



Markets and Profitability: Profitability and Price Forecasts

For 40 years Nexant has provided accurate data, insightful analysis and dependable long term forecasts of the profitability, competitive position and supply/demand trends of the petrochemicals and polymers industry.

Profitability and Price Forecasts

Nexant's Profitability Forecast Analysis provide long-term profitability and price projections to 2035 for the major price setting regions under three distinct crude oil scenarios.

Crude oil price trajectories (Brent FOB) applied for the 2018 Nexant scenarios are:

- Low oil scenario: set at US\$40 per barrel (2018 constant dollars)
- Medium oil scenario: set at US\$65 per barrel (2018 constant dollars)
- High oil scenario: set at US\$90 per barrel (2018 constant dollars).

Each key price setting region is included in the analysis:

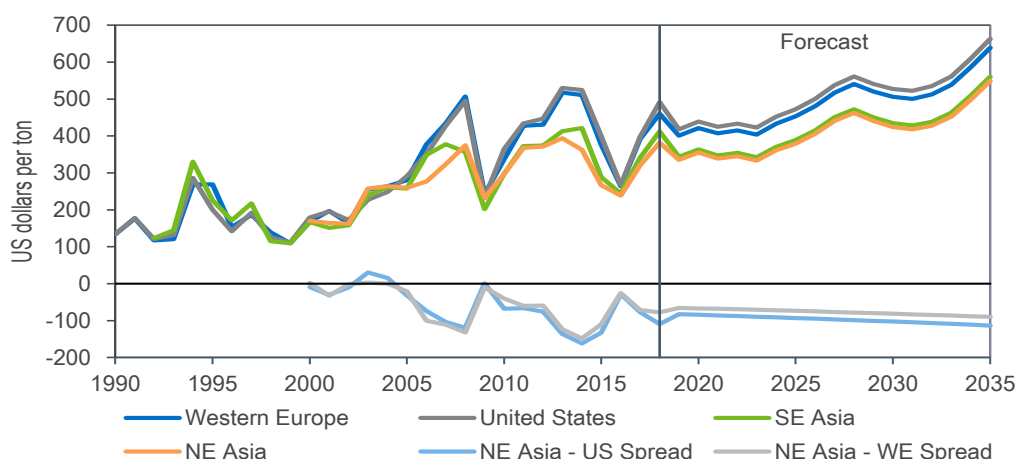
- Asia Pacific: South East Asia and North East Asia (China)
- Middle East (where appropriate)
- Western Europe
- United States.

Nexant's robust price forecasting methodology consolidates the many price influences in petrochemical markets. The methodology has been enhanced over 40 years of industry observations and associated price sets are used extensively to support investment decisions in capital intensive assets with a long production life cycle.

Nexant's Online Database provides a quick and easy way to access data from 2000 to 2035, with all results downloadable into Excel.

Example

Global Methanol Prices (Source: Profitability and Price Forecasts: Methanol and Derivatives - 2018)



Methanol prices are forecast by assessing projected production costs and margins against the requirement for competitiveness against the global price point. Opportunities for gasoline blending impose a floor to methanol prices, along with a growing reliance on coal based production economics in China. Methanol prices have closely tracked gasoline prices over the last decade. Gasoline blending will continue to have a significant influence on future methanol prices, except in a low oil price environment, where the absolute floor of production costs may lift prices above gasoline blend values. The majority of methanol is sourced from natural gas or coal. While gasoline values are closely bound to crude oil through refinery economics, natural gas and coal prices show more inertia in lower oil price environments.

For more information contact us at Markets@nexant.com or www.NexantSubscriptions.com



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Product Scope

Petrochemical Feedstocks and Refined Products

- Butanes
- Butylenes
- Crude Oil
- Diesel
- Ethane
- Fuel Oils
- Gas Oil
- Gasoline
- Kerosene
- LPG
- Naphtha
- Natural Gas
- Propane
- Raffinates
- Refinery Propylene
- Residual Fuel Oil

Petrochemicals and Polymers

Olefins

- Ethylene
- Propylene
- Butadiene
- Mixed C4s

Alpha Olefins

- 1-Butene
- 1-Hexene
- 1-Octene
- Higher Alpha Olefins

Aromatics

- Reformate
- Pygas
- Benzene
- Toluene
- Mixed Xylenes
- Cyclohexane
- Ethylbenzene

Polyolefins

- Low Density Polyethylene
- Linear Low Density Polyethylene
- High Density Polyethylene
- Polypropylene

Butadiene Derivatives

- Acrylonitrile Butadiene Styrene

- Styrene Butadiene Rubber
 - Butadiene Rubber
- ##### Propylene Derivatives
- Acrylic Acid
 - Acrylonitrile
 - Cumene
 - Phenol
 - Acetone
 - Bisphenol-A
 - Polycarbonate
 - Propylene Oxide
 - 2-Ethylhexanol
 - n-Butanol
 - i-Butanol
 - Ethylene Propylene Diene Monomer

Polyester Intermediates

- *para*-Xylene
- *ortho*-Xylene
- Ethylene Oxide
- Mono-Ethylene Glycol
- Purified Terephthalic Acid
- Polyethylene Terephthalate

Styrenics

- Styrene
- Polystyrene
- Expandable Polystyrene

Polyurethane Intermediates

- Methylene Diphenyl Diisocyanate
- Toluene Diphenyl Diisocyanate

Vinyls

- Ethylene Dichloride
- Vinyl Chloride Monomer
- Polyvinyl Chloride

C1 Chemicals and Fertilizers

Methanol and Derivatives

- Acetic Acid
- Formaldehyde
- Methanol
- Methyl Tertiary Butyl Ether

Fertilizers

- Ammonia
- Urea

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Nexant serves its clients from over 30 offices located throughout the Americas, Europe, the Middle East, Africa and Asia.

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