

Radchem Products, Inc.



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Market Report by *Bill Radostits*

Crude Oil prices have jumped back and forth from the high \$30's to the mid \$40's per barrel all month. There were some expectations that Crude Oil could take a jump if the OPEC countries would have agreed to lower production rates in a meeting this month, but they failed to come to an agreement. Oil inventories continue to grow in the United States because of slow demand resulting from refinery maintenance turnarounds and flat demand for gasoline and other fuels. Gasoline prices have increased \$.10 per gallon in the last month, and the spread between Regular and Premium is about \$.15 per gallon.

Toluene and Xylene prices have been relatively stable. Inventories are strong on both products and demand for high octane gasoline has not moved from last month. Exxon had announced a \$.05 per pound increase on Aromatic 100 and 150 for May 4th due to higher costs for feedstock. In the last week we have learned that the increase may actually turn out to be a \$.02 per pound increase, and at this point the rest of the domestic producers of Aromatic 100 and 150 have not announced any changes for May. Exxon also announced an increase of \$.03 per pound on Isopropyl Alcohol and Isopropyl Ethers effective April 26th.

Demand for aliphatic solvents has been weak and inventories remain high across the line with the exception of Heptane and Hexane. Exxon announced a \$.05 per pound increase on May 4th. Calumet has followed with an announcement to increase Heptane and Hexane \$.02 per pound effective May 9th. Phillips 66 is increasing their Heptane and Hexane \$.02 per pound on May 1st. Citgo said they plan to announce an increase for \$.02/ per pound for mid May. Calumet also announced they would be raising the price \$.04 per pound on VM&P <1%, Regular VM&P, and 210-245 Solvent (Calumet's cut of Lacquer Diluent or Lactol Spirits). Calumet reported that the recent increase in crude oil and hydrocarbon feedstock were the primary reasons for the change for these light end solvents. Calumet has also been hampered with some lengthy delays on railcar inventory of various aliphatic solvents and some oils coming from Cotton Valley, LA, and San Antonio, Texas because of all the flooding in the Gulf Coast region. They won't be getting any new inventory into Burnham, Illinois until mid May. Naphthenic and paraffinic base oils have also increased in April between \$.15 and \$.20 per gallon depending on the producer.

Methanol pricing continues to move higher. The cost of Methanol has moved up \$.11 per gallon in April and \$.25 per gallon from the market low point. The movement was mainly the result of strong export activity and various outages overseas. There is a strong possibility that distribution Methanol pricing could increase \$.10 per gallon, but the real numbers won't be decided until the barge contracts are settled.

All grades of Liquid Caustic Soda are increasing by \$45.00 per dry short ton effective May 1st. Caustic Soda producers have reported capacity reductions, increased export demand, and chlorovinyl outages, as the reasons for the move. North American demand remains strong and stable which has led to the rise in price.

Acetone moved up \$.05 per pound in April, and we received increases from all our suppliers. We have been getting feedback from bulk customers in April that report brokers and national distributors, who have barge storage tanks, have been holding back at certain accounts to capture more market share. Our suppliers have refused to offer supports to meet some of these lower numbers.

The Propylene Glycol market is also a guessing game, and the market shows a wide spread in pricing. The April 1st price increase has confused things because while three major producers announced a \$.05 per pound increase, our main source has advised us that with little resistance the increase has been rescinded.

Expanding our capabilities to meet your needs

by *Alan May*



Radchem Products represents Cross Oil Refining's line of naphthenic lubricating and process oils. Cross's B and L Series naphthenic process oils are produced exclusively by Cross at their Smackover, Arkansas refinery in a multi-stage severe hydro-treating process. This method offers the ability to produce naphthenic base oils that meet currently established standards. The process selectively saturates aromatic oil molecules and converts them into naphthenes which enhance oil quality. The consistent naphthenic feedstock and the quality control practices Cross has put into place, assures consistent uniformity and performance.

Cross Oil products have low pour points, good solvency power, low odor levels, excellent color and color stability characteristics. The Cross L Series base oils viscosity ranges from 5 to 440 cST @ 40°C. These oils are light in color and exhibit excellent solubility with additive systems. The L Series base oils viscosity ranges from 10 to 192 cST @ 40°C and are used in many lubricant applications which include the following:

- *Electrical Insulating Oil/Transformer Oil*
- *Metalworking Fluids*
- *Industrial Lubricants*
- *Grease Manufacturing*
- *Hydraulic Oils*
- *Gear Oils*
- *Production Blending*
- *Adhesives*
- *Plastics*
- *Rubber Compounding*

From base oil products that require the most critical specifications to general industrial applications, Radchem Products can meet your requirements. If you have any questions, including technical assistance, TDS, SDS, please contact your Radchem Regional Manager or our corporate office (708) 966 4044.

	Jan. 2016	Feb. 2016	Mar. 2016	April 2016	Close as of 4/28/16
Crude Oil	\$29.78	\$31.03	\$38.30	\$42.26	\$46.03
Diesel	\$0.98	\$1.03	\$1.18	\$1.28	\$1.31
Gas	\$1.05	\$0.95	\$1.25	\$1.46	\$1.59

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