

Platts: Global Petrochemical Prices in January Lowest Since Mid-2009

Fell 14% month over month in January; Prices dropped 40% year-over year

PR Newswire
HOUSTON

HOUSTON, Feb. 19, 2015 /PRNewswire/ -- Prices in the \$3-trillion-plus global petrochemicals market slid 14% month over month in January, continuing a six-month slide triggered by falling crude oil and naphtha prices. Petrochemical prices, expressed as a monthly average, fell \$133 per metric ton (/mt) from December to \$850/mt in January, according to the just-released monthly [Platts Global Petrochemical Index](#) (PGPI).

This is the lowest level since June 2009, when global markets were recovering from the 2008 collapse of Lehman Brothers. During the past 12 months, petrochemical prices have fallen 40%.

The PGPI is a benchmark basket of seven widely used petrochemicals and is published by [Platts](#), a leading global energy, petrochemicals and metals information provider and a top source of benchmark price references.

"Crude prices fell nearly 25% and naphtha prices were down 16% month over month in January," said *Jim Foster*, Platts director of petrochemical analysis. "With feedstock prices falling like that, there's really no other direction for petrochemicals to go than down. There have been signs of price increases since the end of January. The question being asked by the industry now, though, is if this current rally is sustainable - or just a short-term correction."

PLATTS GLOBAL PETROCHEMICAL INDEX IN DOLLARS PER METRIC TON
The daily price reflected as a monthly average

Jan 2015	Monthly % Change	Annual % Change	Jan 2014	Dec 2014	Nov 2014	Oct 2014	Sep 2014
\$850	-14%	-40%	\$1,424	\$984	\$1,205	\$1,324	\$1,384

To view the Platts PGPI price chart, visit this link: <http://www.platts.com/IM.Platts.Content/InsightAnalysis/NewsFeature/2015/Petrochemicals/PGPI/images/pgpiaaverage.jpg>

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.

OLEFINS

Prices of olefins - a group of hydrocarbon compounds which are the building blocks to many petrochemical products used to produce everyday goods - posted double-digit declines in January. Ethylene prices tumbled 15% from December to \$834/mt and propylene prices were down 10% to \$786/mt.

Polyethylene and polypropylene, plastics manufactured from ethylene and propylene respectively, posted similar month-over-month drops in price. Global polyethylene fell to \$1,230/mt, down 12%, while polypropylene fell 14% to \$1,165/mt.

AROMATICS

Prices of aromatics - a group of scented hydrocarbons with benzene rings used to make a variety of petrochemicals - also saw a sharp price decline in January. Benzene posted the largest drop of any component in the PGPI, with prices shedding 18% from December to \$604/mt in January. Toluene prices fell more than 17% to \$554/mt, while paraxylene prices slid 12% to \$729/mt.

Global equity markets were mixed in January. The London Stock Exchange Index (FTSE) posted a 1% gain and the NIKKEI 225 gained 3% during the month. However, the Dow Jones Industrial Average fell 4%.

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/news-feature/2015/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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