

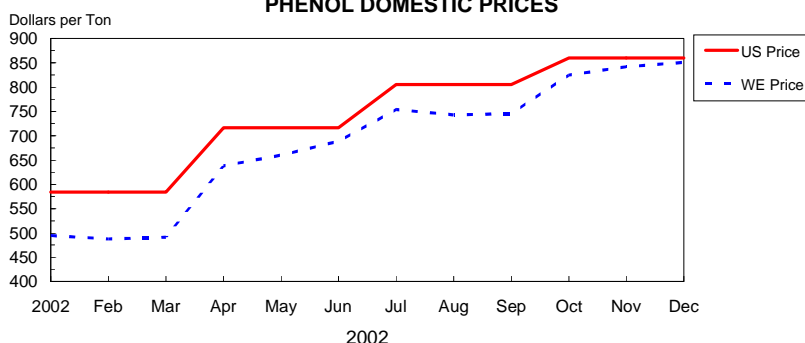
The November cumene price in the USA settled at 22.25 c/lb (\$496/ton) fob, a 1 c/lb increase on the October number. Benzene contracts for December have settled up 21 c/gal to 138 c/gal (\$413/ton) fob but spot benzene had fallen back by the middle of the month to 130 c/gal. December cumene contracts have not settled but prices are expected to improve by 1.5-2.0 c/lb. Underlying demand for phenol remains firm in the USA. The re-build of the Ineos Phenol plant is on schedule for mechanical completion and the import programme is now being run-down in anticipation of a January start-up. Many individual phenol contracts appear to have been agreed over the range 0-5 c/lb but no single market settlement has been achieved for Q4 and no nominations have been made for price increases in Q1. Export prices were being reported at 27-28 /lb (\$595-617/ton) fob Gulf.

Demand in West Europe from the BPA and fibres sectors has remained stable but demand from the phenolic resins sector is expected to make its traditional seasonal downturn later in the month as many of the companies involved in this industry close over the Christmas period. Most of the plants have been running satisfactorily and the market in December is balanced and relatively quiet with prices rolling over from November.

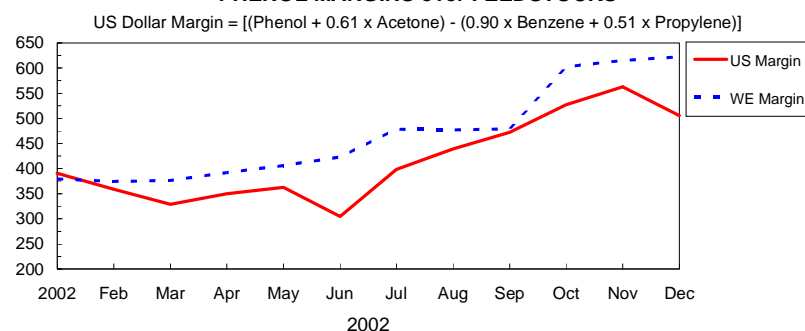
General demand for phenol in Asia is still very good but there has been a reluctance by buyers in China to close deals for January delivery and this has created a very quiet market atmosphere in December. The local situation is reasonably balanced and in Singapore the Mitsui plant is achieving better operating rates, following the lifting of Exxon's force majeure on propylene. No deals have been reported but the bid-offer range appears to be \$670-700/ton cfr China.

		Nov-02	Dec-02			Dec-02
US PRICES		¢/pound	¢/pound			\$/ton
Phenol	Contract	42.5-49.5	42.5-49.5	FrEq		937-1091
	Bulk Contract	35.5-42.5	35.5-42.5	Fr.Eq.		783-937
	Spot Export	26.0-28.0	27.0-28.0	FOB		595-617
Cumene	Contract	22.25	N.A.	FOB		N.A.
EUROPEAN PRICES		€/ton	€/ton			\$/ton
Phenol	Contract	1005-1025	1005-1025	DEL		1014-1034
	Bulk Contract	830-850	830-850	DEL		838-858
	Spot	730-735	720-750	FOB		727-757

**UNITED STATES and WEST EUROPEAN
PHENOL DOMESTIC PRICES**



**UNITED STATES and WEST EUROPEAN
PHENOL MARGINS over FEEDSTOCKS**



**UNITED STATES PHENOL PRICE MARGINS
over 1.35 x CUMENE**

