

A settlement has been reached on the December US contract paraxylene price at 22.25 c/lb, an increase of 0.25 c/lb from the November price of 22.0 c/lb. This price agreement followed producer price nominations in mid-November with a minimum of 23.0 c/lb tendered. The nomination process for the January 2003 price is now underway. To date one producer has nominated at 25.0 c/lb. The paraxylene supply/demand dynamic is lending strong support to producers price aspirations. Good demand and world-wide supply tightness have combined to support a rapid escalation in spot paraxylene pricing. Spot prices, which fell back to around \$410-415/ton in mid-November have again escalated from \$445/ton at the end of the first week of December to \$495/ton by mid month.

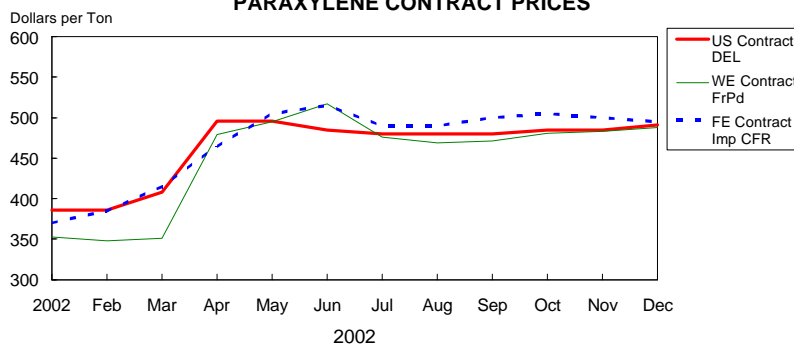
The European paraxylene contract price situation has become somewhat clearer over the past month. Voridian and Interquisa, have elected to convert to a monthly price protocol effective with Q4 business, which involves Euro490/ton in October, Euro475/ton in November and Euro473/ton in December. For those customers sticking to the quarterly price, the Q4 price will be the previously agreed Euro490/ton. Spot pricing has again escalated with news that BP continues to experience poor operating results at Geel. BP has been forced to purchase spot material to make up the shortfall with prices escalating through \$500/ton in the first week of December with \$545/ton reported mid month.

As reported last month, the December Asian contract paraxylene price was set at \$445/ton. (All contract prices are on a cfr Taiwan basis.) This results in a simple average contract price for Q4 of \$450/ton as October settled at \$455/ton and November at \$450/ton. Japanese producers have now nominated prices at \$465-470/ton for January 2003.

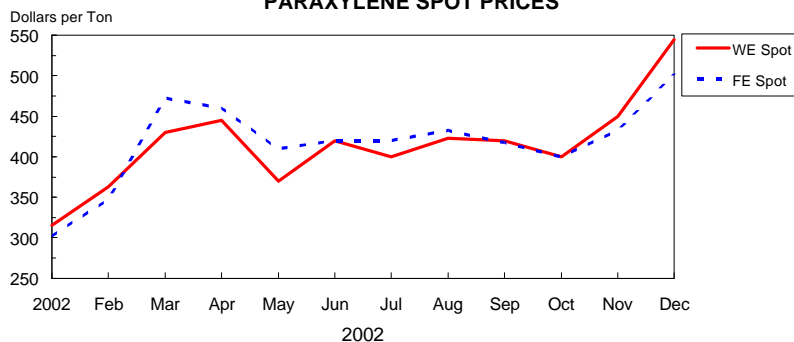
	Nov-02	Dec-02			Dec-02
<b>US PRICES</b>	¢/pound	¢/pound			\$/ton
Contract	22.0	22.25	DEL		491
<b>EUROPEAN PRICES</b>	€/ton	€/ton			\$/ton
Contract	475-490	473-490	FrPd		477-494
Spot Rotterdam	445	540	FOB		545
<b>ASIAN PRICES</b>	\$/ton	\$/ton			
Import Contract 'List'	500	495	CFR		
Import Contract 'Net'	450	445	CFR		
Import Spot	430-435	490-515	FOB		

\* Provisional

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



**WEST EUROPEAN and FAR EASTERN PARAXYLENE SPOT PRICES**



**US PRICE MARK-UP of PARAXYLENE CONTRACT over MIXED XYLENES and UNLEADED GASOLINE**

