

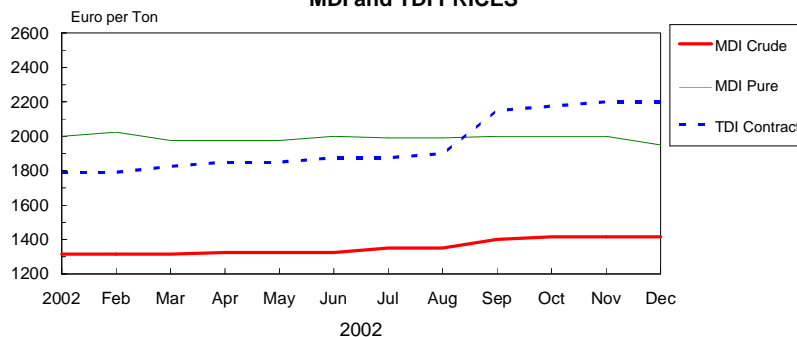
Polymeric MDI prices remain unchanged since our last review, but several market participants thought an upturn could take place pretty rapidly as inventories at customer level were perceived to be rather low. Normal prices for crude MDI were still in the Euro1350-1400/ton range. Foamers admitted that rises were justified but expressed concern about under-performing economies in several Continental countries particularly in Germany.

Pure MDI markets were rather soft, with typical numbers at Euro1900-1950/ton. The weak performance attributed mainly to a poor footwear sector. North American polymeric MDI producers announced a 6c/lb hike from 1 January, and forecast consumption to grow this year by 5%-6%. Domestic clients paid recently 55-75 c/lb for bulk delivery.

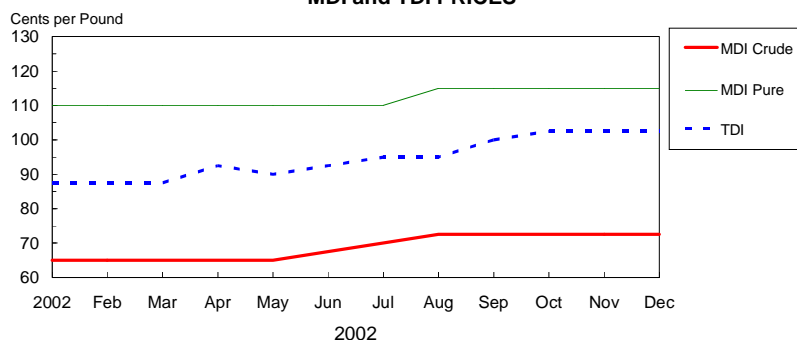
TDI supply remained on the tight side in Europe, the main reason for this was shrinking supply because of Pont-de-Claix and Porto Marghera. Until two weeks ago, Pont-de-Claix was running at 60% of nameplate capacity, whilst the Italian factory had to stop producing following an explosion and fire a month ago. However, the Lyondell plant is coming back to normal operation conditions. Most transactions in Europe, but now also in the Middle East and in Africa, were taking place at Euro2100-2150/ton bulk del. Cheap imports from South Korea were said to be becoming marginal in volume, as local producers would be now obtaining improving price levels. Indeed, Asian prices have been gradually edging up, possibly by \$50-100/ton each month since November of last year. In the US, TDI prices have risen by as much as 20-c/lb during the second half of 2002, due to a combination of domestic outages and higher-than-expected demand.

		Nov-02	Dec-02			Dec-02
US PRICES		€/pound	€/pound			\$/ton
MDI	Pure	100-130	100-130			2205-2866
	Crude	65-80	65-80			1433-1764
TDI		95-105	100-105			2205-2315
EUROPEAN PRICES		€/ton	€/ton			\$/ton
MDI	Pure	1950-2050	1900-2000	DEL		1917-2018
	Crude	1380-1450	1380-1450	DEL		1393-1463
TDI		2100-2300	2100-2300	FOB		2119-2321

**WEST EUROPEAN
MDI and TDI PRICES**



**UNITED STATES
MDI and TDI PRICES**



**UNITED STATES and WEST EUROPEAN
CRUDE MDI PRICES**

