

Polyethylene (PE) - Estimated Price Ranges & Expectations

Product	Pricing Type	Unit	September		October		November		December		January		February Price Δ Expectation	March Price Sentiment
POLYETHYLENE			Low	High	Low	High	Low	High	Low	High	Low	High		
HDPE (BM)	Net Contract	\$/lb	0.490	0.560	0.460	0.530	0.460	0.530	0.450	0.520	0.505	0.575	0.000	Negative
HDPE (Inj. MD)	Net Contract	\$/lb	0.490	0.560	0.460	0.530	0.460	0.530	0.450	0.520	0.505	0.575	0.000	Negative
HDPE - Film	Net Contract	\$/lb	0.530	0.590	0.500	0.560	0.500	0.560	0.490	0.550	0.545	0.605	0.000	Negative
LDPE (GP)	Net Contract	\$/lb	0.540	0.580	0.510	0.550	0.510	0.550	0.500	0.540	0.555	0.595	0.000	Negative
LDPE - Extrusion Coating	Net Contract	\$/lb	0.550	0.590	0.520	0.560	0.520	0.560	0.510	0.550	0.565	0.605	0.000	Negative
LLDPE (Butene)	Net Contract	\$/lb	0.490	0.540	0.460	0.510	0.460	0.510	0.450	0.500	0.505	0.555	0.000	Negative
LLDPE (Hexene)	Net Contract	\$/lb	0.525	0.600	0.495	0.570	0.495	0.570	0.485	0.560	0.540	0.615	0.000	Negative
LLDPE (Octene)	Net Contract	\$/lb	0.545	0.620	0.515	0.590	0.515	0.590	0.505	0.580	0.560	0.635	0.000	Negative
mLLDPE Metallocene	Net Contract	\$/lb	0.535	0.650	0.505	0.620	0.505	0.620	0.495	0.610	0.550	0.665	0.000	Negative
Polyethylene	Spot Price: (Delta to Prime)	\$/lb	(0.04-0.14)		(0.04-0.14)		(0.05-0.12)		(0.06-0.13)		(0.03-0.10)		-0.010	Negative
PE - FEEDSTOCKS														
Ethylene	Net Contract	\$/lb	0.343		0.313		0.315		0.348		0.380		Negative	Negative
	Spot Domestic	\$/lb	0.318		0.218		0.226		0.270		0.319		-0.019	Negative
Ethane	Spot Price	\$/gal	0.169		0.212		0.198		0.237		0.270		-0.020	Negative

Notes: Due to the differing underlying variables, some PE grades can have a wider price range than others. For example, Metallocene (mLLDPE) has a wide range because the density is a substantial factor in setting its price, as a .902 density can cost much more than a .918 density, regardless of other fundamental market factors. Their monthly price moves also may not coincide with the rest of the PE market. Hexene is another such case (different hexene grades have different prices). The price assessment report does not report on specialty resins, such as Plastomers.

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The February PE Net CP assessment is a rollover.

As we indicated in the January report, any inventory gain and feedstock erosion should reverse the PE price direction. Our model, based on the fundamentals below, does indicate that PE prices in February should have fallen \$0.04lb.

- Inventories posted a gain.
- Exports experienced a massive reduction.
- Domestic demand declined.
- DOI gained days.
- Feedstock prices moved lower.

However, despite the fundamental support for a PE decrease, there was no overwhelming corroboration from either buyer or seller that PE prices fell in February. Since our goal is to report on the market and not make the market, our February price assessment is flat.

There are \$0.07lb PE increases pending for both February and March.

Despite the plunge in exports, the prices remain the same. There appears to be no push to lower them to move material at the time of this publication.

Tariffs have been the dominant concern for both producers and buyers. Both indicated that passing through a 25% increase will be extremely difficult. Some producers stated they will have to consider eliminating spot material to the US. While others indicated, they are storing more material in the US. Buyers stated it will be difficult to absorb or pass it through as they already are contending with current PE increases while their customer's demand decreases due to the NMA price adjustment by a major publication.

Multiple GOP Senators reintroduced a bill to eliminate the Superfund excise tax, which passed into law in 2021. The tax targeted 42 different chemicals. Among them are ethylene, propylene, benzene, chlorine, and xylene (monomers for PE, PP, PS, PET, and PVC). The bill was enacted to provide funding for environmental cleanup of plastics. The IRS confirmed

that the bill harmed farming, energy production, and manufacturing. The ACC stated that the repeal could help improve the chemical output by \$300MM for the chemical industry.

Plastics may see a resurgence under the Trump administration as he signaled a reversal of bans on plastic straws and single-use plastics. Tariffs on aluminum have companies like Coca-Cola signaling a switch back to PET and PP plastic bottles.

Dow announced they are laying off 1500 people globally in a restructuring effort to reduce costs.

According to sources in Europe, PE producers are seeking increases of €100t to €150t in February, but buyers are resisting due to poor demand, stating that an increase of €80t could be the likely outcome. Imports from the US are being offered at higher prices than the previous month.

BP is joining the list of petrochemical companies (Exxon, Sabic, LYB, Dow, and Versalis) that have or are planning to sell, idle or close assets in Europe. BP's Gelsenkirchen, Germany facility is for sale. The facility can produce 1.65mt of ethylene and 635 kt of propylene annually. These actions will pave the way for more olefin imports from the US.

Prices in Asia trended upwards (\$10t-\$15/t) per Chemorbis (for more detailed pricing information, visit www.chemorbis.com) for most grades before stabilizing late in the month due to poor demand and buyer resistance to further price hikes.

Feedstocks

Ethylene: The January CP settled at \$0.38lb (+\$0.0325lb). Since October 2024, the CP has steadily increased, rising ~28%. Planned/unplanned cracker outages are the primary causes.

February spot prices had a little reprieve from the rising prices after most of the unplanned shutdowns restarted. Spot prices are bouncing around the \$0.29lb (MB) and \$0.31lb (Choctaw) range.

Price drivers during February:

- The monthly average spot price is ~\$0.02lb lower than January.
- The export arbitrage is closed; prices are too high.
- Sasol/LYB Lake Charles cracker outage due to a compressor failure. They are now buyers of spot ethylene.

Below is an updated planned ethylene cracker schedule for 1H2025.

2025 Ethylene TAR schedule								
Producer	Product	Capacity t/yr	Location	Status	Outage	Start date	End date	Comments
Sasol	ethylene	454	Lake Charles	Running	unplanned	Mar-24	24-Nov	Unit was down do to a fire
Sasol/LYB	ethylene	1493	Lake Charles	down	Unplanned	Feb	TBD	A compressor failure, restart unknown
Shell	ethylene	475	Deer Park	Running	unplanned	Oct-24	Feb	Restarted in February 2025
LYB	ethylene	930	Channelview	Running	planned	Mar	TBD	Planned TAR starting in Mar length unknown
EMC	ethylene	1087	Baytown	down	planned	Jan-25	Feb/Mar	Planned TAR 45 day, expected restart end of Feb early Mar
Westlake	ethylene	680	lake charles	down	planned	Feb-25	Mar-25	Line 1 was slated to go down in late Q3, reschedule for Jan 2025-60 day
Indorama	ethylene	440	Lake Charles	Restarting	planned	24-Dec		Completed 75 day TAR
Shintech	ethylene	670	Plaquemine	down	planned	Feb-25	TBD	Planned 45 day TAR both lines
Baystar	ethylene	1000	Port Arthur	up	planned	Q1 2025	TBD	Planned 32 day TAR
Indorama	ethylene	235	Port Neches	up	planned	Mar-25	May-25	Planned 56 day TAR
DOW	ethylene	400	ST. Charles	up	planned	Mar-25	TBD	Planned-start date has been pushed out again
EMC/Sabic	ethylene	1800	San Patricio	up	planned	Mar-25	Apr-25	Planned 39 day TAR
CPChem	ethylene	805	Port Arthur	up	planned	Apr-25	May-25	Planned 44 day TAR

Natural gas: After exceeding the \$4.00btu mark in January, NG prices fell near the \$3.00btu level in February. In early February, there were periods of warmer weather before shifting colder by the end of the month, this coupled with higher levels of LNG exports, sent NG prices back above the \$4.00btu mark. The MoM average price is relatively static.

Crude oil (CO): The WTi MoM average price is ~\$4.00bbl lower. Oil producers are optimistic as President Trump has pushed for more oil production and exports. India recently announced they will increase their US energy purchases by \$10 billion (\$15 billion to \$25 billion).

The Major Ocean Freight rates:

Freightos/ Drewry 40f container	Asia-US West Coast MoM Chg %	Asia-US East Coast MoM Chg %	Asia-NWE MoM Chg %	LA-Shanghai MoM Chg %	Shanghai-LA MoM Chg %	NY-Rotterdam MoM Chg %	Shanghai-NY MoM Chg%
25-Feb	-18	-15	-17	-3	-25	0.012	-24
2024 Peak Prices	\$8,101	\$9,824	\$8,632	\$718	\$7,512	\$762	\$9,613
2025 Peak Prices	\$5,929	\$6,934	\$5,640	\$725	\$5,476	\$838	\$7,085
Current	\$4,362	\$5,698	\$2,954	\$701	\$3,888	\$829	\$5,186

The ACC preliminary January MoM supply/demand results

Polyethylene

	Calculated Inventory	Production	Total Demand	Domestic Demand	Export Demand	Operating Rate	Days of Inventory	
Total PE	Current/MMlbs.	7,732	5,095	5,024	2,743	2,281	82.6%	47.7
	MoM change %	+0.9%	-8.9%	-16.1%	-3.0%	-27.9%	-9.1%	+20.3%
	12-mo AVG/MMlbs.	7,252	5,278	5,210	2,761	2,449	87.5%	42.5
	1-year ago % chg	+14.1%	+1.0%	-1.5%	+2.9%	-6.2%	-2.8%	+15.8%
HDPE	Current/MMlbs.	2,973	2,139	2,032	1,354	678	81.6%	45.4
	MoM change %	+3.8%	-11.3%	-23.3%	-6.4%	-43.7%	-11.6%	+35.3%
	12-mo AVG/MMlbs.	2,781	2,234	2,192	1,364	829	87.0%	38.8
	1-year ago % chg	+20.9%	+6.4%	-3.0%	+6.8%	-18.1%	+4.3%	+24.6%
LDPE	Current/MMlbs.	1,226	791	734	381	353	86.6%	51.8
	MoM change %	+4.9%	-8.6%	-15.7%	-2.9%	-26.2%	-8.5%	+24.4%
	12-mo AVG/MMlbs.	1,089	773	759	404	355	86.2%	43.9
	1-year ago % chg	+16.9%	+8.8%	-2.5%	-3.1%	-1.8%	+5.8%	+19.9%
LLDPE	Current/MMlbs.	3,533	2,164	2,258	1,009	1,249	82.3%	48.5
	MoM change %	-2.6%	-6.5%	-8.5%	+2.0%	-15.6%	-6.7%	+6.5%
	12-mo AVG/MMlbs.	3,382	2,271	2,259	994	1,265	88.4%	45.8
	1-year ago % chg	+8.2%	-6.1%	+0.4%	+0.3%	+0.4%	-11.6%	+7.8%

Source:ACC/PXI

The March PE Net CP assessment is pegged as “negative.” Demand in February has been deemed poor by both producers and buyers, with little expectation of improvement in March. The potential tariffs are creating a cautious overtone. Demand in other regions is also pegged as soft, which could create a negative scenario again for exports.

Methodology & Disclaimer

This service is structured to capture and report on the market and make directional estimates, not to set market prices. It focuses on net contract prices and is designed to help buyers/sellers decide on pricing. For example, regarding PP, we will move the PP price relative to PGP, but we will not make arbitrary decisions on whether to add/delete margin. If the market reports they are taking an increase above the PGP settlement, we will report that.

We have established a high-low number to capture the market price variances and to avoid making non-market adjustments. The prices reflect reasonable prices for small, medium, and large buyers. We will provide a two-month historical price settlement and short-term forward price movements (current and 1-month market sentiment). For example, the PP Homopolymer assessment may appear as Dec \$0.59/lb.-\$0.63/lb. Jan \$0.62/lb.-\$0.66/lb. Feb +\$0.03/lb., March, Positive (+) or Negative (-). The market sentiment is geared toward providing what the tone of the market feels and/or how the market fundamentals are trending. Does the market believe an increase or a decrease is possible? What direction are the price drivers moving?

We do not intend to report the extreme lows and highs in net contract prices but capture a range representing the bulk of the markets. Again, note that these are "net" contract price estimates – after discounts.

We will base the assessments on the following:

- Feedback from buyers, producers, brokers, and traders.
- Market fundamentals
 - Feedstocks
 - Supply/Demand
 - Production
 - Inventory draws/gains
 - Outages (planned/unplanned)
 - Spot prices
 - Imports/exports
 - Global event impacts
 - Logistics/Supply Chain
 - Weather events
 - Labor/Strikes

Not all the fundamentals will hold the same weight every month on the influence of the polymer price direction. For example, if there are no weather events, it may have little to no value in the price assessment.

Because this report is designed for the market, we welcome any feedback from participants on improving it and adding value to meet your needs. We will also add more resins, feedstocks, and regions as we grow.

Report Schedule

Upcoming Report Schedule

Thursday, March 27th

Glossary

Abbreviation	Term
ACC	American Chemistry Council
ARB	Arbitrage
BD	Butadiene
BM	Blow Mold
BZ	Benzene
CO	Crude Oil
CP	Contract Prices
DOI	Days Of Inventory
EVA	Ethylene Vinyl Acetate
FM	Force Majeure
FR	Frac Melt
GP	General Purpose
HDPE	High Density Polyethylene
INj	Injection Mold
LDPE	Low-Density Polyethylene
LLDPE	Linear Low-Density Polyethylene
MF	Melt Flow
MI	Melt Index
NA	North America
NG	Natural Gas
Net CP	Net Contract Price
OP	Operating Rates
PDH	Propane Dehydration
PE	Polyethylene
PGP	Polymer Grade Propylene
PP	Polypropylene
PS	Polystyrene
RMC	Raw material Cost
SM	Styrene Monomer
TAR	Turn Around
VAM	Vinyl Acetate Monomer

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