

Platts Paraxylene Prices Selected As Basis for New SGX Derivatives Contracts

Paraxylene is used in fibers and polyethylene terephthalate (PET) for plastic bottles

PR Newswire
SINGAPORE

SINGAPORE, Dec. 1, 2014 /[PRNewswire](#)/ -- The Singapore Exchange (SGX) has selected the daily paraxylene (PX) price assessment published by [Platts](#), a leading global provider of energy, metals and commodity information, as the settlement basis for its new petrochemical derivatives contracts launched today. Paraxylene is used in fibers and polyethylene terephthalate (PET) for plastic bottles.

"Platts is an independent source of spot market pricing and we're pleased the physical markets, as well as swaps and futures exchanges such as SGX, recognize the benchmark value of our price assessments and the rigorous, structured methodologies that underpin them," said Marc Karstaedt, Platts head of global trading services.

The [Singapore Exchange's](#) new *SGX Platts PX CFR China Swaps* and *SGX Platts PX CFR China Futures* will reflect the value of the petrochemical product imported to China on a cost-and-freight (CFR China) basis.

In its November 21 [announcement](#) of the derivatives contracts and the choice of the Platts paraxylene (PX) price assessment as the basis for settlement, SGX said it was responding to "the increasing demand for more effective risk management solutions for petrochemical industry participants."

PX is the second aromatic - a scented hydrocarbon with benzene rings used to make a variety of petrochemicals - against which the SGX will settle and clear against physical market petrochemicals price assessments published by Platts. The first was benzene, where the Platts Benzene free-on-board Korea (FOB Korea) physical price assessment is the clearing and settlement basis of SGX's swaps contracts. SGX, as other exchanges worldwide, utilize Platts spot market price assessments as the basis of derivatives contracts, which are the natural evolution of robust physical spot markets.

The Platts price assessments appear in Platts publications such as the real-time news service [Platts Petrochemical Alert](#), and [Asian Petrochemicalscan](#). Details of the methodology that underpins Platts' price assessment processes can be found at [this site](#).

For more information on Platts, visit www.platts.com. To receive monthly press releases on the [Platts Global Petrochemical Index](#), a basket of seven widely-used petrochemicals including [PX](#), sign up at this link: <http://www.platts.com/media-center/news-alerts>.

**Platts does not sponsor, endorse, promote or sell SGX contracts.*

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agriculture information and a premier source of benchmark prices for the physical and futures markets. Platts' news, pricing, analytics, commentary and conferences help customers make better-informed trading and business decisions and help the markets operate with greater transparency and efficiency. Customers in more than 150 countries benefit from Platts' coverage of the biofuels, carbon emissions, coal, electricity, oil, natural gas, metals, nuclear power, petrochemical, shipping and sugar markets. A division of McGraw Hill Financial (NYSE: MHFI), Platts is based in London with more than 1000 employees in more than 15 offices worldwide. Additional information is available at www.platts.com.

About McGraw Hill Financial: McGraw Hill Financial, a financial intelligence company, is a leader in credit ratings, benchmarks and analytics for the global capital and commodity markets. Iconic brands include: Standard & Poor's Ratings Services, S&P Capital IQ, S&P Dow Jones Indices, Platts, CRISIL, J.D. Power and McGraw Hill Construction. The Company has approximately 18,000 employees in 30 countries. Additional information is available at www.mhfi.com.

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