



## C-MACC/PXi - Monthly Polymer Price Expectations Service

**February 23<sup>rd</sup>, 2024, Houston TX:** C-MACC (Chemical Market Analysis & Consulting Company, LLC) and PXi (Plastics Experts International, LLC) are pleased to announce the creation of a partnership to launch a new service for the US chemicals and polymers industry, focused on price expectations. **The first report will be published on February 28th.**

**The report will initially focus on four major polymer chains (polyethylene, polypropylene, polystyrene, and PVC)** and the US market (its coverage will be expanded over time) and provide the C-MACC/PXi opinion of where the latest monthly contract reference prices should settle. It will not give a statement of actual settlement until late in the following month.

**Why now:** Three years ago, C-MACC was approached by a major company in the global chemicals and polymer industry and asked to consider starting a price discovery and reporting service for US monomers and polymers initially and eventually expand it globally. This request followed another merger among the existing service providers after an extended period of research and data provider ownership changes and consolidation. Due diligence with other companies, finding that 80% favored the idea, with the other 20% being agnostic.

**Our conversations have continued off and on for the last three years, evaluating what companies want and why they are dissatisfied with what they get.** This lengthy span of due diligence has also allowed us to adjust the product framework to be significantly more value-added than current alternatives. The C-MACC and PXi JV will combine multiple years of prior industry experience and insight to create a thorough and value-added product for market participants, from hydrocarbon feedstock sellers to polymer end-product producers.

**We are launching this service for five primary reasons:**

- Because there is a clear desire to see more competition, and we hear questions about credibility.
- Because of the growing apparent unhappiness with what is currently being offered.
- Because of [Graham Copley](#)'s direct experience in this field - Graham started a pricing and fundamentals service at CMAI in Europe in the 80s and then managed one of the US services for several years in the 90s.
- Because of [Robin Chesshier](#)'s multi-decade background in the sector, successfully gathering market intelligence and helping polymer clients.
- Because C-MACCs overall discovery methodology in its current client offering is known to be thorough and balanced.

**The current reference price reporting structure is open to manipulation and bullying, with some products being more impacted than others.** Sometimes, the price reporters set the prices versus reporting negotiated prices agreed between buyer and seller, which is, in our view, unhealthy for the industry. 35 years ago, the system was also open to manipulation and persuasion, but this was limited at the time as the agreements were buyer and seller negotiated, and appropriate due diligence on the part of those reporting prices was able to cut through the noise. We have concluded that simply joining the current price reporting process will not help anyone, especially where there are no negotiated prices between buyers and sellers – in some cases, just negotiated discounts.

**We will use our understanding of supply/demand fundamentals, international trade, production costs, and sentiment to estimate price direction for a month, ahead of its settlement schedule.** Whether companies use our guidance or settle prices on some other basis is their choice. We will not provide explicit monthly price guidance – just direction and range of potential movement (e.g.,  $\pm 3$  cents per pound increments,  $\pm \$65$  per metric ton). We will conduct sufficient prior month price discovery to provide a base for our next month's work, and we will also provide a variance analysis showing where prices settled relative to our view – we will give this monthly and on a cumulative basis for the current year – this may provide insight into the likelihood of future “non-market” adjustments.

**This is a joint venture and, consequently, a separate cost center.** Current clients of C-MACC and PXi will receive the work at a discounted price, but it will not be a free addition. Pricing will be attractive versus other services available today that report prices.

**Please contact us for more details.** We look forward to discussing this important new service with you.

[Cooley May](#) – C-MACC

[Graham Copley](#) – C-MACC

[Robin Chesshier](#) - PXi