

Platts: September Petrochemical Prices up 7.5% on Higher Raw Material Costs

PR Newswire
LONDON

LONDON, Oct. 8, 2012 [PRNewswire/](#) -- Prices in the \$3-trillion-plus global petrochemicals market rose 7.5 percent to \$1,357 per metric ton (/mt) in September, according to the just-released monthly average of the [Platts Global Petrochemical Index](#) (PGPI), a benchmark basket of seven widely used petrochemicals. This is up from the August average of \$1,262/mt, which also marked a 7.5% increase from the prior month.

September also was the first month since October 2011 which petrochemical prices were trading above year-ago levels. The September 2012 average was 2.5% above the September 2011 average of \$1,324/mt.

Petrochemicals are used to make plastic, rubber, nylon and other materials for consumer products, packaging, 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

Sep-'12	Monthly % Change	Annual % change	Sep-'11	Aug-'12	Jul-'12	Jun-'12	May-'12
\$1,357	7.5%	2.5%	\$1,324	\$1,262	\$1,175	\$1,104	\$1,279

"We continued to see stronger average naphtha prices in September, which provided price support for olefins," said Jim Foster, Platts' senior editor of petrochemical analytics. "Tight supplies also continued to plague some global markets."

The price increase in naphtha, a primary raw material input for olefins production through steam crackers, resulted in higher ethylene and propylene prices globally in September. Of the seven components included in the PGPI, ethylene posted the largest gain, climbing 10% to \$1,350/mt, up \$122 from the August average price of \$1,228/mt. The increase in the ethylene average, though, was supported mostly by higher prices at the beginning of September. By the end of September, the global index fell to \$1,339/mt on September 28, down from \$1,359/mt on August 31.

The increase in the average ethylene price resulted in an 8% gain in polyethylene prices, with linear low density polyethylene averaging \$1,532/mt in September, up from \$1,424/mt in August.

Propylene, which also can be produced from naphtha, gained 8% in September, climbing to \$1,214/mt, up from \$1,123/mt in August. Polypropylene, which is produced from propylene, gained 6% in September, climbing to \$1,513/mt, up from \$1,431/mt in August.

Aromatic petrochemical prices also were higher in September. Of the three aromatic components in the PGPI, toluene posted the largest gains, climbing 7% to \$1,266/mt, up from \$1,178/mt in August. Paraxylene prices gained 6% in September, climbing to \$1,478/mt, up from \$1,390/mt in August. Benzene posted the smallest gains of all products in the PGPI, climbing 4% to \$1,290/mt - up from \$1,245/mt in August.

Petrochemical prices continued to outpace global equity markets in September. The Dow Jones Industrial Average (DJIA) was up 3% in September. Both the Nikkei 225 and London Stock Exchange Index (FTSE) were up less than 1%.

To access a summary of the September performance of each of the seven key petrochemicals included in the PGPI, visit this link: <http://www.platts.com/newsfeature/2012/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 [Platts Petrochemical Alert](#), a real-time news service, 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, consult [Platts Media Center](#). For more information on [petrochemicals](#), visit the Platts website at www.platts.com.

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