

MARKETS AND PROFITABILITY

Quarterly Business Analysis

Quarter 4 2019

Middle East

December 2019



This Report was prepared by Nexant, Inc. ("Nexant"). Except where specifically stated otherwise in this Report, the information contained herein is prepared on the basis of information that is publicly available, and contains no confidential third party technical information to the best knowledge of Nexant. Aforesaid information has not been independently verified or otherwise examined to determine its accuracy, completeness or financial feasibility. Neither Nexant, Subscriber nor any person acting on behalf of either assumes any liabilities with respect to the use of or for damages resulting from the use of any information contained in this Report. Nexant does not represent or warrant that any assumed conditions will come to pass.

The Report is submitted on the understanding that the Subscriber will maintain the contents confidential except for the Subscriber's internal use. The Report should not be reproduced, distributed or used without first obtaining prior written consent by Nexant. Each Subscriber agrees to use reasonable effort to protect the confidential nature of the Report.

Copyright © by Nexant Inc. 2019. All rights reserved.



Contents

1	Executive Summary	1
2	Olefins	3
2.1	Ethylene	3
2.2	Propylene	8
3	Polyolefins	12
3.1	Linear Low Density Polyethylene (LLDPE)	12
3.2	High Density Polyethylene (HDPE)	16
3.3	Polypropylene (PP)	20
4	Polyester and Intermediates	24
4.1	Mono Ethylene Glycol (MEG).....	24

Appendices

A	Prices.....	29
----------	--------------------	-----------

Figures

Figure 1	Middle East Cash Margin Index	2
Figure 2	Ethylene Prices.....	4
Figure 3	Ethylene Delivered Cash Margin to Western Europe.....	7
Figure 4	Ethylene Delivered Cash Margin to South-East Asia.....	7
Figure 5	Propylene Delivered Cash Margin to Western Europe	11
Figure 6	Propylene Delivered Cash Margin to South-East Asia.....	11
Figure 7	LLDPE Delivered Cash Margin to Western Europe	15
Figure 8	LLDPE Delivered Cash Margin to South-East Asia	15
Figure 9	HDPE Delivered Cash Margin to Western Europe.....	19
Figure 10	HDPE Delivered Cash Margin to South-East Asia.....	19
Figure 11	Polypropylene Delivered Cash Margin to Western Europe.....	23
Figure 12	Polypropylene Delivered Cash Margin to South-East Asia.....	23
Figure 13	MEG Delivered Cash Margin to Western Europe.....	27
Figure 14	MEG Delivered Cash Margin to South-East Asia.....	27

Tables

Table 1	Comparative Economics – Ethylene Delivered to Western Europe	5
Table 2	Comparative Economics – Ethylene Delivered to South-East Asia	6
Table 3	Comparative Economics – Propylene Delivered to Western Europe.....	9
Table 4	Comparative Economics – Propylene Delivered to South-East Asia.....	10
Table 5	Comparative Integrated Economics - LLDPE Delivered to Western Europe	13
Table 6	Comparative Integrated Economics – LLDPE Delivered to South-East Asia	14
Table 7	Comparative Integrated Economics – HDPE (Injection Moulding) Delivered to Western Europe.....	17
Table 8	Comparative Integrated Economics – HDPE (Injection Moulding) Delivered to South-East Asia.....	18



Table 9	Comparative Integrated Economics – Polypropylene Delivered to Western Europe	21
Table 10	Comparative Integrated Economics – Polypropylene Delivered to South-East Asia	22
Table 11	Comparative Economics – MEG Delivered to Western Europe	25
Table 12	Comparative Economics – MEG Delivered to South-East Asia	26
Table 13	Western European Petrochemical Price History	29
Table 14	Asia Pacific Petrochemical Price History.....	29