

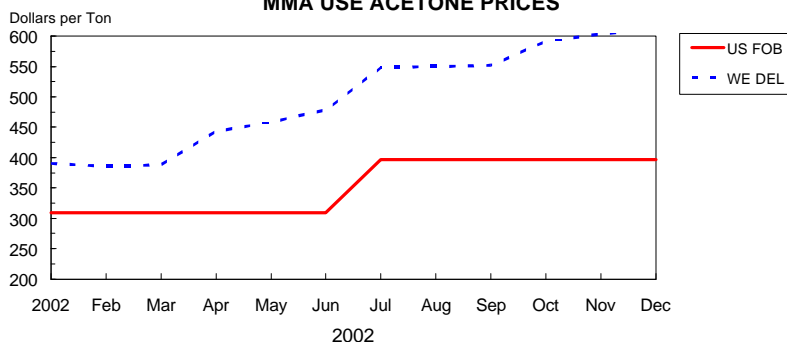
Demand for acetone in December remains firm for all sectors in the USA and the market is tight. Some suppliers are short of product and most are operating on 100% sales control. The import programme in support of the Ineos Phenol unit in Mobile is being run down in anticipation of a January start-up for the plant. One Q4 settlement has been confirmed between a major seller and a major MMA buyer, up 2 c/lb on Q3 and the deal also includes an agreement to roll the price over into Q1. Given the current strength of the market, however, other producers are not happy with the new price, which falls far short of the 6 c/lb increase announced at the beginning of the quarter, and they have continued to press for a price closer to the original number. Prices to the solvent sector have rolled over.

Demand for acetone in West Europe has been generally good. Most of the plants have been running well and overall production levels are around 95% utilisation. Stocks are low, with at least some producers running on empty, but customers have not been left short of product. The market was snug to balanced but pricing in the solvent sector has been softer in December. Following a Euro40/ton increase in October, contract prices at MMA accounts rolled over into November and have again rolled over into December.

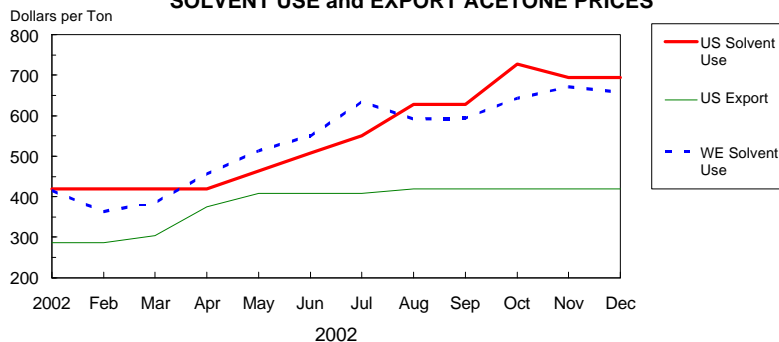
Demand for acetone from the main China market this month has been weak, possibly reflecting a sell-off of stocks by traders, which had been built up following the Ineos Phenol incident at Mobile. The start-up of the Exxon cracker in Singapore has allowed the Mitsui phenol/acetone plant to produce at higher levels but the market is reasonably balanced and sentiment has caused prices to soften..

	Nov-02	Dec-02			Dec-02
US PRICES	<i>¢/pound</i>	<i>¢/pound</i>			<i>\$/ton</i>
MMA Use	N.A.	N.A.	FOB		N.A.
Chemical, Solvent Use	28-35	28-35	DEL		617-772
Export	N.A.	N.A.	FOB		N.A.
EUROPEAN PRICES	<i>€/ton</i>	<i>€/ton</i>			<i>\$/ton</i>
MMA Use	585-620	585-620	DEL		590-626
Chemical, Solvent Use	640-700	630-670	FOB		636-676
Export T1	N.A.	N.A.	FOB		N.A.

UNITED STATES and WEST EUROPEAN MMA USE ACETONE PRICES



UNITED STATES and WEST EUROPEAN SOLVENT USE and EXPORT ACETONE PRICES



UNITED STATES and WEST EUROPEAN SOLVENT USE ACETONE MARGINS over 0.84 x PROPYLENE

