PVC PRICE REPORT EUROPE

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CMAI

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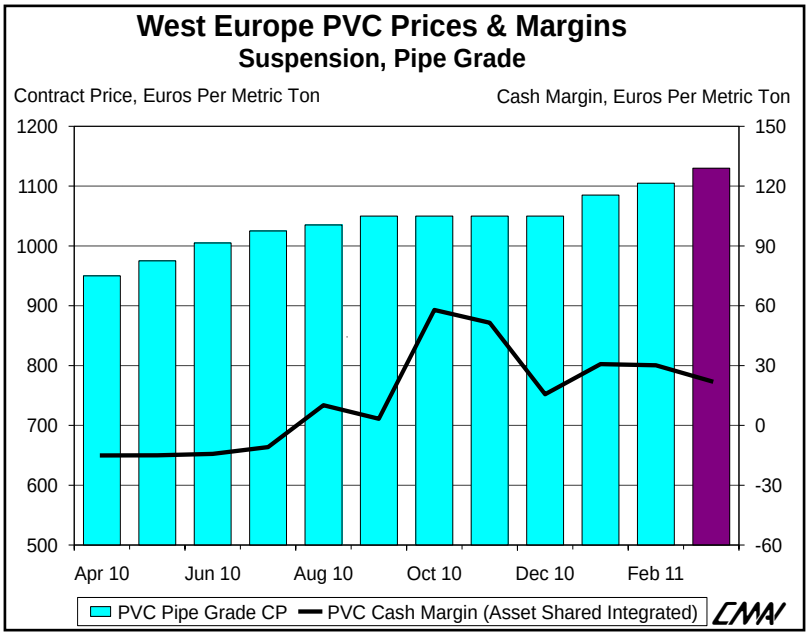
PVC Price Summary - West Europe

Product	Euro Zone				United Kingdom			
	Feb-11 €/MT- Final		Mar-11 €/MT - Trend		Feb-11 £/MT - Final		Mar-11 £/MT - Trend	
	Low	High	Low	High	Low	High	Low	High
Suspension Rigid Pipe Grade	1105	1130	1130	1155	1025	1050	1050	1075
Suspension Film Grade	1155	1180	1180	1205	1065	1090	1090	1115

Notes:
- All prices are end-month reference contract prices, free delivered customer plant, before discounts.
- Please contact your CMAI Consultants for price specifics.



The European PVC market got off to a much better start in 2011 than one year ago. According to industry reports, domestic sales in the first two months of 2011 were seven percent higher than in 2010. An increase in export business was also noted. Although European PVC producers increased their production rates significantly in January and February, producer-held inventories declined slightly in January and even more in February. Stocks remain relatively low at an estimated two weeks of sales. In a nutshell, the PVC market is currently in pretty good shape demand wise with a distinct lack of cheap imports and some producers not producing, such as Oltchim in Romania and Vinyls Italia. Most plants are running very well, however. Anwil in Poland, which never actually declared force majeure on PVC deliveries, is currently producing at 85 percent of capacity. Against this background, it is surprising that PVC producers in Europe are not having more success in passing along the cost increases originating from higher ethylene prices. Between August 2010 and end February 2011 the ethylene cost into PVC rose €100 per metric ton but the PVC reference price only recovered €70 per metric ton. For March 2011, PVC contract prices are forecast to gain €25 per metric ton. A couple of producers are still holding out for increases of €35 and €45 per metric ton, but they will not be successful without sacrificing volumes. The April outlook is for fairly stable prices.

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