

October 04, 2023

SECTOR UPDATE | Sector: Chemicals

Chemicals Monitor

Chemical prices continue to inch higher

- Chemical prices have broadly increased during the month of September which was result from rise in crude prices.
- PVC prices have fallen by 3.6% q/q. Prices have corrected by 8% in Q1FY24 on the back of concerns regarding the demand from end user industries like construction and packaging which was further aggravated by weaker demand in China. However, demand has recovered in the month of August in China.
- PVC-EDC spread softened by 4% m/m, while rose sharply by 45% q/q. While PVC-VCM spread have corrected by 16% m/m. This is due to ongoing dumping led by China
- Fluorspar prices have increased by 6% m/m for August was down by 1.5% m/m
- Phenol prices have increased by 14% m/m, for August it had increased by 10%. Phenol prices had been on constant fall since 1QFY23 and have only started increasing in Q2FY24.
- Acetone prices were up 6% m/m & 8% up q/q, closely replicating phenol movement
- Bromine prices were flat m/m, while for August it had increased by 25% m/m. There has been increased supply and the demand remaining average from end user industries
- Benzene prices improved m/m by 7.6%, 3.5% q/q, prices improved in accordance with Crude prices, demand for benzene derivatives improved in the last month.

Chemicals (USD/MT)	Sep-23	Sep-22	Aug-23	YoY%	Mo%
PVC	873	900	880	-3.0%	-0.8%
VCM	735	745	716	-1.3%	2.7%
PVC-VCM Spread	136	153	162	-11.1%	-16.0%
EDC	270	325	263	-16.9%	2.7%
PVC-EDC Spread	429	365	447	17.5%	-4.0%
Methanol	295	305	262	-3.3%	12.6%
Fluorspar	457	439	430	4.1%	6.3%
Benzene	979	910	910	7.6%	7.6%
Toluene	1256	1056	1273	18.9%	-1.3%
Phenol	1271	1460	1118	-12.9%	13.7%
Acetone	1011	771	955	31.1%	5.9%
Polycarbonate	2338	2598	2262	-10.0%	3.4%
Caustic soda	2038	3284	2007	-37.9%	1.5%
Acetic acid	627	449	470	39.6%	33.4%
Acrylonitrile	1058	1669	1174	-36.6%	-9.9%
Bromine	3334	6034	3350	-44.7%	-0.5%
Lithium Hydroxide	23213	69488	31074	-66.6%	-25.3%
Lithium Carbonate	25485	71434	32545	-64.3%	-21.7%

Stock performance table

Company	1M	3M	1Y
NIFTY	1.50%	6.44%	16.82%
ROSSARI	-2.68%	-0.92%	-27.79%
SRF	-6.82%	-1.20%	-11.73%
ARTO	-6.79%	-3.73%	-0.82%
DN	-3.79%	-3.55%	-13.32%
NEOGEN	-8.37%	10.63%	18.35%
CHEMPLAS	2.96%	9.22%	19.02%

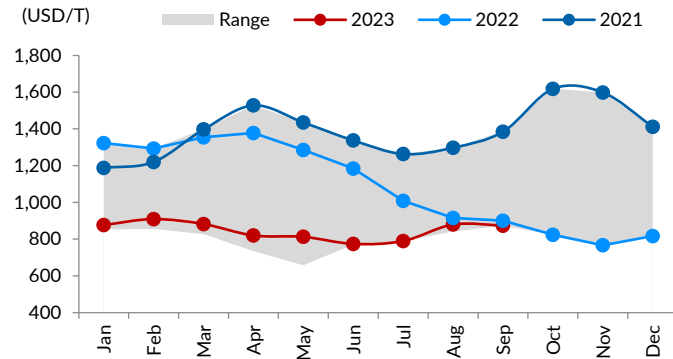
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Chemicals (USD/MT)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24
PVC	1282	941	803	889	803	774
VCM	1166	783	662	770	675	641
PVC-VCM Spread	113	156	139	117	125	143
EDC	660	404	260	292	319	331
PVC-EDC Spread	197	277	374	410	278	405
Methanol	360	290	300	320	283	273
Fluorspar	417	431	475	459	456	441
Benzene	1242	991	860	936	876	906
Toluene	1492	1271	1094	1059	1086	1232
Phenol	1597	1407	1293	1161	1067	1136
Acetone	888	749	847	824	860	929
Polycarbonate	3223	2517	2546	2458	2198	2245
Caustic soda	3629	3209	3470	3040	2457	2010
Acetic acid	690	487	449	439	419	504
Acrylonitrile	2126	1716	1543	1403	1456	1172
Bromine	8605	7558	6568	5157	3273	3118
Lithium Hydroxide	71849	70215	77044	64316	42355	31300
Lithium Carbonate	71809	70911	79053	60064	35141	33147

- PVC prices continued to soften for three quarters in a row. Government of India has been considering for imposing of Anti-Dumping Duty (ADD) on imports of PVC from China and Korea while imports from Singapore, Thailand, and Hong Kong do not attract duties. The PVC demand outlook remains robust with capacities being added in the country. While the demand for PVC remained strong domestically cheap imports and significant capacity additions have hampered businesses
- Caustic Soda has fallen by 18% Q/Q, it has been on downward trajectory since past few quarters. There has been oversupply situation in the market leading to pricing weakness. It is expected to bottom out

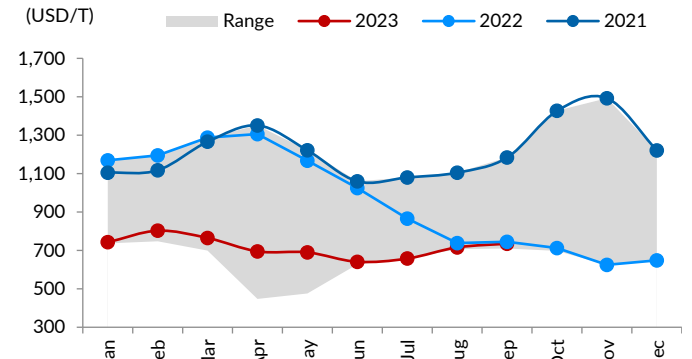
Company	Chemicals
ARTO	Benzene, Toluene, Acrylonitrile
CHEMPLAS	PVC, VCM, EDC, Caustic Soda
DN	Phenol, Acetone, Sodium Nitrite
NEOGEN	Bromine, Lithium Carbonate
SRF	Fluorspar

Exhibit 1: PVC prices were down by 0.8% MoM



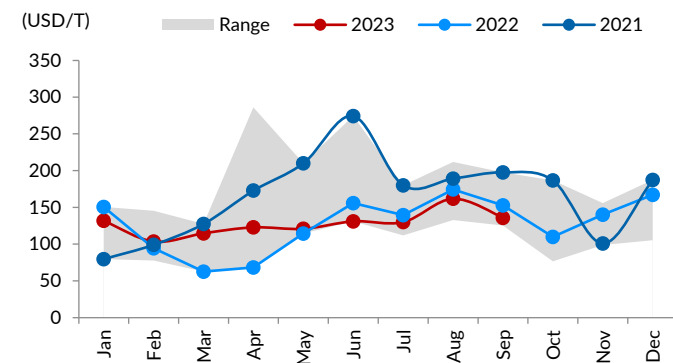
Source: Bloomberg, YES Sec

Exhibit 2: VCM price were up by 2.7% MoM



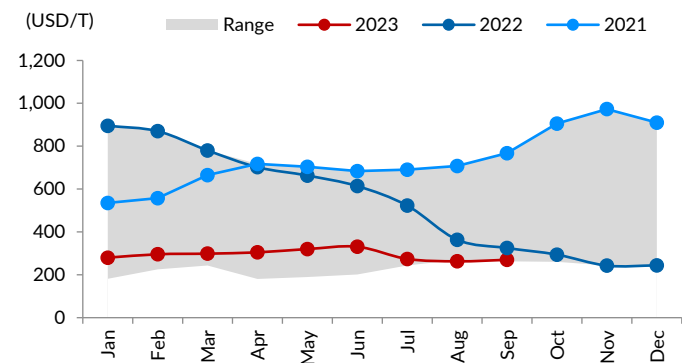
Source: Bloomberg, YES Sec

Exhibit 3: PVC-VCM spread were down by 16% MoM



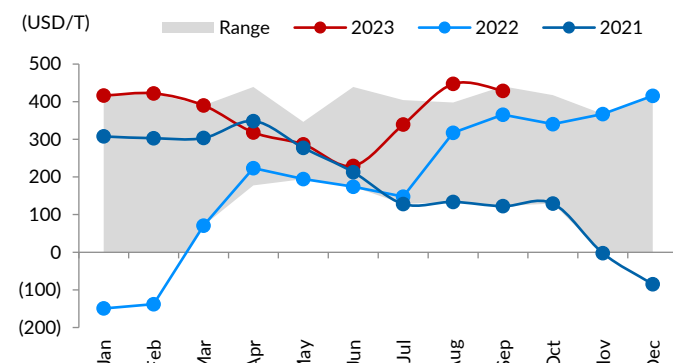
Source: Bloomberg, YES Sec

Exhibit 4: EDC prices were up by 3% MoM



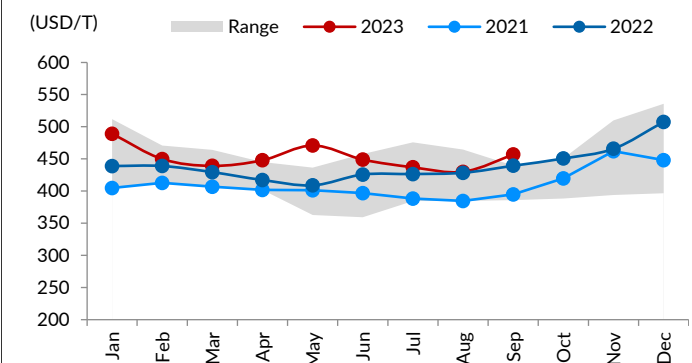
Source: Bloomberg, YES Sec

Exhibit 5: PVC-EDC spread was down by 4% MoM



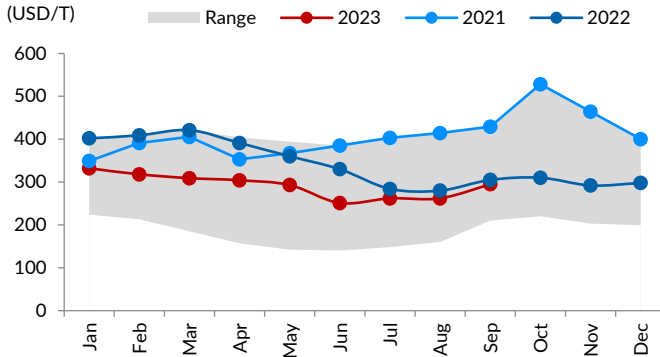
Source: Bloomberg, YES Sec

Exhibit 6: Fluorspar prices improved by 6.3% MoM



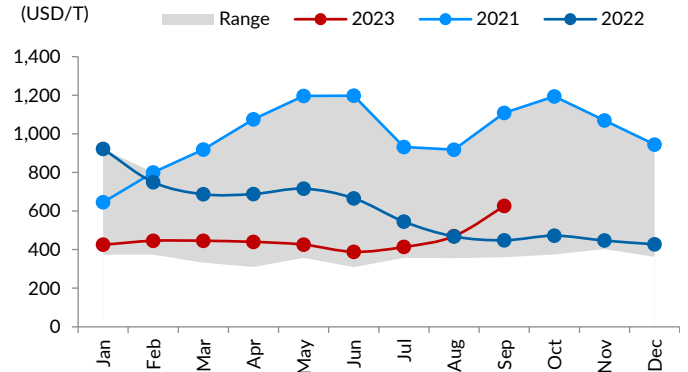
Source: Bloomberg, YES Sec

Exhibit 7: Methanol prices increased by 12.5% MoM



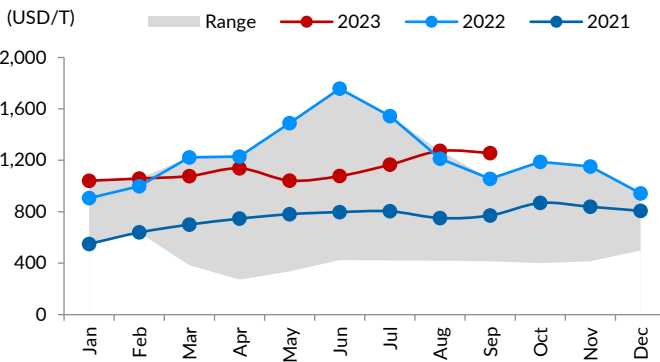
Source: Bloomberg, YES Sec

Exhibit 8: Acetic acid prices were up by 6.4% MoM



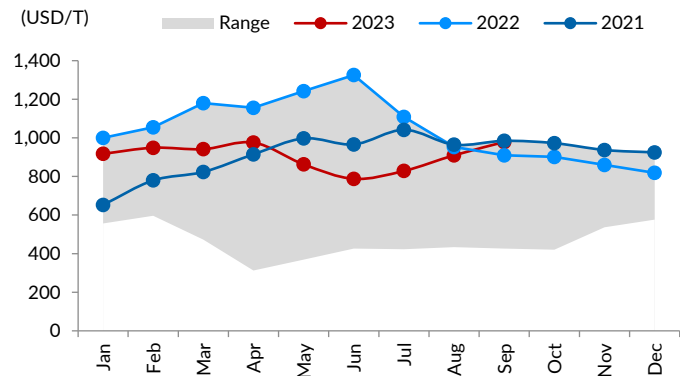
Source: Bloomberg, YES Sec

Exhibit 9: Toluene prices were down by 1.5% MoM



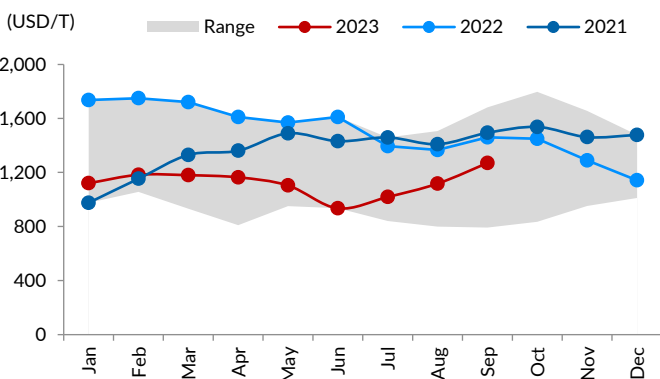
Source: Bloomberg, YES Sec

Exhibit 10: Benzene prices improved by 7.6% MoM



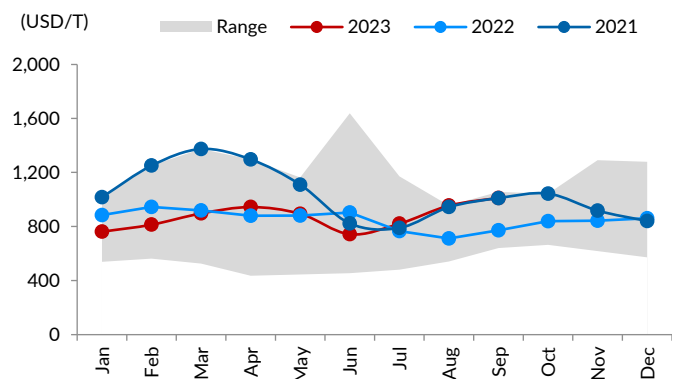
Source: Bloomberg, YES Sec

Exhibit 11: Phenol prices were up by 13.7% MoM



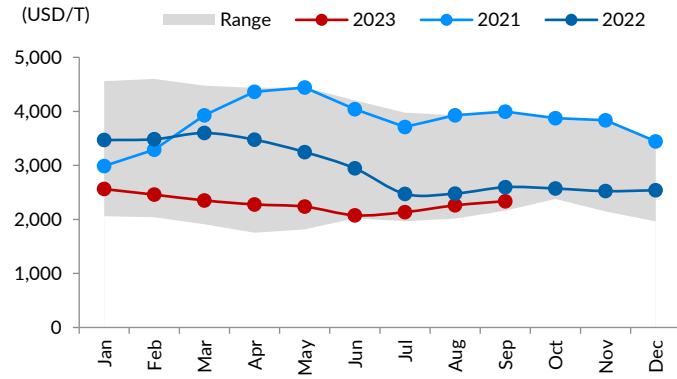
Source: Bloomberg, YES Sec

Exhibit 12: Acetone prices were up by 6% MoM



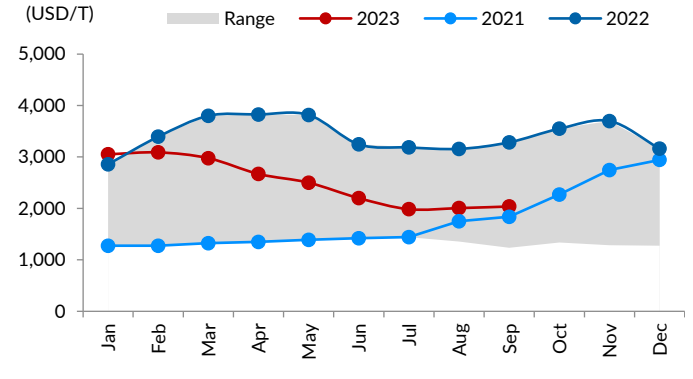
Source: Bloomberg, YES Sec

Exhibit 13: Polycarbonate prices were up by 3.4% MoM



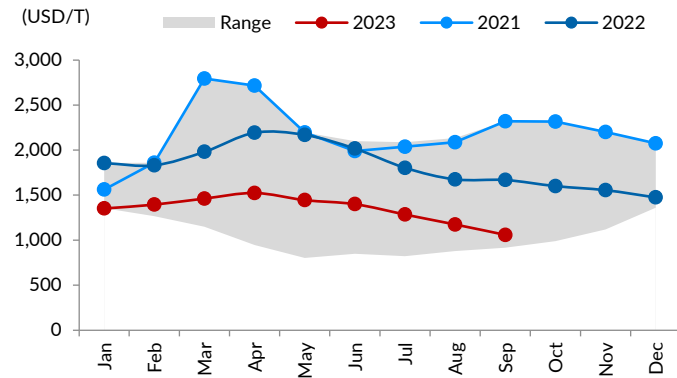
Source: Bloomberg, YES Sec

Exhibit 14: Caustic soda improved by 1.5% MoM



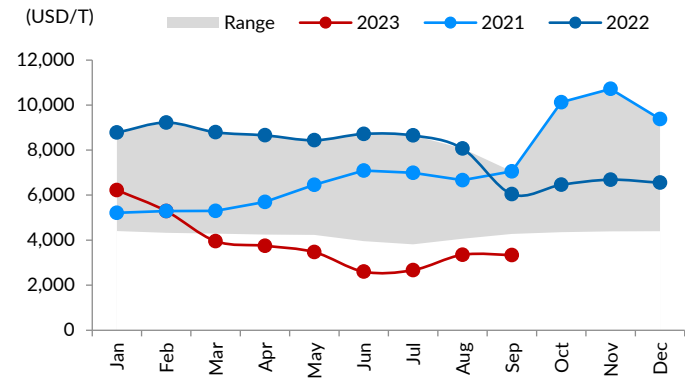
Source: Bloomberg, YES Sec

Exhibit 15: Acrylonitrile prices were down by 8.2% MoM



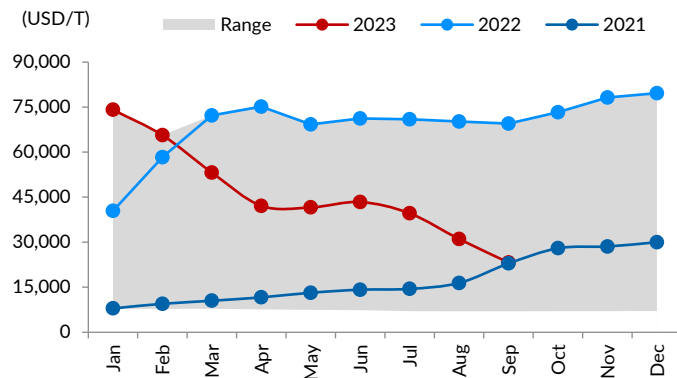
Source: Bloomberg, YES Sec

Exhibit 16: Bromine prices were flat MoM



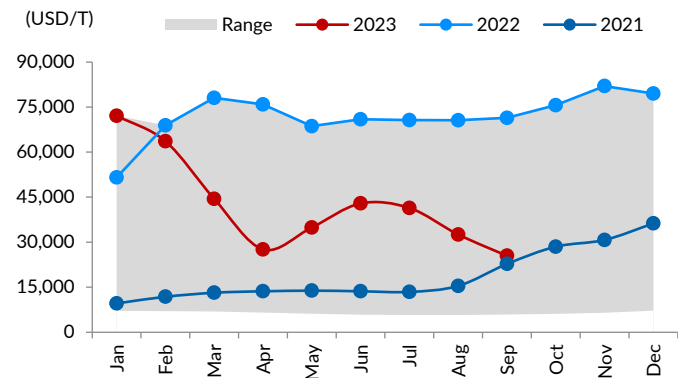
Source: Bloomberg, YES Sec

Exhibit 17: Lithium Hydroxide was down by 25% MoM



Source: Bloomberg, YES Sec

Exhibit 18: Lithium carbonate was down by 22% MoM



Source: Bloomberg, YES Sec

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