

Platts: Global Petrochemical Prices Rose 6% in January on Tight Olefins Supplies

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LONDON, Feb. 12, 2013 /PRNewswire/ -- Prices in the \$3-trillion-plus global petrochemicals market climbed 6% to \$1,425 per metric ton (/mt) in January, according to the just-released monthly average of the [Platts Global Petrochemical Index](#) (PGPI), a benchmark basket of seven widely used petrochemicals. This follows a 2% increase in December.

On a year-over-year basis, petrochemical prices were up 12% from the January 2012 average price of \$1,270/mt, according to data published by [Platts](#), a leading global energy, petrochemicals and metals information provider and a top source of benchmark price references.

Petrochemicals are used to make plastic, rubber, nylon and other consumer products and are utilized in manufacturing, construction, pharmaceuticals, aviation, electronics and nearly every commercial industry.

PLATTS GLOBAL PETROCHEMICAL INDEX IN DOLLARS PER METRIC TON								
----- The daily price reflected as a monthly average -----								
Jan-'13	Monthly % Change	Annual % change	Jan-'12	Dec-'12	Nov-'12	Oct-'12	Sep-'12	
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\$1,425	6%	12%	\$1,270	\$1,350	\$1,323	\$1,351	\$1,357	
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"The olefins markets provided support despite downturns in the aromatics markets," said Jim Foster, Platts senior editor of petrochemical analytics. Olefins and aromatics are two key petrochemical classes used in the manufacturing of a host textiles, plastics, rubber and products. Olefins include such chemicals as ethylene and propylene. Aromatics include such chemicals as benzene, toluene, and xylene isomers.

"In recent months solid price gains were seen in benzene, toluene and xylene, but tables turned in January, with prices of benzene and toluene falling 4% and 3% respectively. Still, the small price declines were more than offset by the 12% and 10% increases in propylene and ethylene prices," Foster explained.

The average propylene price was \$1,340/mt in January, following a 2% decline in December to an average of \$1,193/mt. The 12% rise in January was the largest price gain of the seven PGPI components.

Ethylene, another olefin component of the PGPI, averaged \$1,382/mt in January, a rise from the December average of \$1,257/mt.

Polyethylene and polypropylene - which are created by polymerizing ethylene and propylene - also posted twin gains in January, up 5%. Low-density polyethylene rose to \$1,550/mt from the December level of \$1,476/m. The global polypropylene price climbed to \$1,538/mt in January from \$1,470/mt in December.

"Propylene and ethylene supplies have tightened because of recent outages, planned and unplanned, at refineries and steam crackers," Foster said. "The tighter supplies have pushed olefins prices higher, despite only small gains in the prices of their raw inputs of crude and naphtha."

Global benzene prices slipped 4% in January, following four months of consecutive gains. Benzene prices dropped on oversupply, following the maintenance shutdowns by styrene manufacturers. Benzene can be converted into styrene, as can toluene, which also fell 3% in price last month.

Paraxylene, the third aromatic component in the PGPI, saw a 2% price rise last month, supported by tighter global supplies.

Petrochemical prices largely decoupled from global equity markets as the New Year got underway. Of the seven components in the PGPI, the polymers - which are most closely tied to consumer spending - saw higher prices on the back of gains in the global equity markets, but other components of the PGPI declined. The Nikkei 225 and London Stock Exchange Index (FTSE) both increased 7% in January and the Dow Jones Industrial Average (DJIA) was up 6%.

To access a summary of the January performance of each of the seven key petrochemicals included in the PGPI, visit this link:

<http://www.platts.com/newsfeature/2013/Petrochemicals/pgpi/index>.

The [PGPI](#) reflects a compilation of the daily price assessments of physical spot market [ethylene](#), [propylene](#), [benzene](#), [toluene](#), [paraxylene](#), [low-density polyethylene \(LDPE\)](#) and [polypropylene](#) as published by Platts and is weighted by the three regions of Asia, Europe and the United States. Used as a price reference, a gauge of sector activity, and a measure of comparison for determining the profitability of selling a barrel of crude oil intact or refining it into products, the PGPI was first published by Platts in August 2007.

Published daily in a real-time news service [Platts Petrochemical Alert](#) and other Platts publications, the PGPI is anchored by Platts' robust and long-established price assessment methodology and the firm's 100-year history of energy price reporting.

[Platts petrochemicals experts](#) are available for media interviews. A sample list of experts may be found at the [Platts Media Center](#). For more information on [petrochemicals](#), visit the Platts website at www.platts.com.

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