

# **Index Methodology**

## **Introduction**

ChemOrbis brings clarity and reality to polymer pricing. Our goal is to continuously provide the most up-to-date and accurate reports of prices available in the market so that our members can make appropriate and profitable trading decisions.

Prices are always from first hand sources directly involved in the reported transaction, meaning heard information is never included in the Price Index range. Prices are taken each week from a wide range of sources on both the buy and sell side of polymer transactions.

ChemOrbis does not believe in editing, amending or in any way making up price ranges based on its own judgment. However, all reported prices are put through rigorous analytical tests, including netback and cost analysis, before the decision is made to include them in the Price Index.

The ChemOrbis system is also unique in that the collection and reporting of market information is done by an extensive local team located within each country covered, while the creation of Market Intelligence is done by an independent team which performs quality assurance. This process helps minimize bias and leads to true objectivity. At the same time, the wide range of market sources and the sheer number of price reports tracked on a weekly basis allows ChemOrbis to publish a unique “Weighted Average Index” which shows where the majority of prices are congregating within the range.

Kimberley Yasa  
Director of Market Intelligence

## **Southeast Asia Price Index Methodology**

The Southeast Asia Price Index and the Local Malaysia Price Index refers only to spot transactions, meaning transactions in which the parties are not obligated to buy or sell from each other.

The Price Index represents the range of actual, real prices available in the market from all sources within a particular week.

Prices represent first person reports from reliable sources; meaning they are given or received directly by the source providing the information. Heard or rumored prices are not included in the ranges.

Price ranges include offers given, offers received and done deals. Only in the event that there are no offers given or received and no done deals completed in a particular week, then the range will be composed of the prevailing buy and sell ideas.

All prices are ensured for accuracy through cross checking on the buy-sell side and using technical assessment tools.

The price range contains all reported origins for the week. The week over week origins may change depending on the market conditions.

The Average Price Index refers to the weighted average to account for the predominance of offers culminating around a certain level and in order to temper unusual prices within the range.

The week number refers to the actual date of the transaction, not the date the price is reported to ChemOrbis.

The Price Index is published every Friday and refers to the current week's price range. However, the data is permanently locked only through the prior week, while the current week is subject to change until the next publishing date, at which time it will become locked.

The Price Index is never changed following publication without clear, written notice to all of our subscribers. By policy, historical data is locked and editing is restricted once the Index figure has been published.

The plastic raw materials and grades which are presented in the Price Index reflect the commodity products.

ChemOrbis reserves the right to reject prices which are deemed unusual, available only with specific conditions which are not repeatable for all players or are considered too far outside the range of prices.

The minimum cargo size is 20 metric tons.

The Price Index and its associated database will be maintained and archived on the website to allow users to reference historical Index figures.

## **Southeast Asia Import Price Index Specifications:**

In Southeast Asia, the following products and grades are used for the Price Index:

- Homo-Polypropylene
  - o Raffia + Injection
- Poly Vinyl Chloride
  - o K67-68
- Low Density Polyethylene
  - o Film
- Linear Low Density Polyethylene
  - o Film
- High Density Polyethylene
  - o Film
- General Purpose Polystyrene
  - o Injection

## Local Malaysia Price Index Specifications:

In Malaysia, the following products and grades are used for the Price Index:

- Homo-Polypropylene
  - o Raffia + Injection
- Poly Vinyl Chloride
  - o K67-68
- Low Density Polyethylene
  - o Film
- Linear Low Density Polyethylene
  - o Film
- High Density Polyethylene
  - o Film

## Definitions of Categories

### Import

All reported prices are adjusted to CIF SEA, cash. Prices do not include customs duties or clearing and handling costs. For prices to Malaysia, prices are adjusted to the west of the country and for DDU Malaysia prices from Singapore there are no adjustments made for the ship term. For Indonesia, prices are adjusted to CIF Java region and include prices to the free trade zone of Batam Island. For Vietnam, prices are adjusted to CIF Ho Chi Minh City. FCA bonded warehouse prices are adjusted to CFR basis and included in the import section.

### Local Malaysia

All reported local prices are based on FD West Malaysia, cash. Prices exclude VAT. The range may also include local producers material which is offered directly from the producer in addition to offers from distributors.

#### **Disclaimer**

**Price Analysis Disclaimer:** Reports are as reported by member companies, reports are not generated from the system. We believe the reports to be true but do not guarantee their accuracy nor does ChemOrbis accept responsibility for decisions made based on these reports. Please contact us for further questions.