

## **More than 40% of US ethylene capacity taken offline because of Harvey**

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More than 40% of US ethylene capacity was taken offline because of Hurricane Harvey, based on S&P Global Platts estimations.

Olefins units at least eight petrochemical complexes and refineries were taken offline between Thursday and Sunday, based on company announcements, market feedback and filings with state regulators, with a combined ethylene capacity of almost 25 billion lb/year (11.4 million mt/year).

Total US ethylene capacity is 58.8 billion lb (26.7 million mt/lb), with several new crackers set to come online before then end of 2017.

### **Major US petrochemical complexes shut by Harvey**

The immediate impact on spot ethylene prices in the US Gulf was unclear Monday, but one trader source classified the impact as "carnage for petchems."

Sources notionally talked prices about 1 cent higher, with some offers seen in the market late Monday.

Ethylene was heard offered at 27.25 cents/lb MtB Nova for August, and at 28 cents/lb MtB Nova for September, with no corresponding bids.

August was last assessed Friday at 25.5-26 cents/lb (\$568/mt) FD USG, up 1.375 cents from the previous Friday.

Market participants also were attempting to gauge the impact of downstream polyethylene outages on the market. Two producers -- Formosa Plastics and Equistar Chemicals -- had issued force majeure on polyethylene produced at their Texas plants.