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HIGHLIGHTS

Americas

US toluene prices fell slightly alongside reformate and benzene. Mixed xylenes (MX) prices rose slightly on stronger demand.

Europe

Toluene prices rose on Friday buoyed by firmer premiums and an open arbitrage to the US. MX held steady as weaker gasoline was offset by increased premiums.

Asia Pacific

Toluene held steady on limited discussions. MX remained stable for a third consecutive trading session. PX was unchanged on the back of largely stable downstream PTA markets. PTA prices were stable in line with a flat futures market.

MARKET SNAPSHOT

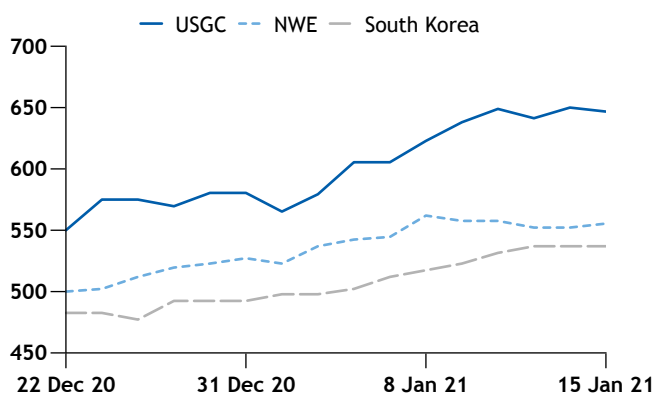
Americas		\$/t		
	Timing	Midpoint	±	MTD
Toluene fob HTC	Jan	647	-3	620.25
Toluene fob HTC	Feb	632	-3	
Mixed xylenes 5211 fob HTC	Jan	647	+4	616.35
Mixed xylenes 5211 fob HTC	Feb	647	+4	
Mixed xylenes 843 fob HTC	Jan	643	+4	611.78

Europe		\$/t		
	Timing	Low-High	±	MTD
Toluene TDI-grade fob NWE	Jan	550.00-560.00	+2.50	538.00
Toluene nitration-grade cif ARA	Jan	525.00-535.00	-7.50	504.33
Mixed xylenes fob NWE	Jan	525.00-545.00	0.00	517.67
Paraxylene fob NWE	Jan	605.00-625.00	0.00	587.06

Asia-Pacific		\$/t		
		Midpoint	±	MTD
Toluene fob S Korea marker		536.50	0.00	519.10
Toluene cfr China marker		537.50	0.00	525.50
Mixed xylenes fob S Korea marker		584.00	0.00	570.70
Mixed xylenes cfr Taiwan marker		604.00	0.00	590.70
Paraxylene fob S Korea marker		671.50	+0.17	666.87
Paraxylene cfr Taiwan marker		689.50	+0.17	684.87
Paraxylene cfr China marker		689.50	+0.17	684.87
PTA cfr China		520.00-560.00	0.00	

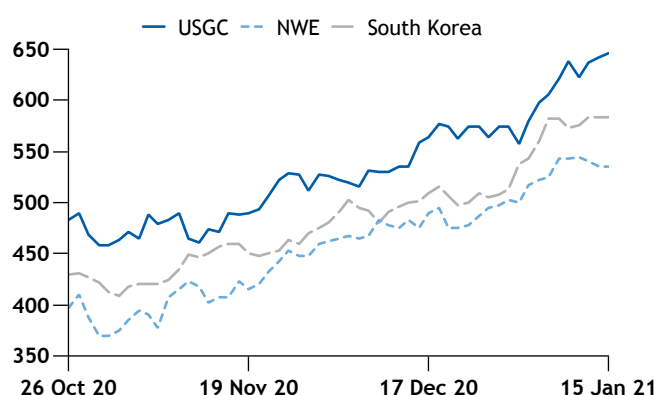
Global toluene

S/t



Global mixed xylenes

\$/t



AMERICAS

Toluene

January toluene weakened by 1¢/USG in discussions, as declines in reformat and weaker benzene outweighed tight supply.

Benzene's premium to toluene remained around 20-25¢/USG, but lower benzene prices during the week are weighing on TDP operating rates.

Benzene supply is expected to lengthen on increased February imports, while toluene supply is also expected to lengthen on February imports.

Blending demand for toluene is unclear, as tight octane supply could be countered by weak gasoline consumption levels.

January toluene was bid at 211¢/USG fob, with selling interest discussed nearer 215¢/USG. January commercial-grade toluene (CGT) was bid at February Nymex RBOB +37.5¢/USG, or 190.5¢/USG.

Mixed xylenes

January mixed xylenes (MX) prices rose by 1.25¢/USG as chemical demand remains strong for paraxylene (PX) production.

Global PX prices rose by around \$15/t during the week, supporting higher operating rates at MX-PX units.

MX margins over reformat are also attractive to refiners for extraction, and lower TDP operating rates could support increased refinery extraction of MX in the short term.

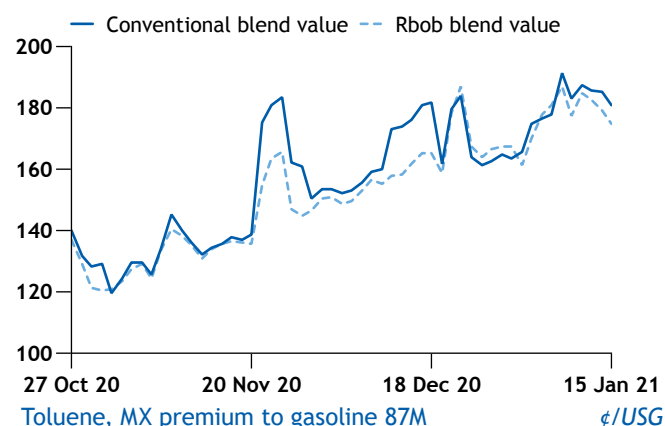
January fob MX was bid at 210¢/USG, with selling interest discussed at 215¢/USG.

Americas prices				¢/USG
	Timing	Low-High	±	MTD
Toluene fob HTC	Jan	211.00-215.00	-1.00	204.23
Toluene fob HTC	Feb	206.00-210.00	-1.00	
Mixed xylenes 5211 fob HTC	Jan	210.00-215.00	+1.25	202.28
Mixed xylenes 5211 fob HTC	Feb	210.00-215.00	+1.25	
Mixed xylenes 843 fob HTC	Jan	208.50-213.50	+1.25	200.78
Toluene-conv gasoline blend		181.03	-4.12	
Toluene-Rbob gasoline blend		174.90	-4.21	
MX-conv gasoline blend		185.35	-4.13	
MX-Rbob gasoline blend		177.61	-4.15	

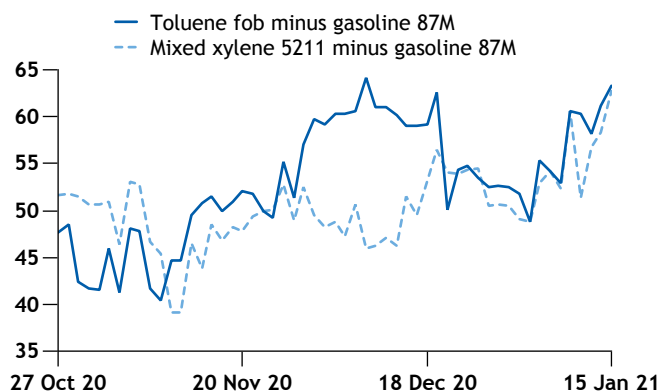
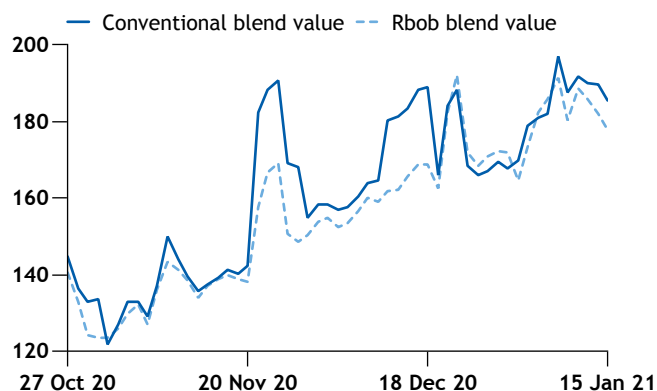
Contract prices			
	Timing	Price	±
Paraxylene ¢/lb	Dec	31.75	0.00

Related markets			
	Timing	Price	±
Nymex Rbob ¢/USG	Feb	152.84	-2.55
Nymex WTI \$/bl	Feb	52.36	-1.21

Toluene blend values ¢/USG



Mixed xylenes blend values ¢/USG



EUROPE

Toluene

Toluene prices firmed as premiums to gasoline strengthened.

TDI-grade material was discussed either side of a \$65/t premium to January gasoline swaps, up from a \$50-65/t premium the previous day. Buying interest has firmed in recent days, supported by firm chemical demand and downstream TDI rates.

The arbitrage to the US remains open on paper and is providing a floor to European values. Vessels were fixed this week to carry European material transatlantic, and will further limit the availability of spot material.

Blending demand held steady with interest discussed at a \$35-45/t premium to front-month gasoline swaps.

Mixed xylenes

MX held steady as firmer premiums offset declines in the gasoline market. Prices were discussed at a wide \$35-55/t premium to front-month gasoline swaps, up from a \$40/t premium the previous day on limited prompt availability.

Eurobob oxy-grade fell by \$3.25/t to \$490.50/t. January gasoline swaps were at a \$2/t discount to prompt Eurobob.

PX prices held steady on Friday following minimal direction from the Asian market.

An initial settlement for the January PX contract price was agreed at an increase from December but a full settlement has yet to be confirmed.

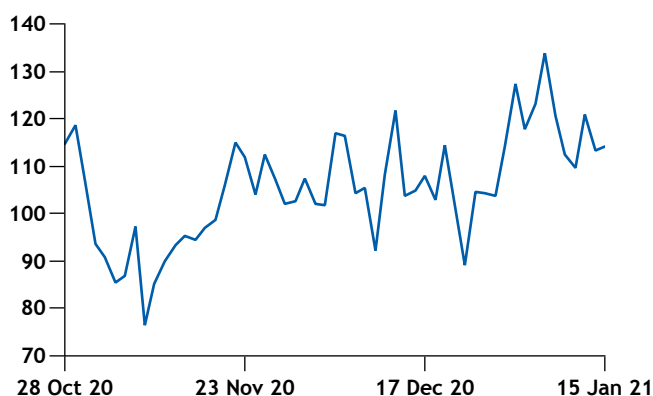
Europe prices					\$/t
	Timing	Low-High	±	30-day average	
Toluene TDI-grade fob NWE	Jan	550.00-560.00	+2.50	531.84	
Toluene nitration-grade cif ARA	Jan	525.00-535.00	-7.50	496.84	
Mixed xylenes fob NWE	Jan	525.00-545.00	0.00	510.53	
Paraxylene fob NWE	Jan	605.00-625.00	0.00	583.68	

Contract prices				
	Timing	Low-High	±	
Toluene \$/t	Jan	522.00-522.00	0.00	
Paraxylene €/t	Dec	540.00	0.00	

Related markets				
	Timing	Price	±	
Naphtha 65 para NWE fob barge \$/t		500.75	-1.00	
Gasoline 95r 10ppm NWE cif \$/t		500.00	-3.75	
Ice Brent \$/bl	Mar	55.10	-1.32	

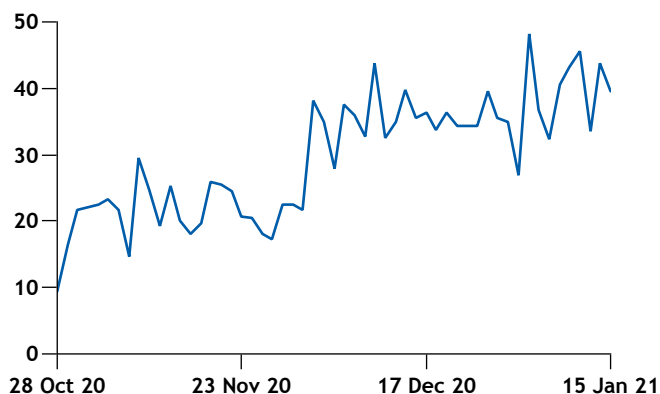
Paraxylene premium to naphtha

\$/t



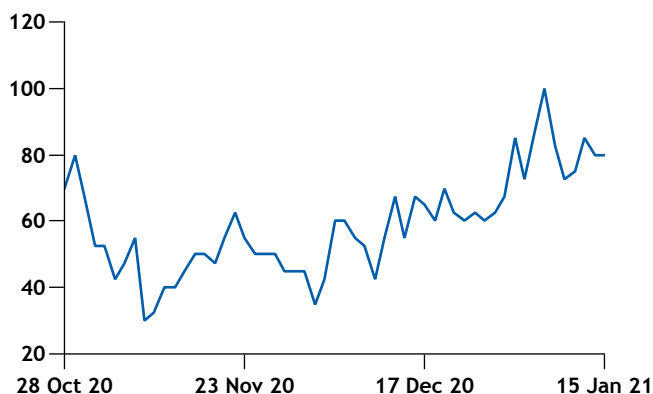
Toluene premium to Eurobob

\$/t



Europe paraxylene premium to mixed xylenes

\$/t



ASIA-PACIFIC

Toluene

Toluene prices held stable for a second consecutive session amid thin discussions. Both fob south Korea and cfr China prices were rolled over from the previous session.

Domestic prices in east China were higher at 3,990-4,010 yuan/t, up by Yn75/t or equivalent to \$539/t on an import parity basis.

Sentiment in India was stable, with domestic toluene prices at the ports of Kandla and Mumbai holding at 48-49 rupees/kg.

Mixed xylenes

Isomer-grade mixed xylene (MX) prices held steady for a third consecutive trading session, in line with a stable downstream paraxylene market.

There were no firm bids and offers in the market. Price assessments were rolled over from yesterday's close at \$584/t fob South Korea and \$604/t cfr Taiwan.

China's domestic market increased by Yn20-40/t to Yn4,200-4,210/t ex-tank for the second half of January, or about \$565/t on an import parity basis. Discussions for February cargoes were up by Yn10/t to Yn4,280-4,300/t ex-tank, or about \$577/t on an import parity basis.

Paraxylene

Asian paraxylene (PX) prices held steady from the previous session on the back of largely stable downstream PTA markets.

A February cargo traded at \$689/t cfr open origin, after SKGC Singapore booked an offer from Yisheng Petrochemical in the online trading session. The buyer previously bid for an Asia-origin cargo at \$672/t cfr, increasing to \$689/t cfr. But the bid was withdrawn after the buyer bought an open-origin cargo.

GS Caltex was bidding for a February-arrival Asia-origin cargo at \$675/t cfr on the Argus Open Markets (AOM) platform, which later rose to \$687/t cfr. But the bids went unanswered.

Buyers bid for March arrival at \$686-687/t cfr Asia origin, while sellers offered open-origin shipments at \$690-691/t cfr. No deals could be confirmed until the end of the trading session.

The February-March intermonth spread narrowed its contango from \$4/t to parity today, based on bids at a discount of

Related markets			
	Timing	Price	±
Naphtha Japan c+f		529.75	+3.38
Dubai	Mar	55.33	-0.36

Asia prices				\$/t
	Timing	Low-High	±	MTD
Toluene				
fob S Korea	2H Jan	534.00-539.00	0.00	
fob S Korea	1H Feb*	534.00-539.00	0.00	
fob S Korea	2H Feb*	534.00-539.00	0.00	
fob S Korea	1H Mar	534.00-539.00	0.00	
fob S Korea	2H Mar	534.00-539.00	0.00	
fob S Korea marker		536.50	0.00	519.10
cfr China	2H Jan	535.00-540.00	0.00	
cfr China	1H Feb*	535.00-540.00	0.00	
cfr China	2H Feb*	535.00-540.00	0.00	
cfr China	1H Mar	535.00-540.00	0.00	
cfr China marker		537.50	0.00	525.50
East China dom Yn/t		3,990.00-4,010.00	+65.00	
India dom ex INR/kg		48.00-49.00	0.00	
Mixed xylenes				
fob S Korea	2H Jan	577.00-579.00	0.00	
fob S Korea	1H Feb*	583.00-585.00	0.00	
fob S Korea	2H Feb*	583.00-585.00	0.00	
fob S Korea	1H Mar	585.00-587.00	0.00	
fob S Korea marker		584.00	0.00	570.70
cfr Taiwan	2H Jan	597.00-599.00	0.00	
cfr Taiwan	1H Feb*	603.00-605.00	0.00	
cfr Taiwan	2H Feb*	603.00-605.00	0.00	
cfr Taiwan	1H Mar	605.00-607.00	0.00	
cfr Taiwan marker		604.00	0.00	590.70
Paraxylene				
fob S Korea	2H Jan	671.00-672.00	+1.50	
fob S Korea	1H Feb*	671.00-672.00	+1.50	
fob S Korea	2H Feb*	671.00-672.00	+1.50	
fob S Korea	1H Mar*	670.00-673.00	-2.50	
fob S Korea	2H Mar	670.00-673.00	-2.50	
fob S Korea	1H Apr	671.00-674.00	-2.50	
fob S Korea marker		671.50	+0.17	666.87
cfr Taiwan	2H Jan	689.00-690.00	+1.50	
cfr Taiwan	1H Feb*	689.00-690.00	+1.50	
cfr Taiwan	2H Feb*	689.00-690.00	+1.50	
cfr Taiwan	1H Mar*	688.00-691.00	-2.50	
cfr Taiwan	2H Mar	688.00-691.00	-2.50	
cfr Taiwan	1H Apr	689.00-692.00	-2.50	
cfr Taiwan marker		689.50	+0.17	684.87
cfr China	2H Jan	689.00-690.00	+1.50	
cfr China	1H Feb*	689.00-690.00	+1.50	
cfr China	2H Feb*	689.00-690.00	+1.50	
cfr China	1H Mar*	688.00-691.00	-2.50	
cfr China	2H Mar	688.00-691.00	-2.50	
cfr China	1H Apr	689.00-692.00	-2.50	
cfr China marker		689.50	+0.17	684.87
PTA				
China domestic Yn/t		3,860.00-3,900.00	-2.50	
cfr China		520.00-560.00	0.00	
Future China Yn/t	May	4,036.00	+2.00	

*denotes the timings used to calculate marker averages

\$2/t for Asia-origin shipments against offers at a premium of \$2/t for open-origin cargoes.

PTA

China's domestic PTA prices held steady today in line with a stable futures market. Discussions were slow through the session as consumers stayed on the sidelines.

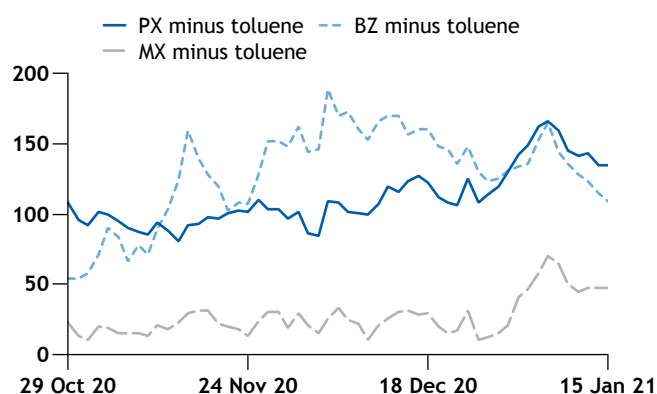
But discounts against the TA2105 futures contract narrowed slightly, with discussions at Yn180-185/t during the trading session. This was because of limited availability of January shipments. Most physical deals were done at around Yn3,860-

3,900/t on a delivered basis, and total traded volumes were below 15,000t.

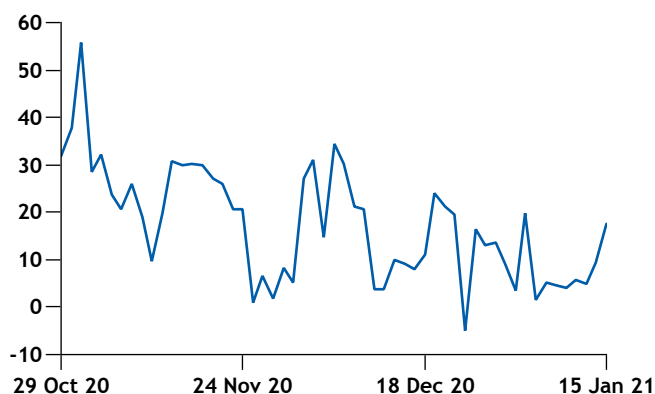
The Chinese PTA import market lacked firm discussions. Manufacturers maintained their offers at \$560/t cfr China, but consumers were unwilling to place firm bids as domestic material was relatively cheaper. Notional buying ideas were below \$520/t cfr China. No deals were done.

Downstream PET fiber sales increased from the previous day, with an average sales-to-output ratio of 60pc. Staple and filament POY traded at Yn6,300/t and Yn6,250/t, respectively.

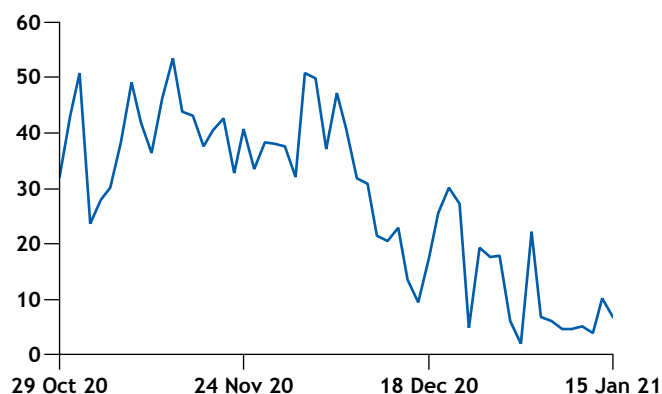
South Korea PX-toluene, BZ-toluene, MX-toluene spreads \$/t



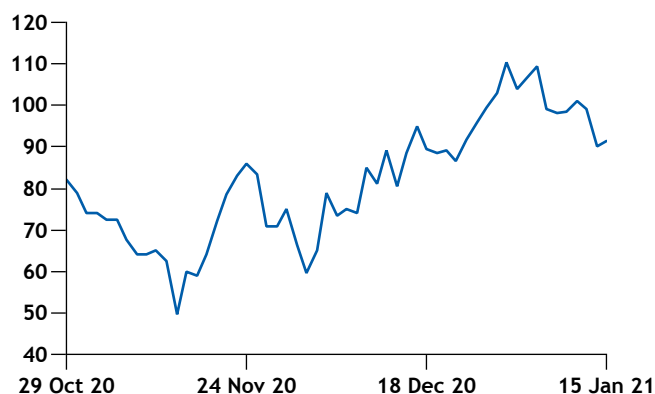
South Korea toluene-Singapore gasoline spread \$/t



Toluene premium to cfr Japan naphtha \$/t



cfr Taiwan paraxylene premium to MX \$/t



AROMATICS NEWS

US butane up 18pc this month

US Gulf coast butane prices rose by 18pc during the first half of January on tight supplies and rising propane values.

Mont Belvieu, Texas, EPC butane rose to 95.75¢/USG yesterday from 80.875¢/USG at the start of the month. Prices are poised to rise further after climbing this morning to an intraday high of 98¢/USG.

Concern about butane inventories that began ahead of the winter-gasoline blending season have continued. October butane inventories were 5pc lower than the same month last year as export activity increased, according to the latest Energy Information Administration (EIA) data. Butane stocks are typically drawn down during the winter months through February, with mid-March marking the end of the winter blending season.

Rising propane also supported butane this month as the heavier feedstock typically trades at a premium to propane. LST propane yesterday stood at 95.5¢/USG, up by 21pc from the start of the month.

Butane's gains outpaced increases in gasoline futures, rising to 61.6pc of Nymex Rbob on 14 January, up from 58.9pc at the beginning of the month.

By Kelly Strickland

Russian road fuels production down

Russian weekly gasoline production and diesel output have both moved lower since December, according to the latest data from Russia's energy ministry's state information agency CDU-TEK.

Gasoline output fell to 692,000t according to CDU-TEK over the 6-12 January monitoring period, compared with 16-22 December. And diesel output fell slightly over that period to 1.4mn t. CDU-TEK did not publish figures for the 23-29 December or 30 December-5 January monitoring periods, probably because of the Russian new year holidays. The latest set of figures are lower than the last published data for 2020, when gasoline output was recorded at 728,000t and diesel at 1.45mn t over the 16-22 December monitoring week.

Deliveries of gasoline into the Russian domestic market fell to 557,000t, while domestic diesel demand was down less steeply, to 865,000t. At those levels, gasoline shipments to the Russian domestic market were at their lowest since June, while diesel deliveries were at their highest since August 2019.

Inventories were mixed in direction, with gasoline down to 1.23mn t but diesel up to 2.47mnt.

The Covid-19 pandemic is probably constraining Russian

gasoline demand, although measures in place in Russia are less strict than other European countries, which have imposed nationwide lockdowns. In Moscow, citizens over 65 and those with critical illnesses must remain home, while employers are obliged to have 30pc of their workforce working remotely, up until 21 January. But traffic could soon increase as primary and secondary school students will return to full-time education from 18 January, although university students will continue learning remotely. Russia reported 24,715 new coronavirus cases on 15 January, and 555 deaths, both down slightly on the day.

By Robert Harvey

Mexico's fuel import rules may hurt smaller firms

Mexico's small and mid-sized private-sector fuel importers could be squeezed by new stricter permit rules, only a few years after they entered the market in the wake of the 2014 energy reform.

Aside from increasing bureaucracy and paperwork for companies, the new rules give broad discretionary powers to the energy ministry in deciding whether it will grant a fuel import permit.

That discretion could favor larger, well-funded companies already established in Mexico, said Santiago Urzua, head of Ursus Energy, an energy consulting firm that operates a small retail fuel chain, GurmoGas, and has plans for a second brand, UrsusGas.

"Far from benefiting Pemex and helping it grow, the energy ministry's policy will help those companies that have strong supply chains and financial power," said Urzua. "They [large companies] will be the ultimate winners of this new monopolistic environment, which few companies will control. The possibilities of integrating new regional or smaller suppliers will be lost."

Fuel retailers' association Onexpo – which includes both large chains and individual owners – complained that the increase in bureaucracy could add to already high regulatory expenses that on average make up 40pc of a station's costs.

The longer procedures and stricter requirements for the new rules – such as providing proof of contracts and documentation of storage agreements and end-users – will be more difficult for smaller companies that would typically transport smaller gasoline and diesel cargoes in trains or tank trucks from the US southern border and then resell to regional distributors or retailers.

These trading companies may not have either the economic power or the legal teams to manage the new procedures.

The energy ministry argues that these type of smaller

companies have used import permits to cover up smuggling or fuel obtained illegally from Pemex. The new rules will help combat these crimes, the energy ministry said in publishing the changes.

A short-list of larger international companies may have an advantage, as they will be able to [keep 20-year fuel import permits](#) granted by the past administration. These include Exxon, Koch, Marathon, Shell, Trafigura and Valero.

Yet even large players not on that short list have complained of delays in obtaining or renewing one- or five-year fuel import permits.

A total of 19 companies, including BP and Glencore have one-year permits that will expire this year. The list also includes smaller trading companies and end users such as car dealers.

By Sergio Meana

French road fuel demand at record low in 2020

Road fuel consumption in France rebounded in December, but remained well below the previous year, as overall demand for 2020 slumped by 15pc to a record low.

Road fuel demand increased by 27pc on the month to 3.2mn t in December, but was still down by 10pc on the previous year, according to French oil products industry association UFIP. Diesel consumption rose by 22pc on the month to 606,000 b/d, but fell by 9.4pc on the previous year. Gasoline demand increased by 50pc to 176,000 b/d, and retracted by 13pc on the year.

France was in a [second national lockdown](#) between 30 October and 15 December, although a curfew remains in place today, and has been extended past its original end date of 20 January. France was one of many European countries that introduced strict travel and economic restrictions to limit the spread of the Covid-19 pandemic last year, starting in March 2020. Road fuel demand fell by as much as 60-70pc at the height of the first wave in [April 2020](#).

French road fuel demand totalled 35.1mn t last year as a result of the pandemic, down by 15pc on 2019 – and the lowest volume since at least 2002, when Argus began collating records. Diesel consumption reached 566,000 b/d, down by 15pc from 675,000 b/d in 2019. And gasoline demand totalled 170,000 b/d, down by 14pc from 197,000 b/d a year earlier.

Total oil product demand fell by 12.5pc on the year to 4.24mn t in December, and reached 48.49mn t in 2020, down by 17.3pc on the previous year.

Jet fuel deliveries reached 309,000m³ (5,300 b/d) in December, down by 53pc on the previous year. Jet fuel demand totalled 3.88mn m³ last year, down by 56pc from 2019.

Non-road diesel consumption increased by 1.4pc to 308,000m³ in December, and reached 5.29mn m³ for 2020 as a whole, up by 1.8pc on the year.

French domestic fuel oil demand totalled 622,000m³ in December, up by 6.1pc from December 2019, and reached 6.28mn m³ in 2020, down by 1.5pc on the previous year.

By George King Cassell

CNOOC plans Huizhou refinery turnaround

Chinese state-owned refiner CNOOC is planning a turnaround at its flagship 440,000 b/d Huizhou refinery in February-April, market participants said.

CNOOC will carry out the scheduled turnaround at a 200,000 b/d crude distillation unit (CDU) from late February until April, traders said, although this could not be confirmed with the company. Downstream units including a reformer, hydrotreater and fluid catalytic cracker are expected to be taken off line as well.

CNOOC is a key exporter of gasoline and gasoil, most of which heads to southeast Asia. It has so far sold about two 295,000 bl medium range (MR) cargoes of gasoline through spot tenders for loading in January, after selling four MR cargoes (38,000 b/d) for December 2020 loading.

Gasoline offers from the refiner are likely to slow in February because of the shutdown, although the impact could be offset by a rise in offers from private-sector Rongsheng's 800,000 b/d ZPC refinery. The Chinese government recently awarded a 2mn t export quota under general trade terms to ZPC. Most of its exports are likely to be gasoline, traders said.

CNOOC is due to sell a 35,000t 92R non-oxy gasoline cargo for 20-21 February loading. The shutdown will have a bigger impact on the non-oxygenated market after the refiner [changed its gasoline specifications](#).

The Huizhou refinery can produce around 71,000 b/d of gasoline, 152,000 b/d of diesel and 52,000 b/d of jet fuel at full capacity.

By Aldric Chew

Pemex raises wholesale diesel discounts slightly

Mexico's state-owned Pemex slightly increased discounts it offers to higher-volume buyers of its wholesale diesel – by less than 1pc – but kept the same discount levels for regular and premium gasoline in place since 1 October.

The discounts take effect tomorrow, but Pemex did not issue an end date. The company has recently started issuing a new set of discounts every 15 days.

Pemex offers distinct discounts for each of 10 geographical clusters, a program it moved to for October from a previous

six-division grouping of geographically disparate terminals.

Pemex also set distinct minimum and maximum volume ranges for each group, instead of offering identical floors and ceilings nationwide.

The diesel discount for the minimum volume decreased by 0.8pc in the first eight groups, to Ps0.479/l (9¢/USG) for terminals mostly in the north and center, by 0.6pc to Ps0.334/l in group nine, and by 1pc in group 10 to Ps0.389/l – as in the first eight groups.

The diesel discount for the maximum volume decreased by 0.9pc to Ps0.904/l in all clusters except for group nine, the southern cluster, in which it decreased by 0.8pc to Ps0.759/l.

Pemex faces more competition from private-sector fuel importers despite the government's aim for the state company to dominate the market. Recently published [permit rules](#) could put a break on growing private-sector fuel imports.

By Sergio Meana

China lockdowns trigger fresh run cuts

Refineries in north China are cutting crude runs as government lockdowns hit fuel demand.

Sinopec's 270,000 b/d Yanshan and 160,000 b/d Shijiazhuang refineries are cutting runs following a [resurgence of Covid-19](#) cases in Hebei province believed to have originated in Hebei's capital, Shijiazhuang. "At least half of local refineries are also cutting production," one independent refinery official in Shandong said. Independents' run cuts may be as deep as those implemented a year earlier, when the pandemic first struck, he said.

The imposition of lockdowns in the cities Shijiazhuang, Xingtai and [Langfang](#) is putting pressure on gasoline sales. But diesel markets have been hit far harder, with the latest restrictions exacerbating seasonal weakening of fuel demand from the construction sector. Spot diesel prices have risen by just 26¢/bl in the past week, squeezing crack spreads to below \$4/bl (see [graph: Shandong crack spreads](#)). Some independent refineries are, unusually, losing money on diesel sales presently, they said.

Hebei – the province surrounding Beijing – accounts for 20-30pc of Shandong independent refinery fuel sales and wholesalers in Hebei are responsible for marketing around half that volume to other provinces. But Dongying and other cities in north Shandong, where many independent refineries are clustered, have barred vehicles from cities under lockdown from entering to load fuel, reducing sales. Trucks from unaffected cities in Hebei continue to be allowed into Dongying.

Road passenger volumes – an indicator of demand for

fuels, especially gasoline – usually rise by over 20pc during the lunar new year period compared with a month earlier, national bureau of statistics data indicate. But China's central government, desperate to contain the outbreak, has called on citizens not to travel during mid-February's holiday. Local governments are subsidising migrant workers to encourage them not to return home next month. In Beijing, companies have been ordered to double or treble wages, to discourage workers from taking leave. In Jiangsu, employers are boosting pay by Yn100-500/day (\$15.43-77.16/day).

The coronavirus is again fostering a preference for personal over public transport, but gasoline price gains have been only modest. Spot 92 Ron gasoline prices in Shandong rose by \$1.77/bl during 8-15 January to \$57.30/bl.

Many refiners have become downbeat about the prospect for sales as freezing temperatures have brought snow to regions of China this year that rarely receive it. But the drop in north China temperatures to multi-year lows – it is around -9°C in northeast Dalian – has caused an expansion of sea ice that is slowing the loading of vessels from Liaoning refineries Hengli, Baolai and Haoye in Liaoning province to markets in the Yangtze river delta. This has pushed up the cost of shipping fuel around the coast to \$170/t and boosted spot gasoline prices in east China by more than \$4/bl to \$65.85/bl.

Liaoning refiners have poached much of the market in east China formerly supplied by Shandong independents. The former have far larger storage tanks, giving them flexibility to pre-sell two or three months' of product and ship it around the coast from storage as required. Shandong refiners may now be able to move back into any gap left by tighter supply from Liaoning, but many are set up to supply fuel by truck and have poor access to port infrastructure.

US ethylene prices ease on cracker restarts

US spot ethylene prices fell for the first time since early November this week as three US crackers returned to full operations.

Nova ethylene prices at Mont Belvieu, Texas, fell 1.5¢/lb to 42.75¢/lb yesterday from their six-year peak of 44.25¢/lb the week prior.

ExxonMobil's 1.14mn t/yr BOP-X cracker in Baytown, Texas, returned to service over the weekend after an operational issue on 8 January. Shell's 835,000 t/yr mixed-feed cracker in Deer Park, Texas, returned to service after a process upset on 6 January. CP Chem's 295,000 t/yr ethane cracker in Sweeny, Texas, also returned to service after significant downtime.

The lower prices accompanied a slowdown in volumes

traded, with 50mn lbs traded last week versus only 11mn lbs transacted this week-to-date.

Market participants are expecting more downward pressure on spot prices when Formosa's 1.25mn t/yr ethane cracker in Point Comfort, Texas, returns to service. The possible restart target for that cracker is next week. Formosa's 771,000 t/yr Olefins-I cracker in Point Comfort has been on extended turnaround since 1 April 2020 and is expected to return to service by the end of the first quarter of 2021.

By Michael Camarda

French crude imports up sharply in November

French crude imports rose by more than 30pc in November, but remains relatively subdued. Deliveries from Saudi Arabia dropped to their second-lowest level in the past eight years.

France imported 835,000 b/d in November, up from 635,000 b/d in October but down by 6pc year on year, according to customs data. Receipts at the Mediterranean port of Fos-Lavera hit a 20-month high, according to Argus tracking.

Imports from Saudi Arabia fell below 35,000 b/d in November, all on one cargo to the Atlantic port of Le Havre. This was lower in the past eight years only in October 2019, when missile attacks on Saudi facilities disrupted supply.

Imports from Kazakhstan hit 165,000 b/d, the highest since

August 2019, with shipments arriving at Fos-Lavera and Le Havre. Imports from Algeria were 130,000 b/d and France took 115,000 b/d of US WTI and Midland grades. Imports from Libya were 70,000 b/d, the highest since October 2019. Le Havre received 70,000 b/d of Norway's 34.9° API Alvheim grade.

Still, French crude imports were down by 31pc year on year at below 715,000 b/d in the January-November period.

The US continued to take market share, as Opec+ production cuts trimmed exports from elsewhere (see chart). US imports rose to 105,000 b/d in the first 11 months of 2020, from 80,000 b/d year on year. Kazakhstan supplied 105,000 b/d, down from 150,000 b/d.

Imports from Saudi Arabia were 90,000 b/d, down from 170,000 b/d, and from Russia were 70,000 b/d, close to half the amount in the first 11 months of 2019. The only other major increase was from Norway, to 65,000 b/d from 45,000 b/d.

It is likely that [December cargoes will drop](#).

Crude distillation at Total's 220,000 b/d Donges refinery is offline because of weak margins, and the unit is unlikely to restart until the end of this quarter. The company's 240,000 b/d Gonfreville refinery has been offline since a fire in December 2019, and Total has stopped imports to its 93,000 b/d Grandpuits refinery, which unions have said [will definitively shut](#).

By Adam Porter



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