

# Global Petrochemical Prices Drop 2% in May on Weaker Olefins Prices

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LONDON, June 12, 2013 /PRNewswire/ -- Prices in the \$3-trillion-plus global petrochemicals market fell 2% to \$1,278 per metric ton (/mt) in May on the back of weaker raw inputs prices, according to the monthly [Platts Global Petrochemical Index](#) (PGPI). 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.

This follows a monthly PGPI average price of \$1,309 in April. On a year-over-year basis, the data showed petrochemical prices were virtually unchanged, down less than 1%, from the May 2012 average price of \$1,279/mt.

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

May-'13	Monthly % Change	Annual % change	May-'12	Apr-'13	Mar-'13	Feb-'13	Jan-'13
\$1,278	-2%	0%	\$1,279	\$1,309	\$1,378	\$1,453	\$1,425

### OLEFINS

Olefins - a group of hydrocarbon compounds which are the building blocks to many petrochemicals - saw the greatest price declines of the PGPI in May.

"Ethylene prices continued to ease for the third consecutive month," said Jim Foster, Platts senior petrochemicals analyst. "Global ethylene prices averaged more than \$1,400 per metric ton in February, and since then, the price has fallen to below \$1,200 per metric ton. Most of that drop can largely be attributed to the April declines in crude oil and naphtha, from which distillates and other raw inputs to ethylene are made." Foster noted that more recently crude oil and naphtha prices have stabilized.

Prices of both Dated Brent crude oil and naphtha rose less than 1% in May.

The global ethylene price in May averaged \$1,170 per metric ton (/mt), down 6% from the April average of \$1,249/mt. However, despite the price decline in this raw input, global polyethylene prices were largely unaffected. The Platts Global Low-Density Polyethylene Index was down less than 1% in May to \$1,458/mt versus the April level of \$1,460/mt.

Propylene, the second olefin component of the PGPI, slipped 2% in May to \$1,228/mt, down from \$1,247/mt in April. Polypropylene prices followed propylene prices lower, declining 2% in May to \$1,441/mt from \$1,477/mt in April.

### AROMATICS

Prices of aromatics - a group of scented hydrocarbons with benzene rings, used to make a variety of petrochemicals - were mostly higher in May, reflecting the slight increases in upstream crude oil and naphtha prices.

The Platts Global Toluene Index rose 2% in May to \$1,158/mt, up from \$1,133/mt in April. Toluene, used as a gasoline blend stock, typically rises in price during the spring and summer months as the key driving season gets underway and more gasoline blenders enter the spot market. The Platts Global Benzene Index edged up 1% in May to \$1,322/mt from the April average of \$1,315/mt.

The Platts Global Paraxylene Index was the only aromatic component of the PGPI to post a loss last month, falling 2% to \$1,379/mt.

Petrochemical prices last month moved lower despite mostly stronger averages in the global equity markets. The Dow Jones Industrial Average (DJIA) and the London Stock Exchange Index (FTSE) rose 2% month-over-month in May. The Nikkei 225 fell 1%.

To access a summary of the May 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](http://www.platts.com).

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