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# Caprolactam Price Forecast Methodology



The ICIS MEG Asia and Europe price forecasts are of monthly average 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, i.e. 18 months in total.

The services provide:

1. Forecast of the monthly average CFR Asia NE Contract Price Assessment, extending the historical gross prices reported in the ICIS Caprolactam Asia Pacific price report.
2. Forecast of the monthly average FD NWE Contract Reference price, extending the historical gross prices reported in the ICIS Caprolactam Europe price report.

Elements considered in the caprolactam price forecasts include:

1. Supply-demand data for caprolactam including regional imports, exports, global plant shutdowns and new capacities.
2. Downstream derivative demand forecasts, specifically nylon 6,6 and polyurethanes.
3. Benzene, Brent crude and naphtha price forecasts in Europe and Asia.
4. Movement of spot prices and margins.

ICIS also shows historical and forecast feedstock benzene prices for each region, and the historical and forecast spread between caprolactam and benzene prices 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](http://www.xe.com) are used for historical data series. For forecast series, ICIS uses the exchange rate from the date of analysis.