

This Week in the Markets

as Blocks 110-115. Prices had still not risen to the level of the Jan 1 price sheets at Block 90 for immediate and Block 93 for quotes, or the Feb 1 sheets at Block 103 for immediate and Block 105 for quotes. JM Eagle issued a sheet at its Block 105 for quoting purposes effective Feb 18, which was followed by NAPCO and National Pipe at industry Block 115 for quotes, effective Feb 18 and 21, respectively. Diamond issued a sheet at Block 110 for immediate and Block 115 for quotes, effective Mar 1, and Sanderson followed effective Mar 19. This week JM Eagle put out another sheet, at its Block 110 for quotes effective Mar 31.

Plumbing pipe sales were being made off of the Feb 12 sheets, which took the price of 4" Sch 40 DWV pipe to \$2.11/ft in the East and \$2.30/ft in the West. Discounts were put at 18-20% in most markets, making the price \$1.69-1.73/ft in the East. Pipe was sold at prices as high as \$1.79/ft in the upper Midwest, in markets such as Michigan and Wisconsin, but at the same time sales in Florida were made as low as \$1.62/ft. Converters were working to raise prices by lowering discounts off the sheet. Charlotte issued a new price sheet at \$2.22/ft in the East, effective Mar 12. Royal Building Products, NAPCO, National and Cresline had followed.

Conduit prices slipped this week as converters tried to buy some business ahead of the next price increase. Most sales east of the Rockies were done at \$142-145/100 ft, though deals were done as low as \$139.20/100 ft by several converters. Sellers who tried for the low-to-mid \$150s/100 ft said they were laughed at by customers. In the West, prices were still holding at \$165/100 ft in California, and \$170-172/100 ft in the Pacific Northwest. Converters were looking forward to the price increase next week, and were glad to jettison the previous Jan and Feb sheets they had not been able to attain. Heritage led the new effort with sheets at \$165/100 ft in the East and Central regions and \$186/100 ft in the West, effective Mar 17. The sheets were issued as net sheets rather than the usual discounted sheets, but Heritage said that key customers would get 1-2% off. Allied, Ridgeline, Queen City, Cantex, Prime Conduit, IPEX, Southern Pipe and National followed.

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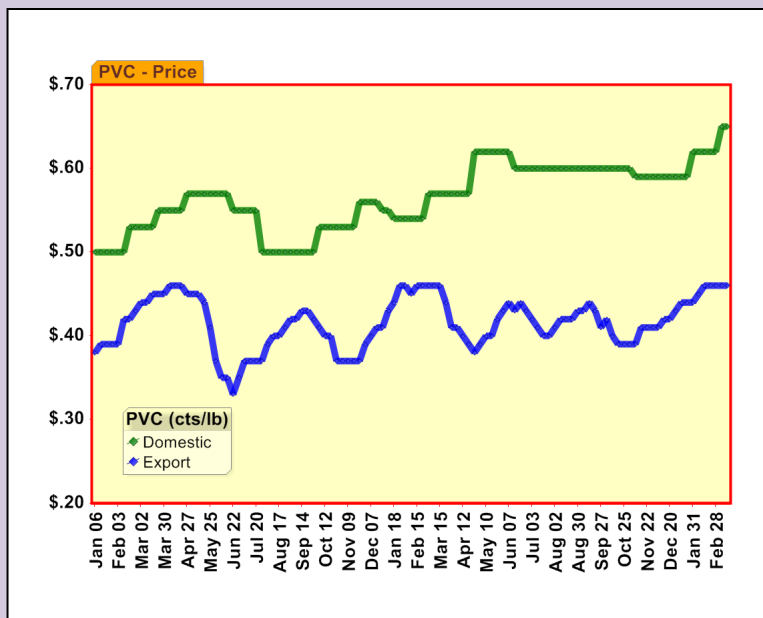
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North American PVC Prices



Prices are in cents per pound. Domestic pipe grade prices and General Purpose grade prices are for material delivered to end-users within the US east of the Rockies. Export prices are for either grade and are prices basis FAS Houston.

It was a slow week for PVC in the **export** market. Those that wanted to buy in Mar had done so, and the rest were waiting. Prices in the China market moved lower. Market sentiment was abysmal and buyers were looking for ever-lower prices. Pricing for domestic carbide PVC was down to CNY6000 and still struggled to find buyers. Many plants had throttled back O/R as inventories were getting out of control. Imports were mainly from Taiwan, and were being sold at \$1040/mt CIF for small quantities only. Japanese and Korean suppliers were offering PVC at \$1060-1070/mt CIF but not finding any takers. Bids were at \$1000-1010/mt CIF. US PVC continued to be trawled around the market at \$1060/mt CIF (\$960-970/mt FAS US Gulf) but nobody would pay a premium for this material. In India, there was a flurry of PVC sales from nearby origins in the first 12 days of Mar but this was drawing to a close. It was getting too late to guarantee arrival before the end of the month and the implementation of the new anti-dumping duty regime. Traders saw a lot of deals for Chinese carbide PVC at \$980-990/mt CIF and some Chinese ethylene PVC sold at \$1020/mt CIF. Iranian PVC sold at \$1030/mt CIF and a few lots of Taiwanese PVC at \$1055-1060/mt. FPC was expected to announce its Apr price next week but traders doubted anyone would rush to conclude any new business before the first week of Apr.

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The markets in Turkey and Egypt were flat on their backs. There was no real business being concluded, just lots of talk. EU PVC was offered into Turkey at \$1080-1100/mt CIF but there were rumors of confidential deals being concluded at \$1065/mt CIF. There was a lot of US PVC sitting at the port in Turkey and offered at \$1030-1040/mt CIF (\$955-965/mt FAS US Gulf) but finding no buyers. In the US, exports were talked at \$1000-1020/mt FAS US Gulf but buyers had no interest at these levels. Some buyers suggested they would be interested in purchasing only at a level of \$920/mt FAS US Gulf or lower, at which level producers were not interested. Producers have started to talk about Apr exports, but the volumes offered will be very small. Prices were suggested in the range \$990-1040/mt FAS US Gulf, but traders were put off at these levels. Traders with positions were desperately looking to find some markets where they could at least break even on the positions they had purchased at \$1000+/mt FAS US Gulf. There were limited possibilities, such as small deals to South America and Africa, and perhaps some slightly larger deals into Eastern Europe and the Balkans. Traders said the big regular buyers such as China, India, Turkey and Egypt were all looking for much lower prices, under \$950/mt FAS US Gulf, and in some cases well under.

In **Mexico**, Mar prices were at \$1,080-1,120/mt for pipe grade and \$1,180-1,200/mt for GP grade, DEL with 60-day terms. US resin from producers was difficult to find, but some traders were offering pipe grade at \$1,080/mt DEL.

North American PVC Pipe Prices

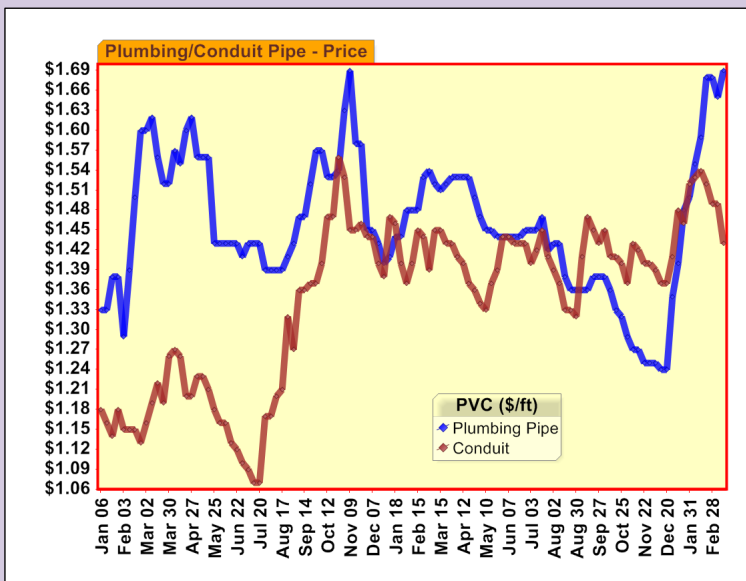
| Muni Pipe (Blocks) | Low | High | Midpoint(Blocks) |
|--------------------|-------|-------|------------------|
| 3/14/2014 | 81.00 | 84.00 | 82.50 |
| 3/7/2014 | 82.00 | 85.00 | 83.50 |
| 2/28/2014 | 82.00 | 85.00 | 83.50 |
| 2/21/2014 | 85.00 | 87.00 | 86.00 |
| 2/14/2014 | 85.00 | 87.00 | 86.00 |

| Plumbing Pipe - North (\$/ft) | Low | High | Midpoint(\$/ft) |
|-------------------------------|------|------|-----------------|
| 3/14/2014 | 1.65 | 1.72 | 1.69 |
| 3/7/2014 | 1.62 | 1.68 | 1.65 |
| 2/28/2014 | 1.63 | 1.73 | 1.68 |
| 2/21/2014 | 1.63 | 1.73 | 1.68 |
| 2/14/2014 | 1.54 | 1.63 | 1.59 |

| Conduit Pipe - East (\$/100ft) | Low | High | Midpoint(\$/100ft) |
|--------------------------------|--------|--------|--------------------|
| 3/14/2014 | 141.00 | 145.00 | 143.00 |
| 3/7/2014 | 146.00 | 152.00 | 149.00 |
| 2/28/2014 | 145.00 | 153.00 | 149.00 |
| 2/21/2014 | 148.00 | 155.00 | 151.50 |
| 2/14/2014 | 150.00 | 158.00 | 154.00 |

Petroquimica Mexicana de Vinilos (PMV), the partnership between Pemex and Mexichem, has begun the process of retrofitting and modernizing the 45-year-old Pemex VCM plant at Pajaritos, Veracruz. As part of this process, PMV - which stated that its production has reached 120,000 mt/yr of VCM - will take a 45-day T/A in Aug to install new equipment purchased in the US and assembled in Veracruz. The goal is to increase VCM production to 400,000 mt/yr by Aug 2016.

Plumbing & Conduit Pipe Prices



Municipal Pipe Prices

