# Platts: Global Petrochemical Prices Fell 4% in October

**Drop in crude oil prices drag petrochemical values lower**

LONDON, Nov. 20, 2014 /PRNewswire/ -- Prices in the $3-trillion-plus global petrochemicals market extended its fall by 4% in October, as upstream energy prices continued to slide. Petrochemical prices, expressed as a monthly average, fell to $1,324 per metric ton (/mt) from $1,384/mt in September, according to the just-released monthly *Platts Global Petrochemical Index* (PGPI).

The PGPI is a benchmark basket of seven widely used petrochemicals and is published byPlatts, a leading global energy, petrochemicals and metals information provider and a top source of benchmark price references. The PGPI fell $60 from September. On a year-over-year basis, petrochemical prices were down 2% from the same month last year.

"The PGPI decline in October doesn't actually capture how fast these markets have been on the decline," said Jim Foster, director of petrochemical analysis at Platts. "Prices have fallen 10% since October 8, averaging $8/mt a day, after a brief price increase in the first week of the month."

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

| Oct 2014 | Monthly % Change | Annual % change | Oct 2013 | Sept 2014 | Aug 2014 | July 2014 | June 2014 |
|---|---|---|---|---|---|---|---|
| $1,324 | -4% | -2% | $1,352 | $1,384 | $1,427 | $1,446 | $1,387 |

The decline in prices comes amid falling crude oil and naphtha prices. Dated Brent prices, on average, dropped 10% in October. Over the same period, naphtha prices were down 15%.

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 - were lower in October. Ethylene prices fell 6% to $1,324/mt and propylene prices were down 1% to $1,311/mt.

Polyethylene, a plastic manufactured from ethylene, saw prices fall 2% in October, while polypropylene prices fell 1% during the same period.

*AROMATICS*
Prices of aromatics - a group of scented hydrocarbons with benzene rings used to make a variety of petrochemicals - fell sharply in October. Benzene prices fell 7% to $1,181/mt in October, while toluene prices fell 8% to $991/mt. The largest drop of any component in the PGPI was in the paraxylene market, which fell 12% to $1,063/mt.

The price decreases in global petrochemical markets occurred amid a mixed performance by global equity markets in October. The Nikkei 225 and Dow Jones Industrial Average climbed 2% during the month, while the London Stock Exchange Index (FTSE) fell 2%.

To access a summary of the October performance of each of the seven key petrochemicals included in the PGPI, visit this link: http://www.platts.com/newsfeature/2014/Petrochemicals/pgpi/index.

The PGPI reflects a compilation of the daily price assessments of physical spot marketethylene, 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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