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Polyethylene Price Forecast Methodology



Price Forecast Methodology: Polyethylene

The ICIS Polyethylene Europe, Polyethylene Asia-Pacific, Polyethylene US and Polyethylene Latin America price forecasts are of monthly prices. The forecasts are updated on a monthly review cycle but can be updated more frequently in case of major market developments. Price forecasts cover the current month and the following 17 months, ie 18 months in total, while certain products (CDI US) have quarterly forecast that look 18 to 24 months ahead.

The forecast pages provide:

1. Europe: Monthly forecast of the domestic HDPE injection moulding grade (FD EU), domestic LDPE film grade (FD EU) and domestic LLDPE Butene C4 grade (FD EU) prices, extending the corresponding historical gross prices reported in the ICIS PE Europe price report. Monthly forecasts of the domestic HDPE film grade (FD EU) and domestic HDPE blow moulding grade (FD EU) prices are derived from the domestic HDPE injection moulding grade (FD EU) forecast.
2. Asia-Pacific: Monthly forecast of the HDPE injection moulding grade, LDPE film grade and LLDPE film grade spot prices on a CFR China Main Port basis and a CFR southeast Asia basis (all origins), extending the historical gross prices reported in the ICIS Polyethylene Asia-Pacific price report.
3. US: Monthly forecast of the domestic HDPE (injection molding, blow moulding grade, high molecular weight film), LDPE (film liner grade) and LLDPE (butane, hexene-octene-metallocene or HOM) film grade, contract benchmarks, extending the historical gross prices reported in the CDI/ICIS PE US price report.
4. Latin America: Monthly forecast of the Brazil domestic HDPE blow moulding grade (FOT – Free on Truck), LDPE film liner grade (FOT) and LLDPE butene C4 grade (FOT), extending the corresponding historical gross prices reported in the ICIS PE Latin America price report.

Elements considered in the PE price forecast evaluation include:

1. Crude oil, naphtha, natural gas, NGLs (ethane, propane, butane) and ethylene price forecasts.
2. Supply-demand elements, including imports, exports, inventories, new projects and plant shutdowns – along the petrochemical chain.
3. Integrated cracker costs and margins and their impact on ethylene and PE resin prices.
4. Stand-alone versus integrated margins of PE units.



5. For Asia, methanol-based versus naphtha-based PE margins.
6. Impact of cracker utilisation rates on ethylene availability.
7. Arbitrage opportunities for PE between geographical regions based on freight rates, duties and other costs, and exchange rates.
8. Evaluation of downstream PE derivative demand, including seasonality.
9. Movement of spot and export prices.
10. Market survey data points.

Prices are published in the assessed currency. Where information is provided from a third party, this is clearly attributed. Historical and forecast prices can be downloaded using the ICIS Excel Plug-In.