

Commentary.(CW PRICE REPORT)(Statistical table)

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Substantial gains in crude oil and natural gas last week pushed North American feedstock prices higher. ETHANE gained 2 cts/gal and PROPANE was up 5 cts/gal, while both NAPHTHA and BUTANE rose 8 cts/gal.

Spot olefins in the U.S. market were relatively quiet. ETHYLENE gained 2 cts/lb, while BUTADIENE gained about 4 cts/lb on tight supply. Butadiene producers may nominate an August contract price increase of over 10 cts/lb, market sources say.

Supported by the strong showing for primary hydrocarbons, spot prices for naphtha in Europe rose \$45/m.t. Spot ethylene kept pace with feedstocks, showing a gain of 35 [euro]/m.t. on average with a sharply narrowing range. Market watchers say that indicates broad agreement between buyers and sellers at current levels. PROPLYENE was quiet after a sharp spike of close to 150 [euro]/m.t., traders say. Butadiene notched a little higher by an average of \$65/m.t.

Aromatics were mixed. Spot BENZENE rose a hefty 35 cts/gal on the U.S. Gulf Coast, but only \$20/m.t. in northwest Europe, sellers say. Spot TOLUENE was even more varied, gaining \$40/m.t. in Europe but dropping a dime in the U.S. In contrast, MIXED XYLENES rose 15 cts/gal in the U.S. but were flat in Europe. There was also a disconnect in STYRENE where spot prices in Europe were reported higher by as much as \$110/m.t., but prices on the Gulf Coast only added 2 cts/lb.

Spot METHANOL in the U.S. picked up a penny and was flat in Europe, while METHYL TERT-BUTYL ETHER was reported to be higher by an average of \$30/m.t. in a widening range, market sources say.

Intermediates prices were generally weaker in the second half of July. Spot PARA-XYLENE was the notable exception, but the net increase of \$20/m.t. was attributed to a tightening of trading at the higher end of its range, players say. P-xylene in Europe was off by a nominal \$10/m.t. ORTHO-XYLENE was flat in the U.S., and lower by an average of \$50/m.t. in Europe in a widening range. July p-xylene contracts in the U.S. were agreed lower by 3 cts/lb.

The quiet spot markets for other fiber intermediates allowed traders to catch up a bit on contract settlements, market sources say. July ETHYLENE GLYCOL in the U.S. nicked lower by 2 cts/lb. July glycol in Europe rose 55 [euro]/m.t. from June's level of 520 [euro]/m.t., but that number was a decrease of 10 [euro]/m.t. from May. Nominations of 40-45 [euro]/m.t. are on the table for August, sellers say.

U.S.

| | SPOT | CONTRACT |
|----------------|-------------------------------------|--------------------------------------|
| ETHANE | 43-44 cts/gal fob [up arrow] | |
| NAPHTHA | 130-132 cts/gal fob [up arrow] | |
| PROPANE | 76-77 cts/gal fob [up arrow] | |
| BUTANE | 98-99 cts/gal fob [up arrow] | |
| ETHYLENE | 21-22 cts/lb del [up arrow] | 33.5 cts/lb del June |
| PROPYLENE | | |
| chemical-grade | 36-37 cts/lb del | 39.5 cts/lb del July |
| polymer-grade | 38-39 cts/lb del | 41 cts/lb del July |
| BUTADIENE | 54-55 cts/lb fob [up arrow] | 45 cts/lb del July |
| BENZENE | 320-330 cts/gal fob [up arrow] | 295 cts/gal fob July |
| TOLUENE (1) | 205-210 cts/gal fob [down arrow] | |
| MIXED XYLENES | 235-245 cts/gal fob [up arrow] | 236 cts/gal fob July [down arrow] |
| STYRENE | 48-50 cts/lb | 41 cts/lb fob June |

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| | | |
|-------------------------------|---|--|
| METHANOL | fob [up arrow] 60-62 cts/gal fob [up arrow] | 64; 68 cts/gal fob July |
| MTBE | | |
| PARA-XYLENE | \$925-945/m.t. fob [up arrow] | 47 cts/lb del July [down arrow] |
| ORTHO-XYLENE | 39-40 cts/lb fob | 39.5 cts/lb del July |
| ETHYLENE GLYCOL antifreeze | 28-3 0 cts/lb | |
| fiber-grade | | 30 cts/lb del July [down arrow] |
| ACRYLONITRILE | \$1,430-1,450/m.t. fob | 42 cts/lb del June |
| EDC | 14.25-16.25 cts/lb | |
| INORGANICS | | |
| CHLORINE | \$475-525/ton fob [up arrow] | \$400-450/ton fob July [up arrow] |
| CAUSTIC SODA | \$50-100/ton fob [down arrow] | \$200-250/ton fob July [down arrow] |
| SODA ASH | | \$140-240/ton fob 2009 |

EUROPE

| | | |
|-------------------------------|---------------------------------------|--|
| | SPOT | CONTRACT |
| ETHANE | | |
| NAPHTHA | \$560-570/m.t. cif [up arrow] | |
| PROPANE | | |
| BUTANE | | |
| ETHYLENE | 815-835 [euro]/m.t. cif [up arrow] | 785 [euro]/m.t. del July |
| PROPYLENE | | |
| chemical-grade | 550-570 [euro]/m.t. cif | |
| polymer-grade | 600-610 [euro]/m.t, cif | 650 [euro]/m.t. del July |
| BUTADIENE | \$1,000-1,050/m.t. cif [up arrow] | 625 [euro]/m.t. del July |
| BENZENE | \$900-920/m.t. cif [up arrow] | 656 [euro]/m.t. del July |
| TOLUENE (1) | \$700-720/m.t. cif [up arrow] | |
| MIXED XYLENES | \$760-780/m.t, cif | |
| STYRENE | \$1,220-1,240/m.t. cif [up arrow] | 883 [euro]/m.t, del July |
| METHANOL | 150-160 [euro]/m.t. cif | 159 [euro]/m.t. fob Q3 |
| MTBE | \$745-765/m.t. cif [up arrow] | |
| PARA-XYLENE | \$830-860/m.t. fob [down arrow] | 728 [euro]/m.t. del July |
| ORTHO-XYLENE | \$745-975/m.t. fob [down arrow] | 620 [euro]/m.t. del July |
| ETHYLENE GLYCOL antifreeze | | |
| fiber-grade | 460-420 [euro]/m.t. cif | 575 [euro]/m.t. del July [up arrow] |
| ACRYLONITRILE | \$1,500-1,520/m.t. fob | 1,130-1,180 [euro]/ m.t. del June |
| EDC | 350-380 [euro]/m.t. fob | |
| INORGANICS | | |
| CHLORINE | | 170-240 [euro]/m.t. del July |
| CAUSTIC SODA | \$50-60/m.t. fob [down arrow] | 230-270 [euro]/m.t. del July [down arrow] |
| SODA ASH | | 240-285 [euro]/m.t. del 2009 |

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(1) Nitration-grade. CW Price Report is compiled the Wednesday prior to publication through consultation with producers, consumers, and traders. Prices are quoted fob (free-on-board), cif (cost, insurance & freight), c&f (cost & freight), or frteq (freight equalized).

References are NWE (Northwest Europe) port for Europe and USG (U.S. Gulf) port for the U.S., and reflect recent large-volume transactions.

(2.) Butene-based. Hexene based + 0.1 [euro]/kg; octene based +

0.2 [euro]/kg. 3.) General purpose.