

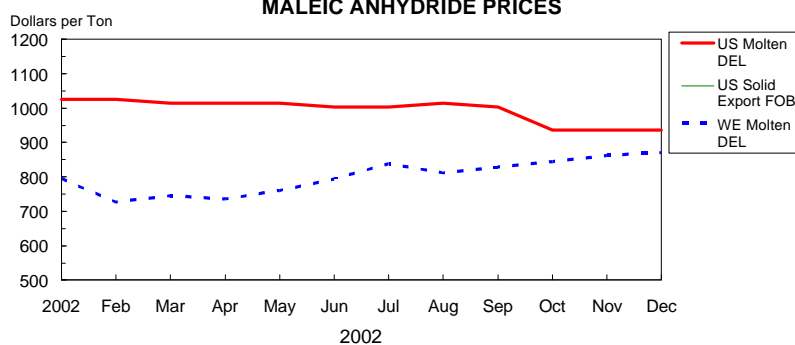
The US maleic market starts 2003 maybe more confidence than last year but with still with some apprehension. The signs for the early part of 2003 are mixed for North American maleic consumption, but the most comprehensive view is that the market will be stable in the first few months. Regarding prices in the US there was some marginal erosion in the latter part of 2002 due to the traditional period contract setting in advance for the next year. Thus, prices are much the same now as twelve months ago at the lower end of the 40c/lb range for molten. Briquette numbers are slightly higher from US sources although lower from imported sources. Imports are at constant levels with the only imported molten source coming from South Korea.

Maleic supply in West Europe remains balanced as the New Year starts, but due to the higher costs incurred during the second half of 2002 producers are looking to obtain higher numbers. Quarterly contract numbers were set in Q4 at around €860/ton, which is €40 less than the producers had hoped for, but there are signs that producers want to press ahead with efforts to try and establish €900 as the price level for Q1. Possibly, €880/ton would be the lower figure for the largest buyers. Consumers, by contrast, start the year looking for rollover for or at worst a slight firming for contract numbers.

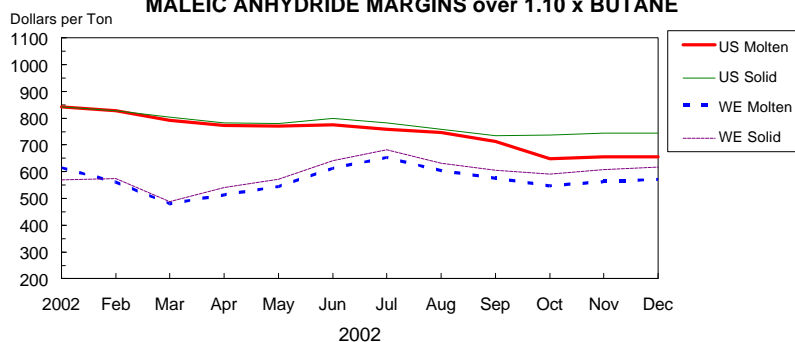
Market prices for maleic anhydride in East Asia have moved little in Asia over the past month with numbers slightly above or below levels of \$700/ton. Margins are very tight considering the high feedstock costs for butane which have been above \$300/ton. With the market now going through a quiet time until after the Chinese New Year it may prove difficult for producers to increase prices.

		Nov-02	Dec-02			Dec-02
<b>US PRICES</b>		<i>¢/pound</i>	<i>¢/pound</i>			<i>\$/ton</i>
Molten	Contract	41-44	41-44	DEL		904-970
	Spot	39-42	39-42	DEL		860-926
Solid	Contract	43-50	43-50	DEL		948-1103
	Spot	40-43	40-43	FOB		882-948
<b>EUROPEAN PRICES</b>		<i>€/ton</i>	<i>€/ton</i>			<i>\$/ton</i>
Molten	Contract	850-870	860-880	DEL		868-888
Solid	Contract	890-920	890-920	DEL		898-928
	Spot	840-870	840-870	DEL		848-878

**UNITED STATES and WEST EUROPEAN MALEIC ANHYDRIDE PRICES**



**UNITED STATES and WEST EUROPEAN MALEIC ANHYDRIDE MARGINS over 1.10 x BUTANE**



**WEST EUROPEAN MALEIC ANHYDRIDE MARGINS over 1.18 x BENZENE CONTRACT**

