

US VAM spot prices rise \$50/tonne on plant, feedstock issues

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Spot prices for US vinyl acetate monomer have risen \$50/tonne (€38/tonne) on domestic and European plant issues and because of a recent jump in feedstock costs, sources said on Tuesday. Spot VAM prices increased to \$900-1,000/tonne, up from \$850-950/tonne the previous week, according to buyers and sellers.

In the US, sources said DuPont's 335,000 tonnes/year Texas VAM plant in La Porte will go down later in January for 22 days of planned maintenance. A DuPont spokesman said the company did not comment on plant operations.

Much of the increase comes from a jump in feedstock US ethylene.

December contracts dropped slightly by 0.75 cent/lb, but the real attention grabber has been the 17% rise in spot ethylene since early December.

Spot ethylene has been trading in the 59-60 cents/lb range this week, compared with around 50 cents/lb in late November and early December, as assessed by ICIS.

Earlier, Dow Chemical sent a letter to customers saying it planned to raise VAM prices by 6 cents/lb (\$132/tonne, €100/tonne) immediately. The letter followed a force majeure on VAM made at an INEOS plant in England that was announced on 4 January.

Dow offered no explanation for its increase. But sources close to the company said the INEOS declaration and rising ethylene influenced the decision to raise prices.

Buyers and sellers have said that December was not a good month for VAM pricing when compared to November.

"We're not seeing the sales we had in January last year," a buyer said. "It's been strong so far, but not like it was last year."

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