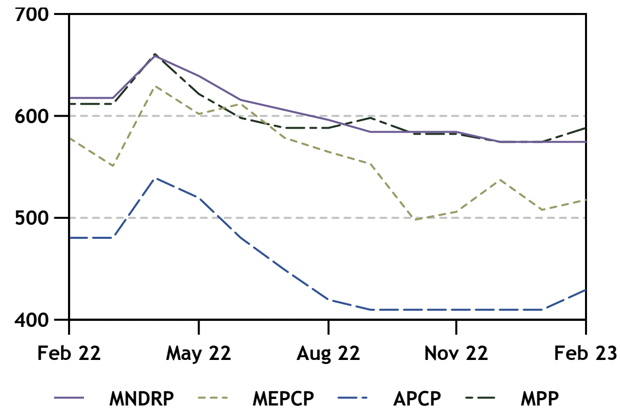


INDUSTRY EQUIVALENT

Regional arbitrage *$/t*



Producer and marketer posted prices *$/t*

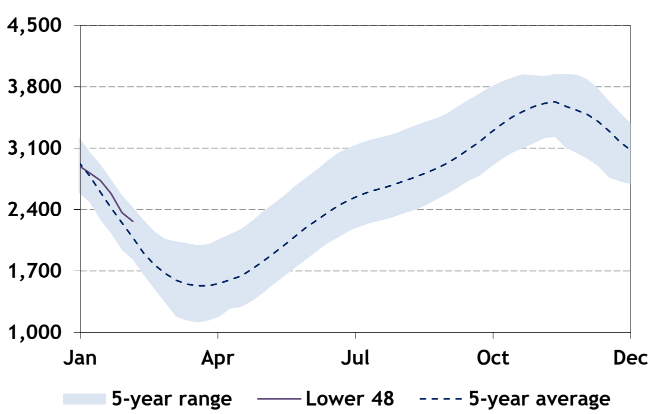


ENERGY SUMMARY

Natural gas prices					*$/mmBtu*
	17 Feb	20 Feb	21 Feb	22 Feb	23 Feb
Henry Hub spot	2.255	na	2.095	2.085	2.170
Nymex, Mar	2.275	na	2.073	2.174	2.314
Nymex, Apr	2.352	na	2.177	2.298	2.432

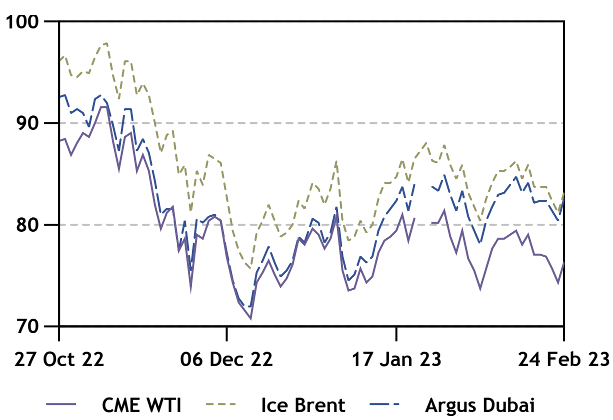
Natural gas index month averages	
	Feb
Houston Ship Channel HPL *$/mmBtu*	2.636
Henry Hub *$/mmBtu*	3.300
Alberta NIT/AECO *C$/GJ*	3.643

US natural gas in underground storage *Bcf*



Week ended 17 Feb — *EIA*

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



Argus *Methanol* is published by Argus Media group.

Registered office
Lacon House, 84 Theobald's Road, London, WC1X 8NL
Tel: +44 20 7780 4200

ISSN: **2399-9527**

Publisher
Adrian Binks

Chief operating officer
Matthew Burkley

Global compliance officer
Jeffrey Amos

Chief commercial officer
Jo Loudiadis

President, Expansion Sectors
Christopher Flook

Global SVP editorial
Neil Fleming

Editor in chief
Jim Washer

Managing editor, Americas
Jim Kennett

Contact:
Roel Salazar
Tel: +1 713 360 7550
Contact:
Dave McCaskill
Tel: +1 713 360 7524
methanol@argusmedia.com

Customer support and sales:
support@argusmedia.com
sales@argusmedia.com

London, Tel: +44 20 7780 4200
Houston, Tel: +1 713 968 0000
Singapore, Tel: +65 6496 9966