

US ETHYLENE SPIKES TO SIX-MONTH HIGH AMID USGC OUTAGE MURMURS

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US spot ethylene traded four times at 26 cents/lb, its highest since late August, following talk of an unplanned outage at a US Gulf Coast producer.

Sources said DuPont shut its Orange, Texas, steam cracker on Sunday, which in turn resulted in active trading in the beginning of the week.

A company source said Tuesday morning that "nothing is down at the site," but did not elaborate on operations at the plant the last two days.

Initial Tuesday expectations for the duration indicated at least a four-day outage, sources added; however, DuPont appeared to be successful in its Monday afternoon restart.

The ethylene production capacity at the site is 680,000 mt/year.

The spike in prices comes ahead of a busy turnaround season which is expected to start in the latter part of the month.

Six plants in the US Gulf are scheduled for planned turnarounds by the end of April, which has tightened spot availability and resulted in prices climbing from 15.75 cents/lb on January 20 (.375 cent above the record low of 15.375 cents/lb in December 2008) to their highest in over six months, according to Platt's data.

Additionally, spot ethylene saw its last day-on-day downward movement on February 2, when it slipped to 17.75 cents/lb from the 18 cents/lb seen February 1, Platts data showed.