

July | 2017

# Radchem Products, Inc.



10730 W. 143<sup>rd</sup> Street | Suite 30 | Orland Park, IL 60462 | Phone: (708) 966-4044 | Fax: (708) 966-4100 | [www.radcheminc.com](http://www.radcheminc.com)

## Market Report *Alan May*

During the first part of July, energy prices had been trading lower with Crude Oil in the \$45.00 per barrel range. Recently, Crude Oil has been trading at its highest levels in six weeks due to the outcome of a meeting in Russia on Monday, July 24<sup>th</sup> of oil producing countries. Saudi Arabia agreed to an additional production reduction and Nigeria agreed to production cuts. Crude Oil inventories are still above historic levels for this time of year, but, have shown reductions in 14 of the last 16 weeks. The drilling rig count has levelled off and oil company budgets for drilling have been reduced. This is all positive news for Crude Oil as it settled at \$48.75 per barrel, the highest since May 30<sup>th</sup>, and almost a \$6.00 per barrel jump over last month. The gasoline market is also showing a healthy rebound. NYMEX is trading at \$1.60 per gallon, an increase from \$1.40 per gallon in June. NYMEX Distillate is trading at \$1.60 per gallon which is also about \$0.20 per gallon higher than the previous month.

### Toluene and Xylene

Stronger Crude Oil, Gasoline, and Distillate prices has resulted in upward pressure on Toluene and Xylene prices. With higher Gasoline blend values, Reformate and Toluene are trading at near the same levels. This has resulted in some refiners keeping Toluene and Xylene for their own requirements or not producing Toluene and Xylene at all. At the time of this writing, there are more Xylene buyers than sellers. One producer has a planned turnaround in August and will not have supply until September. A number of Producers have announced a \$0.01 per pound increase for Toluene and Xylene effective August 1<sup>st</sup>.

### Methanol

The July spot barge methanol market traded a few cents higher than a month ago at \$0.86 -\$0.90 per gallon. Fundamentally, the market looks bearish. An additional 7,000 tons per day is scheduled to be available by year end due to production expansion in The U.S., Iran, and China. Most of this added volume will be exported to China. Methanol pricing is expected to rollover for August.

### MEK (Methyl Ethyl Ketone)

Exxon, Shell, and Sasol Base Chemicals raised prices on MEK \$0.05 per pound effective immediately. Apparently, Ineos and Shell are having production problems causing tightness in the market. Europe supplies 60% of U.S. requirements. Indications are another increase could be announced during August.

### Hydrocarbon Solvents

Aromatic and Aliphatic Hydrocarbon prices have been soft through July. With Crude Oil, Diesel Fuel, Jet Fuel, and Gasoline Values strengthening, the Hydrocarbon market is expected to firm up. Your Radchem Regional Sales Manager will continue to keep you informed of any potential market changes.

### Acetone

Acetone continues to trade in the mid \$0.40's per pound. Benzene and Cumene have both been stable through July with no indication of changes in August.

Radchem Products would like to welcome Cameron Glaze as the newest member of our Radchem Sales Team. Cam exhibits the same enthusiasm, work ethic, and dedication to customer satisfaction as the rest of our Radchem Family. Cam is from a small town near South Bend, Indiana. He graduated from Wabash College in Crawfordsville, Indiana and received a degree in Political Science with a minor in History. Cam is a brother of Phi Gamma Delta Fraternity and played four years on the Wabash baseball team where he served as captain for his junior and senior seasons. We are very excited to have him join our team.



	Apr. 2017	May 2017	June 2017	July 2017
Crude Oil	\$49.35	\$51.10	\$45.32	\$46.93
Diesel	\$1.55	\$1.60	\$1.48	\$1.54
Gas	\$1.63	\$1.66	\$1.49	\$1.60



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](mailto:cs@radcheminc.com)

