

PVC & Pipe Report

Covering the North American PVC resin and finished pipe markets



The weekly PetroChem Wire **PVC & Pipe Report** includes the most accurate and independent pricing available for domestic contract and spot pipe grade and general purpose grade PVC resin for the US and Mexico. The report follows trends from producers and converters in the pipe, siding, flooring and window markets, as well as compounders.

The Weekly PVC & Pipe Report offers . . .

- Coverage of the North American PVC resin and finished pipe markets.
- Updates on the US housing market, a barometer for domestic PVC demand.
- Comprehensive coverage of the export PVC market, with pricing to the major international PVC markets on a CIF and FAS USG basis.
- The only published pricing available for the downstream domestic PVC pipe market, including pipe price sheets, effective dates, and negotiated discounts for each category of pipe.

The report is the single source trusted by pipe converters to accurately reflect current pipe market prices and trends.

Housing market summary, a barometer for demand.

North American domestic and export PVC prices.

PVC & Pipe Report

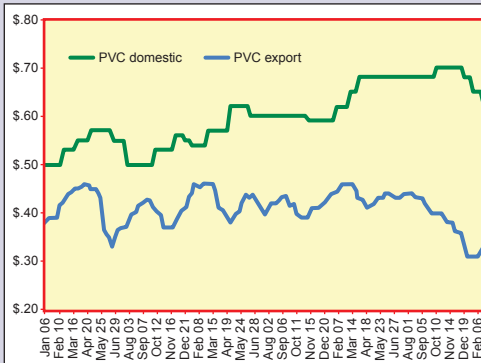
Market Summary - Housing

Retirees and those near retirement will have an outsized effect on the US housing market over the next decade, as baby boomers and elders are buying or altering homes to live in them longer or to accommodate family members, a new study found. The study by Merrill Lynch found, for instance, that almost half of baby boomers and their elders are choosing to buy homes in retirement instead of downsizing, and many are altering their homes as they get older as an alternative to moving to institutionalized settings.

Those aged 50 to 68, and what the survey calls the "young old," those 69 and older, are poised to account for more than half the activity in the housing market than all other age groups combined. The survey said people older than 65 are expected to be the fastest-growth demographic from 2015 to 2025, with an estimated 10.7 million new households. That is more than the next-largest generation, those aged 44 years old, which is expected to create 2.5 million new households.

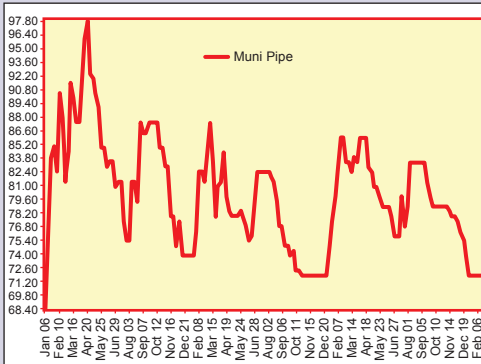
The study said the older generation has the demographic power and wealth to drive housing trends: Homeownership among those over 55 is about 80%, and 72% of those over 65 have no mortgage. People over 65 have an average home equity of \$212,800. In the survey, 64% of respondents said they are likely to move at least once during retirement, with 37% having already done so. About a third of respondents said their last move was to a larger home, while 19% said they moved to a similar-sized home.

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

Municipal Pipe Prices



PRODUCTS WE COVER

- Pipe Grade Resin
- GP Grade Resin
- Municipal Pipe
- Plumbing Pipe
- Conduit Pipe
- Export Market

WHO WE ARE

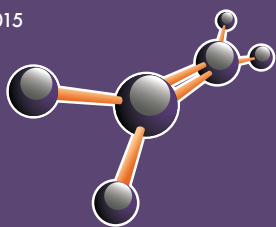
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This Week in the Markets

The PVC market was very quiet this week. There has been little pushback from customers regarding the 3 cpp price increase for Feb, according to suppliers. While the market had not official settled, there was little doubt that the Feb price increase would succeed for a total of 6 cpp in price increases so far this year. Many market participants had already begun to look past the Feb price to the Mar 3 cpp, and even to the possibility of an Apr hike. Some producers admitted that even they had been skeptical about the chances for success of the Mar 3 cpp when it was announced, but they have come to see it as much more likely to succeed. Not all buyers were ready to agree, but nearly all conceded it was no longer the joke they had originally thought it was. Some had come to believe that it, too, would succeed and make the total of price increases 9 cpp. Suppliers Westlake and OxyVinyls remained on order control with no indication of when they would return to their normal sales programs. Spot pounds had dried up. A few instances were reported of buyers able to get a couple of extra cars from a producer not on order control, but at the contract price.

There was some concern among converters that they have a limited amount of time to get their own prices up before resin prices start to slide, which could pull down finished product prices. Pipe converters have been building large inventories of pipe, and if demand does not rise substantially this spring as expected, they could see pipe prices fall before they have been able to recoup all of the resin price increases. Weather-related PVC production problems were expected to be resolved shortly (as the polar vortex was predicted to abate after mid-Mar) and PVC T/As were

scheduled to be completed by the end of Mar. Axiall's PHH VCM plant was anticipated back online by Apr. In ethylene, Williams' Geismar up and running pipeline was expected to be on line in time. Thus, the factors limiting resin costs and limiting PVC production should be fixed by the end of Apr, after which time they will no longer be putting upward pressure

Weekly market commentary

North American Pipe, GP, and Export Prices

Pipe Grade	Low	High	Midpoint(\$/lb)	\$/mt
2/28/2014	0.60	0.63	0.62	\$1,356
2/21/2014	0.60	0.63	0.62	\$1,356
2/14/2014	0.60	0.63	0.62	\$1,356
2/7/2014	0.60	0.63	0.62	\$1,356
1/31/2014	0.60	0.63	0.62	\$1,356

GP Grade	Low	High	Midpoint(\$/lb)	\$/mt
2/28/2014				
2/21/2014				
2/14/2014				
2/7/2014				
1/31/2014				

Accurate Pipe, GP and Export prices

Export	Low	High	Midpoint(\$/mt)	\$/lb
2/28/2014	1000.00	1010.00	1005.00	\$0.4559
2/21/2014	1000.00	1010.00	1005.00	\$0.4559
2/14/2014	1000.00	1040.00	1020.00	\$0.4627
2/7/2014	995.00	1010.00	1002.50	\$0.4547
1/31/2014	950.00	1000.00	975.00	\$0.4423

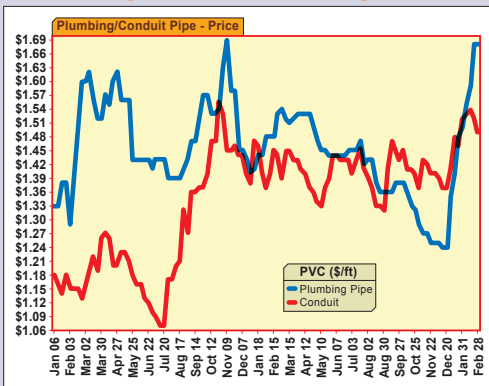
North American Municipal Plumbing/Conduit Prices

Muni Pipe (Blocks)	Low	High	Midpoint(Blocks)
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
2/7/2014	80.00	85.00	82.50
1/31/2014	78.00	82.00	80.00

Plumbing Pipe - North (\$/ft)	Low	High	Midpoint(\$/ft)
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
2/7/2014	1.50	1.60	1.55
1/31/2014	1.45	1.55	1.50

Conduit Pipe - East (\$/100ft)	Low	High	Midpoint(\$/100ft)
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
2/7/2014	150.00	156.00	153.00
1/31/2014	147.00	156.00	151.50

Plumbing and Conduit Pipe Prices



Municipal, Plumbing, and Conduit News

The municipal pipe market remained largely unchanged. Most sales this week were reported at the low-to-mid Block 80s for immediate ship deals. Quotes were being made in a wide range, from Blocks 90-95 all the way up to Block 115. Prices for immediate sales were still marginally being made at the level of the Jan 1 price sheets, which set prices at Block 90 for immediate ship and Block 93 for quotes. Prices had not yet moved up to that level, however, much less to the Feb 1 sheets, which put prices at Block 103 for immediate and Block 105 for quotes. JM Eagle had 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 has not issued a sheet at this level, however, making implementation doubtful. Converters reported they have had some customers trying to buy at the immediate price but then try to buy this, as well as Plumbing and Conduit prices were still at the price of \$2.25/ft in the v

Municipal, plumbing and conduit market prices and analysis

for most business, which would put prices at \$1.63-1.73/ft in the East. A couple of converters had moved to 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. The discount was at 20%, which put the price at 1.69/ft in the East. Converters would like to move more business to the February sheet, even with the larger discount, to put them in a better position to keep pushing prices up. They acknowledged that new sheets would be necessary to recoup the proposed resin price increases. Conduit prices weakened a bit further in the face of lackluster demand. Prices east of the Rockies were put at \$148-153/100 ft for most business, but some sales were made as low as \$145/100 ft. In the West, prices were holding at \$155-165/100 ft in California, rising to \$170-172/100 ft in the Pacific Northwest. Converter were able to push