

April | 2017

Radchem Products, Inc.



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Market Report *Alan May*

Oil and Gas

April crude oil pricing has ranged between \$50.00 and 53.80 per barrel. It appears that the OPEC and non-OPEC countries are adhering to the agreement of a global market reduction of 750,000 barrels per day in the attempt to bolster pricing. Higher crude prices have resulted in the doubling of the operational well count in the United States from a year ago. U.S. oil production has filled a portion of the global reduction gap. At 532 million barrels, U.S. inventories are near the upper limit of the average for this time of year. Strong inventories have kept crude pricing in check. As expected, gasoline pricing has increased by approximately \$0.20 gallon with the summer formula change.

Aromatics

Aromatic solvent pricing has been relatively quiet due to stable supply, demand, and feed stock costs. The seasonal gasoline reformulation to the summer blend is beginning to put pressure on toluene and xylene inventories. Historically toluene and xylene prices increase during the summer months because both products are used to make reformate which is an octane enhancer. No announcements have been made at this time.

Base Oils

The paraffinic base oil market has seen strong demand over the past several months resulting in inventory contraction. Calumet, Motiva, Flint Hills, Chevron, Avista, and ExMob have all announced a \$0.10 - \$0.15 per gallon increase effective between April 27th and May 1st.

Propylene

Propylene decreased \$0.04 - \$0.06 lb. in April. April U.S. Gulf Contract for Chemical Grade propylene settled at \$.465 lb. Inventories have been at 5-year lows, but are starting to improve. Prices will continue to be volatile until supply is balanced. Expectations are late May or early June.

Acetone

MMA is selling at historical highs resulting in elevated production levels. The combination of tight propylene inventory and the MMA producers' abnormal consumption of acetone has inflated acetone pricing. Market is indicating some softness in May. . The expected price deterioration makes the import of acetone less attractive at this time.

Methanol

Methanol demand in China has been one of the main drivers of steady price increases throughout the past year. MTO (Methanol to Olefins) production in China has been declining in recent months and as a result, global market methanol pricing fell \$0.20 per gallon in April and is forecast to drop another \$0.10 - \$0.15 per gallon in May.

Isopropyl Alcohol

IPA supply continues to be snug. The driver, as with all propylene based products is the availability of propylene. Producers still have allocations in place, but, as propylene inventories build, availability will increase and pricing should soften. This is projected to happen late May or early June

Product Spotlight *Chris Widup*

Radchem is representing Sasol North America's V-154L specialty alkylate. "Sasol North America's specialty alkylates are synthetically derived oils which are produced as co-products during the manufacture of linear alkylbenzene (LAB). Some specialty alkylates are produced directly as the remaining product after removal via distillation of alkylation feed stocks (benzene and paraffin) and LAB. This directly-produced product, called alkylate bottoms, can further be distilled to produce products with different molecular weights, different viscosities, and so forth. V-154L specialty alkylate is the alkylate bottoms produced during manufacture of low molecular weight LABs (predominantly N-540L alkylate) at Sasol North America's Lake Charles plant (V-154L Technical Data Sheet)."

V-154L can be used in base chemistry for blends, industrial applications, oil field drilling, specialty lubricants, heat transfer fluids, and mining. The flash point is 390 degrees Fahrenheit, Non-Regulated with DOT, and is biodegradable at slow rates. The shipping point for V-154L is in Lake Charles, LA for bulk transports and railcars, however, Radchem can service drum and tote customers as well in and around the Chicago-land area based upon customer requirements.

Please contact your Radchem Sales Person for more technical information or samples.

	Jan. 2017	Feb. 2017	Mar. 2017	Apr. 2017
Crude Oil	\$51.25	\$53.40	\$48.26	\$49.35
Diesel	\$1.62	\$1.64	\$1.51	\$1.55
Gas	\$1.53	\$1.52	\$1.60	\$1.63



To place an order, please call our main office at (708) 966-4044; or email PO's to our NEW Customer Service email address: cs@radcheminc.com

