

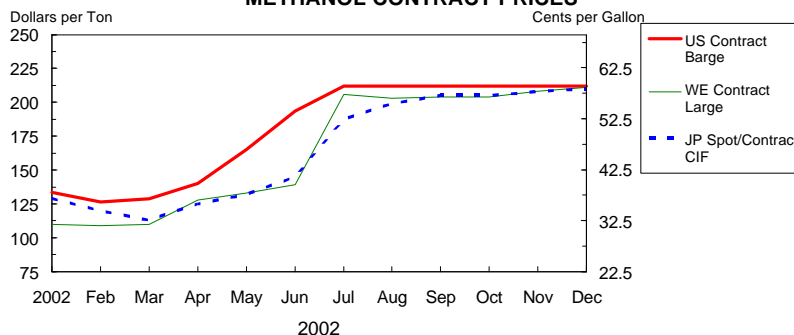
Natural gas prices soared in the United States during December. January futures on the NYMEX closed at \$5.27884/MMBtu on 19 December. There was spot demand from traders at the beginning of the month and the Venezuelan situation affected a market that was already tight. Spot deals moved up from 64-65.5c/gal. The last confirmed deal that we know of was at 69 c/gal, sold by a trader to an MTBE producer for December. Lyondell has already nominated a contract price increase for January. Their new contract transaction price will be 68 c/gal – up by four cents from December – with the addition of an extra cent per gallon for every 10c/MMBtu by which the gas contract price exceeds \$4.50/MMBtu. If the gas contract index is \$5.00/MMBtu the price would be 68 plus 5 c/gal or 73c/lb.

Tightness in methanol supply has increased in West Europe. Methanor only succeeded in re-starting the train of its Delfzijl plant that has been down for planned maintenance on 16 December – roughly one month late. Shell (DEA), Veba and Leuna are all operating at reduced rates. At least two spot deals have been concluded at prices in excess of Euro210/ton fob. One was at Euro212/ton; the other at an unspecified price 'higher than. Sellers are now determined to obtain a contract price increase for Q1. A major producer/marketer has made an initial offer of Euro225/ton fob.

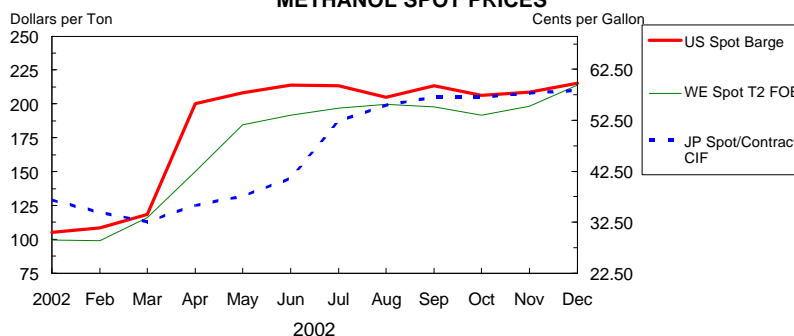
The Petronas Labuan plant went down on 5 December with problems in the air separation unit. Total downtime is estimated to be around two weeks. Spot prices in Southeast Asia are in the range of \$200-210/ton cfr, nearer to the high end for prompt supply. Numbers in Indonesia are close to \$220/ton cfr and Prices in India are also above those of Southeast Asia. Spot prices in China are now in the range of \$210-215/ton cfr.

	Nov-02	Dec-02			Dec-02
<b>US PRICES</b>					
	¢/gallon	¢/gallon			\$/ton
Domestic	Barge Contract list	62.0-65.0	62.0-65.0	FOB	207-217
	Contract transaction	60.0-62.0	60.0-62.0	FOB	200-207
	Tank Car / Truck	71.0-73.0	71.0-73.0	FOT	237-243
	Barge Spot	62.30-63.0	65-69	FOB	217-230
Export		N.A.	N.A.	FOB	N.A.
<b>EUROPEAN PRICES</b>					
	€/ton	€/ton			\$/ton
Contract		208	208	FOB	210
Spot T2		196-201	210-212	FOB	212-214
	\$/ton	\$/ton			€/ton
Spot T1		N.A.	N.A.	CIF	N.A.
<b>ASIAN PRICES</b>					
	\$/ton				
Spot / Contract Japan		208	210	CFR	
Negotiated Spot S Korea		195-198	205	CFR	

**US, WEST EUROPEAN and FAR EASTERN METHANOL CONTRACT PRICES**



**US, WEST EUROPEAN and FAR EASTERN METHANOL SPOT PRICES**



**UNITED STATES PRICE RATIOS METHANOL : MTBE**

