

8 February 2024

Price Forecast Methodology: Polyvinyl Chloride (PVC)



The ICIS PVC Asia and Europe price forecasts are of monthly average prices, similarly the CDI/ICIS US price forecasts are of single median monthly average price forecasts on a freight allowed (Frt All'd) or delivered basis. 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, i.e. 18 months in total.

The services provide:

1. Forecast of the monthly average spot FOB Northeast Asia price assessment, extending the historical gross prices reported in the ICIS PVC Asia price report.
2. Forecast of the monthly average FD Northwest Europe PVC Pipe Contract price assessment, extending the historical gross prices reported in the ICIS PVC Europe price report.
3. Forecast of the median U.S. PVC High Price, Large Buyer Pipe and General Purpose Suspension Contract prices, extending the historical gross prices reported in the ICIS PVC U.S. price report.

Elements considered in the price forecasts include:

1. Supply-demand data for PVC including regional imports, exports, plant shutdowns and new capacities.
2. Downstream demand forecasts.
3. Ethylene, naphtha and chlor-alkali price forecasts in Europe and Asia.
4. Ethylene, ethane and chlor-alkali price forecasts in U.S.
5. Cracker, chlor-alkali and PVC chain margins and utilisation rates, including by feedstock.
6. Spot price movements across Europe and Asia, and spot export FOB Houston for U.S.

For Europe and Asia, ICIS also shows historical and forecast feedstock ethylene pricing, and the historical and forecasted spread between PVC pricing and ethylene per month.

Prices are forecast in the currency they are assessed in. For spreads analysis, where feedstock currency may differ from product currency, exchange rates from www.xe.com are used for historical data series. For forecast series, ICIS uses the exchange rate from the date of analysis.