

## PCW Prices

PetroChem Wire publishes prices for the following resins on each US business day. Publication schedule follows the holiday schedule of the CME/NYMEX.

### Delivered to Houston (FOB Houston)

- HDPE blow mold
- LLDPE film butene
- HoPP injection

### Delivered to Chicago (FOB Chicago)

- HDPE blow mold
- LLDPE film butene
- HoPP injection

### Delivered East of the Rockies

- HDPE blow mold
- HDPE injection
- HDPE high molecular weight film
- LLDPE film butene
- LDPE film
- HoPP injection
- CoPP injection
- GPPS (crystal)
- HIPS

For each of the above resins, a daily bid, offer and closing price is published for the current month. For the prices that are basis FOB Houston and FOB Chicago, forward pricing is also published for months 2-12. Prices are published on a \$/lb basis.

## **Price description and methodology**

- **Material certification.** PCW resin prices are published daily and are for spot transactions for prime and generic prime material understood to be certified as such by a major producer or distributor. Branded prime material can be considered in the absence of information about generic prime material.
- **Delivery location.** Prices reflect delivery for locations as described:
  1. To warehouses in the greater Houston area. Warehouses include: Frontier Logistics at LaPorte, KTN at LaPorte, Packwell at Houston and United at Houston.
  2. To warehouses in the greater Chicago area. In the Chicago prices, the greatest weight will be given to deals done at warehouses in Chicago (IL), Morris (IL) and Gary (IN). Deals done at warehouses in Akron (OH) and Toledo(OH) can also be included.
- **Payment terms.** *For bilateral transactions, PCW editors will give primary consideration to prices that reflect the payment terms listed in the NYMEX rulebook for plastics futures contracts.*
- **Volume standards.** Volumes considered to be standard are between 1 and 5 railcars. Volumes greater than 5 railcars will be considered in the absence of smaller-volume transactions, but will be analyzed as its relative value as a bulk-volume deal.
- **Priority of Information.** In determining values for each day's assessment, a variety of information is considered. Some information inherently is more influential. In ranking order, information of the following type is considered when assessing cash market prices:
  1. Firm bids and offers. Assessments must fall between the highest bid and the lowest offer. Bids and offers must be on an outright price basis, such as \$0.50/lb.
  2. Done deals. When confirmed transactions fall within a market's closing bid/ask range, the latest confirmed transaction will often be the assessment. Bids and offers must be on an outright price basis, such as \$0.50/lb.
  3. Formula-based cash market deals, bids and/or offers. In the absence of outright prices, transactions and firm bid/offer ranges on a relative basis (such as time spreads or on a feedstock basis) can be considered as an indicator or value.
  4. Paper (swaps) deals, bids and/or offers. In the absence of outright prices, transactions and firm bid/offer ranges in paper markets can be considered as an indicator of value.

*PCW publishes a bid, offer and closing price for each resin category described above. A bid or an offer is considered to be firm when it is demonstrated to be available to the market-at-large. Such demonstrations could include posting bids and/or offers through a voice broker or an electronic trading platform.*

*PetroChem Wire editors must reserve the right to exercise editorial judgment in not including certain information in its daily published information either for lack of clarity or lack of detail needed to confirm information.*

## **Product Specifications**

LDPE - Film: 2 melt, 0.920 density med adds

LLDPE - Film: Butene grade, 1 melt, 0.92 density barefoot or med adds

HDPE - Blow Mold: .25-.45 melt, .953 to .960 density

HDPE - Inj: pail (copolymer), 5.0-7.0 melt

HMWPE - Film: 8 HLMI, 0.952 density

HoPP - Inj: 12, 20, 35 melt; barefoot

CoPP - Inj: 12, 20, 35 melt ; 2 izod

HIPS: 8 melt, 2 izod

GPPS: 8 melt



## **DEFINITION OF TERMS**

**Bid:** An offer to buy.

**Offer:** An offer to sell.

**Spot market:** Individual transactions of mutually agreed volume, price and delivery that is separate from monthly supply contract agreements.

**Outright price:** A spot market deal price that is not relative to another price, such as an index, a supply contract or another month. Example of an outright price: 50 cents per pound.

**Formula-based price:** Spot market deal pricing can be based on time spreads. Examples of formula based prices: Sell January, buy back March at 1 cent per pound; January PCW weighted average; 2 cents below January contract; feedstock + 10 cents per pound.

**Generic prime:** The same pellet as branded prime, but without the producer certification.

**Front-month:** When a bid, offer or deal specifies delivery for the same month as the negotiation. Example: On January 2, bids, offers and deals for material to be delivered in January, it is a front-month bid, offer or deal.

**Next-month:** When a bid, offer or deal specifies delivery for the next month relative to the negotiation. Example: On January 2, bids, offers and deals for material to be delivered in February, it is a next-month bid, offer or deal.

**Reported:** Information communicated directly to PetroChem Wire editors via telephone, instant messenger or email.

**“Close of each business day”:** There is no formal start or close of a “trading session” in the US resins market. As such, information is generally gathered from 8 am to 5 pm US Central Time, but may be extended if information is discovered outside of those hours.

**“Broker” market:** in the resins markets, “broker” is the name assigned to persons or companies which technically act as a trader conducting “back-to-back” transactions. “Trader” is the name assigned to persons or companies that take longer-term positions on material.

**Railcar market:** Resin that transacts in a railcar in the Houston area, not inclusive of any freight associated with the railcar and not inclusive of bagging or de-bagging of the contained material.

**Deep-sea market:** Resin that transacts on a sea-going basis, on what is called a “Free-on-Board” (FOB) or “Free Alongside Ship” (FAS) basis with the location being a port, such as Houston.

**Border-delivered market:** Resin that transacts on a delivered basis, on what is called a “Delivered-at-Frontier” (DAF) basis with the location on the US-Mexico border, such as Laredo.

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