



Fatty Alcohols Methodology

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There are two processes by which fatty alcohols are produced - one which is an oleochemical process based on natural oils, and the other is a synthetic process. The natural oils used are mainly palm oil and palm kernel oils, but coconut oil and other natural vegetable oils may be used. In the synthetic route, an ethylene feedstock is used by one producer and natural gas is used by the other.

In southeast Asia, natural or vegetable oils such as palm kernel oil (PKO) and coconut oil (CNO) are used as the main raw material for fatty alcohol production. In the oleochemical production process glycerine is a co-product. No glycerine is produced in the synthetic process.

Fatty alcohol is reacted with fatty acids to manufacture esters, which are used in cosmetics, soaps and detergents. Ethylene oxide can be reacted with fatty alcohols to manufacture surfactant cleaning agents. The major end markets for fatty alcohols are soaps and detergents, cosmetics, wood preservatives and personal care products. Fatty alcohols are not considered toxic.

ICIS pricing quotes fatty alcohols in Asia-Pacific, the US Gulf and Europe in a combined report.

Frequency:

Published weekly on Wednesdays

Fatty Alcohols (ASIA-PACIFIC)**Weekly Price Assessments:***C12-14 Alcohol Spot Prices*

- FOB S.E.ASIA (USD/MT & conversion to US CTS/LB)

C16-18 Alcohol Spot Prices

- FOB S.E.ASIA (USD/MT & conversion to US CTS/LB)

C8 Alcohol Spot Prices

- FOB S.E.ASIA (USD/MT & conversion to US CTS/LB)

C10 Alcohol Spot Prices

- FOB S.E.ASIA (USD/MT & conversion to US CTS/LB)

C16 Alcohol Spot Prices

- FOB S.E.ASIA (USD/MT & conversion to US CTS/LB)

C18 Alcohol Spot Prices

- FOB S.E.ASIA (USD/MT & conversion to US CTS/LB)

Fatty Alcohol (US GULF)

Quarterly Price Assessments:

US Contract ranges

- C12-15 ALCOHOL (US CTS/LB & conversion to USD/MT)
- C16-18 ALCOHOL (US CTS/LB & conversion to USD/MT)

Fatty Alcohols (EUROPE)

Quarterly Contract Price Assessments:

Europe Domestic Market Price

- C12-14 FD NWE (EUR/MT & conversion to USD/MT)

General Information:

Assessment window: Price assessments are based on information supplied by market participants through the week up to close of business on Wednesdays at 1800 hours in Singapore, Houston and London.

Specification: ICIS pricing assesses C12-14 alcohol (C12-70%) on an isotank and bulk basis and pure cut C16, C18 and C16-18 (C16-30%) in flakes/beads/pastilles in 20 kg or 25kg bags in Asia . Assessed pure cut C8 and C10 alcohols are liquid in 170kg drums.

US prices are assessed on C12-15 alcohol (C12-70%) and C16-18 alcohol on a bulk delivered basis. The C12-15 range is shown with the extra carbon in order to reflect that synthetic alcohol prices are included in assessing the spread.

Europe prices are assessed on C12-14 alcohol (C12-70%) on a bulk liquid basis.

Timing: Cargoes loading or delivered two-six weeks forward from the date of publication.

Terms: 30-60 days after bill of lading date.

Standard cargo size: In Asia , C12-14 alcohol parcels are sold in isotank or bulk basis up to 1,000 tonnes. C16-C18, C16 and C18 alcohol parcels are sold in 20 kg bags in full container loads (FCL) up to 120 tonnes. Spot C8 and C10 alcohol parcels are in 170kg drums in FCL, typically below 50 tonnes. In the US alcohols are sold in truck and rail loads in quantities of 45,000 pounds for tank truck and railcar loads of 150,000 lb.

Assessment basis: In Asia , the report offers both the liquid C8, C10 and C12-14 alcohol and solid C16, C18 and C16-18 alcohol product. The US section assesses quarterly contract ranges for liquid C12-15 alcohol and pastille C16-18 alcohol. The assessment is given on a bulk delivered basis.

Asian business comprises intra-regional deals and shipments from southeast Asia to the US and Europe. In the US , business for both C8-11 and C12-15 is primarily conducted on contracted terms between suppliers and direct customers or distributors. Asian business comprises intra-regional deals and shipments from southeast Asia to the US . In the US , business for C12-15 and C16-18 is primarily conducted on contracted terms between suppliers and direct customers or distributors.

In Europe, business for C12-14 is primarily conducted on contracted terms between suppliers and direct customers or distributors. A market summary also is included within the text section which looks at C8-10 and C16-18 alcohols.

The report offers global market commentary that includes details of traced transactions, news on the supply/demand balance, export/import information, contract price negotiations and general sentiment for price direction. Where applicable there is product information, comments on up and downstream market developments and general market intelligence.

25 March 2013