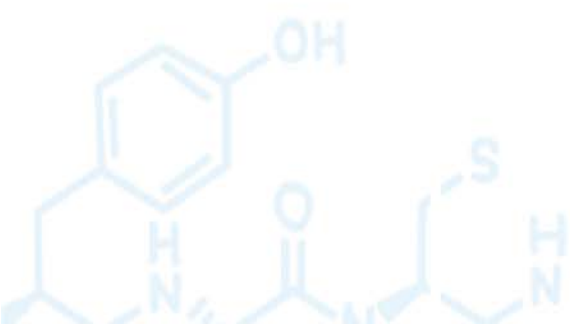




2022 Asia-Pacific Polyether Polyols Bi-weekly Report



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1. Manufacturing Purchasing Managers' Index (PMI)

Vietnam

Vietnam's PMI fell to 54% in June from 54.7% in May, but it was still above the long-term average. Thanks to the recent increase in overseas investment and the monetary easing policy of about USD 15bn for fiscal stimulus, exports and manufacturing in the Vietnamese market rebounded well in 2022Q2, helping the country resist the risks brought by the epidemic and rising oil prices.

Thailand

Thailand's PMI was 50.7% in June, a MOM decrease of 1.2% compared with in May, indicating that its manufacturing sector expanded for the sixth consecutive month, but the pace dropped to the slowest. Thai Commerce Minister Jurin Laksanawisit said on July 1 that Thailand's exports in May rose 10.5% YOY, while total imports rose 24.2% YOY, resulting in a trade deficit of USD 1.8bn (63.9bn baht) in May. In June, The Bank of Thailand also indicated that there were clear signs of capital outflows.

Indonesia

Indonesia's PMI reached 50.2% in June, slightly down from 50.8% in the previous month. The country's manufacturing sector has been expanding for 10 months consecutively, but the pace slowed to its slowest. Meanwhile, driven by soaring food prices, Indonesia's CPI rose 4.35% YOY in June, the highest level since June 2017, and the annual inflation rate reached the highest in five years. However, excluding the government regulation and volatility, annual core inflation in June was 2.63%, still below market expectations.

Malaysia

Malaysia's PMI for June was 50.4%, a 0.3% recovery from the previous month. The weakening of the Ringgit due to sharp interest rate hikes by the Federal Reserve, as well as local government policies, has affected the country's inflation. BNM is expected to raise its interest rates by 25 basis points on Wednesday to curb inflation, the first consecutive rate hike in more than a decade. What's more, the local government has recently established a special task force to deal with the challenge of rising living costs.

India

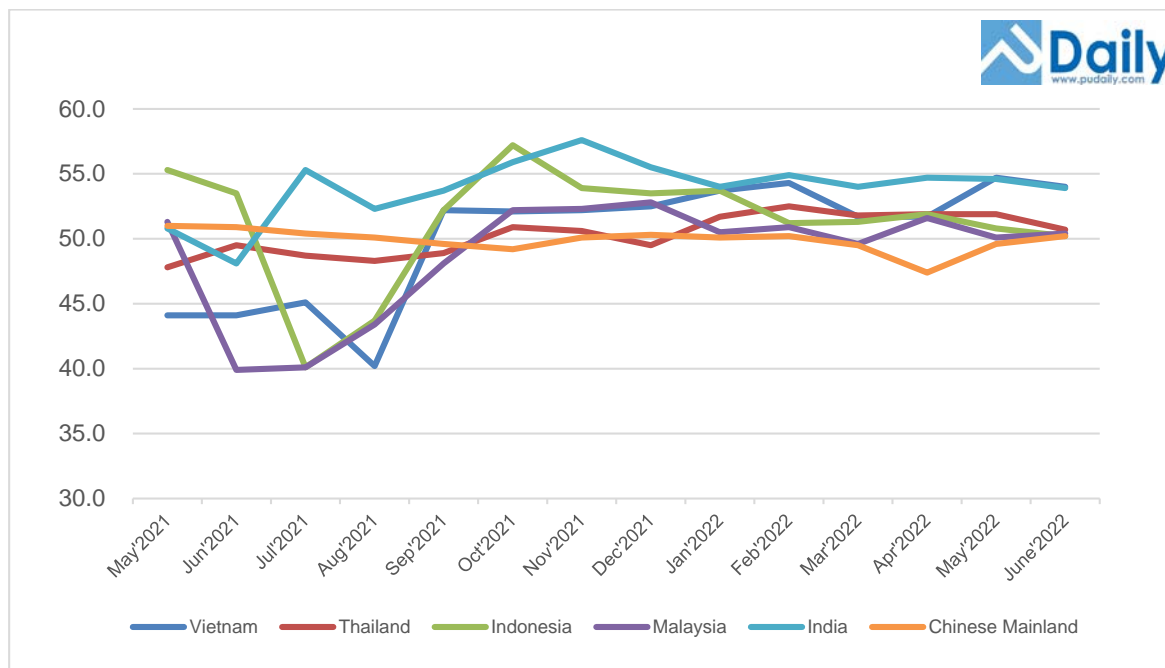
Due to inflationary pressures, Rupee depreciation and European geopolitical conflicts, India's PMI for June was 53.9%, down 0.7% from the previous month. It is the 12th consecutive month that the data has been in the expansion zone above 50, but the pace of expansion has slowed significantly. Simultaneously, the growth rate of India's overseas orders is declining, and the entrepreneurial confidence index tends to decline.

Chinese Mainland

Mainland China's PMI recovered to 50.2% in June, returning to expansion territory after three consecutive months of contraction. With the

continuous progress of resumption of work and production, the demand suppressed in the early stage would be released faster, the prosperity of the manufacturing industry will continue to expand, and the positive factors will continue to accumulate. However, weak market demand is still the main problem facing the current manufacturing industry as 49.3% of enterprises reported insufficient orders.

Figure 1 Southeast Asia, India & China Manufacturing Purchasing Managers' Index (PMI) Comparison in 2021-2022 (%)



Notes: If PMI above 50 percent, it reflects the overall economy is expanding; if less than 50 percent, it reflects the overall economy is in recession.

Source: Markit, National Bureau of Statistics of People's Republic of China.

2.Spot Market Analysis

Market Overview

As for **Southeast Asia** (hereinafter referred to as SE Asia) countries, polyols price in most of them decreases in the reporting period. Flexible slab polyols offerings are currently heard at around USD1,550-1,750/tonne CIF SE Asia in drum.

1 USD= 6.72 CNY (June 17,2022)

1 USD= 77.98 INR (June 17,2022)

2.1 Vietnam

It is reported on June 30, that Vietnam's GDP in 2022Q2 will increase by about 7.72% YOY, which is higher than the growth rate in the second quarter of the 2011-2021 period. The cumulative first-half GDP growth was 6.42%, higher than the same period in 2020 and 2021, but lower than the level in 2018 and 2019. Among them, the processing and manufacturing industry is the growth driver of the entire Vietnamese economy, with an increase of 9.96%. At the same time, Vietnam's exports in the second quarter of this year reached USD 96.8bn, a year-on-year increase of 21%. In the first half of the year, the cumulative export volume was USD 185.94bn, a year-on-year increase of 17.3%. In the second quarter, the import value reached USD 97.6bn, a year-on-year increase of 15.5%. In the first half of the

year, the cumulative import was USD 185.23bn, a year-on-year increase of 15.5%. Despite the surge in refined oil prices, the consumer price index (CPI) rose only 0.69% month-on-month in June, up 3.18% from December last year and up 3.37% year-on-year. In the first half of the year, the average growth rate of CPI was 2.44%.

At the same time, Automechanika Ho Chi Minh City 2022, the first international auto industry trade event to return to Vietnam this year, was officially opened on June 29 at the Saigon Exhibition and Convention Center (SECC) in Vietnam. A group of local Vietnamese enterprises presented a panoramic view of the development status and trends of local automobile manufacturing and related industries in Vietnam. The pavilions from Korea, Malaysia, Thailand and China Taiwan also brought the latest products, technologies and skills that meet the needs of the Vietnamese market. In addition, the exhibition's digital platform V-Connect was opened for use on June 2, and 1,248 active users from 49 countries and regions including the United Arab Emirates, Australia, South Korea, Japan, and Spain have logged in and used them. More than 35% of users expressed their desire to find business partners in Vietnam through the platform. This event will play a vital role in promoting the electrification, digitalization and comprehensive transformation of Vietnam's industry.

In **Vietnam**, the PPG market goes down in reporting period. Flexible slab polyols offerings are heard at around USD 1,600-1,750/tonne; HR polyols was reported at around USD 1,800-1,950/tonne; CASE polyols at USD 1,900-2,050/tonne CIF and POP45% is reported at USD1,950-2,050/tonne. All in drum and CIF.

2.2 Indonesia

Indonesia is seeking to use its large nickel reserves to develop the electric vehicle industry. According to the Indonesian government's plan, pure electric vehicles will account for 20% of all new car sales by 2025; the government has also introduced various tax incentives to encourage cars. Manufacturers invest in pure electric vehicles. Meanwhile, the government plans to move the capital to the island of Borneo, where it plans to build a "green" city that relies mainly on public transport and runs entirely on renewable energy.

It is reported that Foxconn Technology Group is considering the investment in the new capital Nusantara to build an electric bus system and Internet of Things network, a move that will support the USD 34bn construction project in Indonesia. On June 26, the chairman of Foxconn Group's flagship subsidiary Hon Hai Precision Industry Co., Ltd. also discussed with Indonesian President Joko Widodo a plan to invest USD 8bn in a manufacturing plant with an electric scooter startup Gogoro.

China's SWMW (SAIC GM Wuling) also released a mini pure electric vehicle not long ago, and it plans to start production in Indonesia before the end of this year. Although the company has not announced the sales price of the new pure electric vehicle in Indonesia, according to the pricing strategy of the Chinese market, the car is likely to detonate the pure electric vehicle market in Indonesia.

The PPG market also goes down in reporting period in **Indonesia**. Flexible slab polyols offerings are heard at around USD 1,700-1,800/tonne; HR polyols was reported at around USD 2,050-2,150/tonne; CASE polyols at USD 2,100-2,200/tonne CIF and POP45% is reported at USD 2,050-2,150/tonne. All in drum and CIF.

2.3 Malaysia

According to a report released by the Malaysian Automobile Manufacturers Association (MAA) on the 20th, the sales of new vehicles by member companies in May increased by 5.1% year-on-year to 49,603 units. Among them, passenger cars increased by 2.8% to 43,710 units, and commercial vehicles increased by 25.6% to 5,893 units. On the policy front, Malaysia's finance minister said that sales tax relief for the purchase of passenger cars will end on June 30 as planned on the same day. Due to a severe shortage of vehicle inventory in the market, the deadline to register to purchase vehicles with the Department of Transportation has been extended to March 31, 2023. Under this measure, a total of 868,422 vehicles have been sold so far, with a total tax-free 4.7bn Ringgit.

In **Malaysia**, the polyols market is down in reporting period. The price of flexible slab polyols is discussed at around USD1,550-1,750/tonne CIF in drum. Quotations for HR polyols stand at USD 1,900-2,050/tonne and POP45% is trading at USD 1,900-2,050/tonne CIF delivered in drum.

2.4 Thailand

The Thai government is accelerating the development of the domestic electric vehicle industry. The goal is to assemble electric vehicles in the country within a year, one year earlier than the original plan.

'Key components such as batteries, traction motors, inverters, portable electric vehicle chargers, etc. will also be available in the country shortly', Prime Minister Prayut Chan-o-cha said in his speech at a seminar held by the Federation of Thai Industries on June 29. Independent production. Prayut also revealed that after he met Liu Yangwei, chairman of Foxconn Technology Group on the 28th, the group confirmed that it would implement plans within a year to assemble electric vehicles in Thailand.

It is reported that Foxconn agreed to cooperate with the National Petroleum Corporation of Thailand last year, costing USD 1bn to 2bn (about 4.4bn to 8.8bn ringgits) to build electric vehicle production facilities in the Eastern Economic Corridor of Thailand. This electric vehicle factory is expected to cover all aspects of the production process, including the design, manufacture, assembly and production of key components of electric vehicles. The production target of the first phase is 50,000 electric vehicles per year, and the next phase is expected to increase to 150,000.

In **Thailand**, the polyols market price goes down in reporting period, likewise in other SE Asian countries. The latest price of flexible slab polyols was reported at USD1,600-1,700/tonne CIF, CASE polyols at USD 2,100-2,200/tonne CIF, HR polyols was settled at USD 2,050-2,150/tonne CIF and POP45% at USD 2,050-2,150/tonne CIF, all in drum.

2.5 South Korea

According to a report by Yonhap News Agency on July 1, based on the June results released by five Korean automakers on the 1st, the global sales of Korean cars fell 1.9% from the same period last year to 672,680 units. Under the circumstance that the epidemic management is not as strict as before, and outdoor activities increase in summer, due to the continuous shortage of semiconductor supply, the economic downturn, and rising oil and prices, the supply and demand of South Korean automobiles has decreased significantly, and the domestic sales of five car companies in June decreased by 10.1%. % to 121,153 units; overseas sales (including all loose parts) were 551,527 units, an increase of 0.1%. Among the five automakers, only Kia and GM Korea achieved positive year-on-year growth in global sales, but Kia's domestic sales decreased by 8.5%, and GM Korea's domestic sales decreased by 22.8%.

In **South Korea**, polyols market is down as well in reporting period. The flexible slab polyols offering was heard at USD 1,650-1,900/tonne, HR polyols at USD 2,000-2,050/tonne, CASE polyols at USD 2,050-2,100/tonne, and POP45% is reported at USD 2,000-2,050/tonne, all in drum.

2.6 India

General Motors said in recent days it had scrapped plans to sell an auto plant in India to China's Great Wall Motor Co after the deal failed to win Indian regulatory approval, Reuters reported.

It is reported that GM has stopped selling cars in India as early as the end of 2017. In the past few years, GM has been committed to selling assets such as factories previously invested and constructed in India. In January 2020, General Motors and Great Wall Motors reached a USD 300mn factory sale agreement. The agreement was affected by Sino-Indian relations and was extended twice. June 30 this year is already the deadline, but in the end the Indian government's tough stance led to the complete failure of the deal.

Great Wall Motor is one of China's leading automakers. If this deal is included, it plans to invest USD 1bn in India to develop the auto market. Now that the deal is cancelled, Great Wall Motors could massively scale back its plans to invest in India, while GM needs to continue investing heavily in maintaining plant equipment that has been out of production for years and finding its next buyer. All this has had a very bad impact on the investment environment in India.

In **India**, trading price ranges for flexible slab polyols were reported around 1,650-1,750 USD/tonne CIF in drum, CASE polyols at USD 1,800-1,900/tonne CIF, HR polyols was settled at USD 1,950-2,050/tonne CIF and POP45% at USD 1,900-1,950/tonne CIF, all in drum.

2.7 Chinese Mainland

China flexible slabstocks polyols market rises on July 1. Yesterday afternoon's rumor of price increase by PO manufacturers prompted traders and downstream manufacturers to replenish inventories, which helped to alleviate inventory pressure on PO manufacturers. And this is true with flexible slabstocks polyols manufacturers. However, demand for flexible slabstocks polyols remains sluggish. The prevailing offers in Shandong market stand at CNY 9,800-10,000/tonne EXW in bulk in cash. And those in East China and South China are CNY 10,000-10,200/tonne DEL in bulk in cash.

China rigid polyols market holds steady as of July 1. With alleviated inventory pressure due to stronger sales, PO manufacturers up their offers by CNY 100 /tonne. The overall demand is tepid, with some buyers taking advantage of the low prices to replenish inventories, and some making purchases only to sustain production. The prevailing offers for conventional rigid polyols 4110 in Shandong market stand at CNY 9,800-10,000/tonne EXW in drum in cash. Those in East China market are CNY 10,000-10,200/tonne EXW in drum in cash.

As for export, the prices move down in the reporting period. The latest quotation was heard at around USD1,300-1,350/tonne FOB for flexible slab polyols, USD1,450-1,550/tonne FOB for HR polyols, USD1,450-1,550/tonne FOB for CASE polyols, USD1,450-1,550/tonne FOB for Slab POP.

2.8 Taiwan, China

According to Taiwan's "Central News Agency", the number of customers visiting the store in June increased by nearly 20% compared with the previous month. In Taiwan, 32,631 new vehicles were listed in June, a year-on-year increase of 16.8% and a month-on-month increase of 5.5%, showing a double increase. The cumulative new car market in the first half of the year was 203,000, down 8.4% from last year. It was still dragged down by the shortage of cars, materials and shipping caused by the global epidemic. The proportion of imported vehicles rose to 44.4% from 42.9% in the previous May.

A latest survey in Taiwan showed that the Consumer Confidence Index (CCI) in June was 64.14 points, down 3.67 points from the previous month, which not only fell for five consecutive months, but also fell to the lowest point since December 2009. All six indicators of CCI have been declining simultaneously for two consecutive months, and five indicators are pessimistic. Among them, the largest decline is "timing to invest in stocks in the next six months", with a monthly decrease of 7.4 points, setting a new record since the survey in 2001; followed by It is "Taiwan's economic prosperity in the next six months", with a monthly decrease of 4.9 points, also hitting a new low in two years. The data shows that Taiwan's economy highlights the risk of reversal in the economy.

The price of flexible slab polyols is reported at USD 1,700-1,750/tonne DEL in drum, CASE polyols at USD 2,000-2,050/tonne DEL in drum and POP45% stands at USD 1,950-2,000/tonne DEL in drum.

2.9 Spot Prices

Table 1 SE Asia & India Flexible Slabstock Polyols Market Prices Comparison

Country	1 st July	17 th June	Change
Indonesia (Drum, DEL, USD/Tonne)	1,700-1,800	1,950-2,050	-250, -250
Thailand (Drum, CIF, USD/Tonne)	1,600-1,700	1,800-1,900	-200, -200
Malaysia (Drum, CIF, USD/Tonne)	1,550-1,750	1,800-1,900	-250, -150
India (Drum, USD/Tonne)	1,650-1,750	1,750-1,850	-100, -100
Taiwan, China (Drum, USD/Tonne)	1,700-1,750	1,900-2,000	-200, -250
Chinese Mainland (East, Bulk/DEL, CNY/Tonne)	10,000-10,200	10,800-11,000	-800, -800

Notes:

1. Market prices: prices largely heard from distributors and traders to end users;
2. "—" means no prices heard yet;
3. "n/c" means no change;

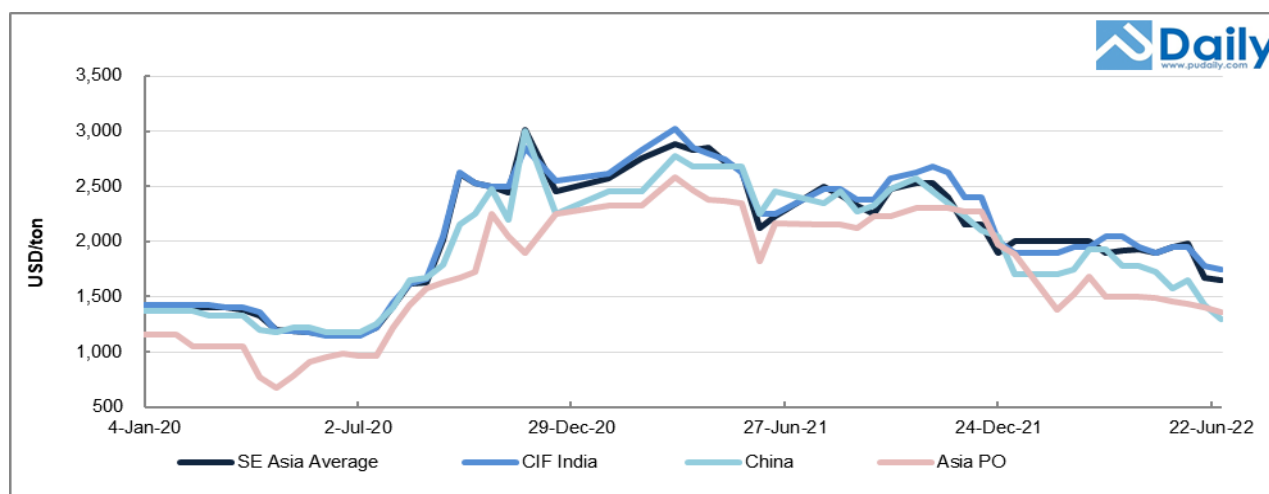
3. Raw Materials Analysis

China PO market rebounds slightly today. The prices of feedstocks propylene and liquid chlorine stay low, thus lending limited support to PO market. Orders from PPG manufacturers increased significantly yesterday afternoon, resulting in thicker trading. With alleviated inventory pressure, PO manufacturers slightly increase their offers.

The prevailing offers in Shandong and North China markets stand at CNY 9,400-9,500/tonne EXW in bulk in cash. Those in East China are CNY 9,500-9,600/tonne DEL in bulk in cash.

Notes: Shandong belongs to North China, and East China is dominated by Jiangsu, Zhejiang and Shanghai. USD CFR China.

Figure 2 SE Asia, India, China Flexible Slabstock Polyols & Raw Material Propylene Oxide Price Trend



4. Main Suppliers' Offers

Table 2 Main Suppliers' Offers for Polyether Polyols in SE Asia (USD/tonne)

Grade	Singapore (drum/ex-work)	Thailand (drum/CIF)	China (drum/FOB China)
Flexible Slabstock Polyols	1,800-1,900	1,600-1,700	1,300-1,350
Flexible High Resilience Polyols	2,000-2,050	1,900-2,000	1,450-1,550
Polymer Polyols (slabstock)	2,050-2,100	1,900-2,000	1,450-1,550

Notes:

1. Singapore including anti-dumping duty of USD 67.79/tonne and Thailand for Mar. shipments;
2. -- means no offers heard for this material;
3. All prices for Apr. shipments;

5. Import and Export Analysis

5.1 Polyether Polyols

Table 3 Imports of Polyether Polyols from China from Jan-Dec 2021 (Unit/Tonne)

Destination	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Singapore	10,237	10,563	9,437	11,894	11,849	7,293	18,845	9,844	11,120	8,400	21,963	13,783	145,228
Saudi Arabia	5,926	11,654	10,512	4,909	7,296	6,835	10,249	12,626	14,316	9,651	18,436	14,565	126,975
Thailand	8,082	8,462	12,798	8,525	9,604	9,246	9,737	10,918	11,719	8,542	9,464	12,484	119,580
South Korea	5,475	5,528	7,349	5,559	5,627	4,532	4,537	5,743	6,727	5,649	6,216	6,551	69,493
United States	6,146	3,354	4,610	3,595	2,819	2,619	3,758	2,953	3,468	2,586	3,702	2,349	41,960
Japan	2,148	1,194	2,944	2,135	1,723	1,721	1,808	2,186	2,076	2,554	2,699	2,373	25,561
Malaysia	1,768	815	2,210	1,840	1,282	1,411	1,637	1,737	2,127	1,502	1,555	1,286	19,170
Taiwan, China	1,528	955	1,608	1,354	957	979	1,021	1,244	1,309	882	1,821	1,444	15,101
Netherlands	646	830	1,313	688	824	1,010	818	1,170	640	655	760	1,179	10,534
Germany	652	445	858	887	1,065	918	699	1,324	937	612	690	758	9,846

Figure 3 Top 10 Countries Importing Polyether Polyols from China from Jan-Dec 2021 (Unit/Tonne)

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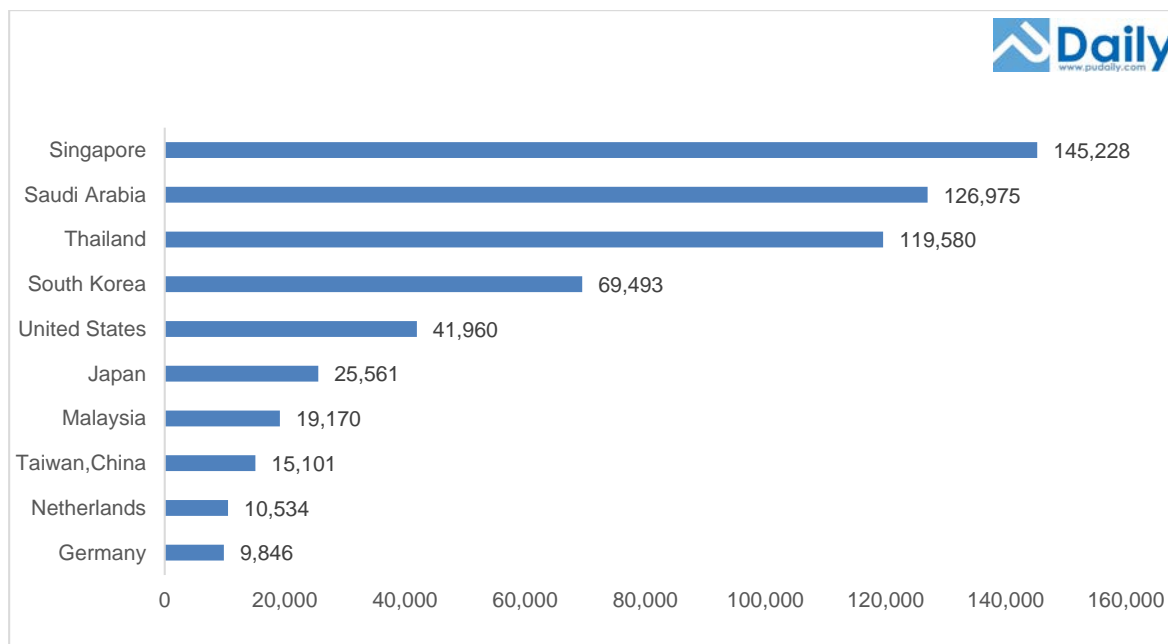


Table 4 Exports of Polyether Polyols to China from Jan-Dec 2021(Unit/Tonne)

Destination	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Vietnam	8,067	6,207	11,08	12,31	9,344	7,161	9,026	5,9 18	3,722	5,030	7,41	14,023	99,314
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United States	1,430	2,278	5,783	7,889	5,564	10,40	11,66	10,20	12,01	8,503	8,12	5,153	89,001
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Turkey	6,287	9,736	7,727	10,01	7,926	7,955	5,403	5,837	6,484	4,008	6,94	7,061	85,390
				8							6		
Brazil	5,281	8,095	6,570	6,901	3,798	3,717	3,347	3,246	6,539	5,744	5,76	2,463	61,465
											6		
U.A.E	3,524	3,818	4,365	4,898	6,030	4,788	4,081	4,478	3,589	4,755	5,87	5,185	55,386
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India	5,668	5,557	7,129	5,242	2,271	2,039	1,939	5,238	5,368	5,487	3,88	3,262	53,087
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Russian Federation	1,531	3,157	3,807	5,429	5,325	4,457	3,518	5,437	4,580	4,639	3,60	2,101	47,584
											4		
Mexico	1,138	2,434	4,031	3,482	2,478	5,589	5,725	4,874	5,227	3,767	2,67	3,561	44,985
											9		
Indonesia	2,482	3,086	3,014	3,963	4,170	2,673	3,126	3,353	3,266	3,796	3,64	3,832	40,411
											9		
South Korea	3,043	2,258	4,366	3,115	3,356	2,915	3,298	3,716	3,928	2,788	4,29	2,696	39,777
											8		

Figure 4 Top 10 Countries Exporting Polyether Polyols to China from Jan-Dec 2021(Unit/Tonne)

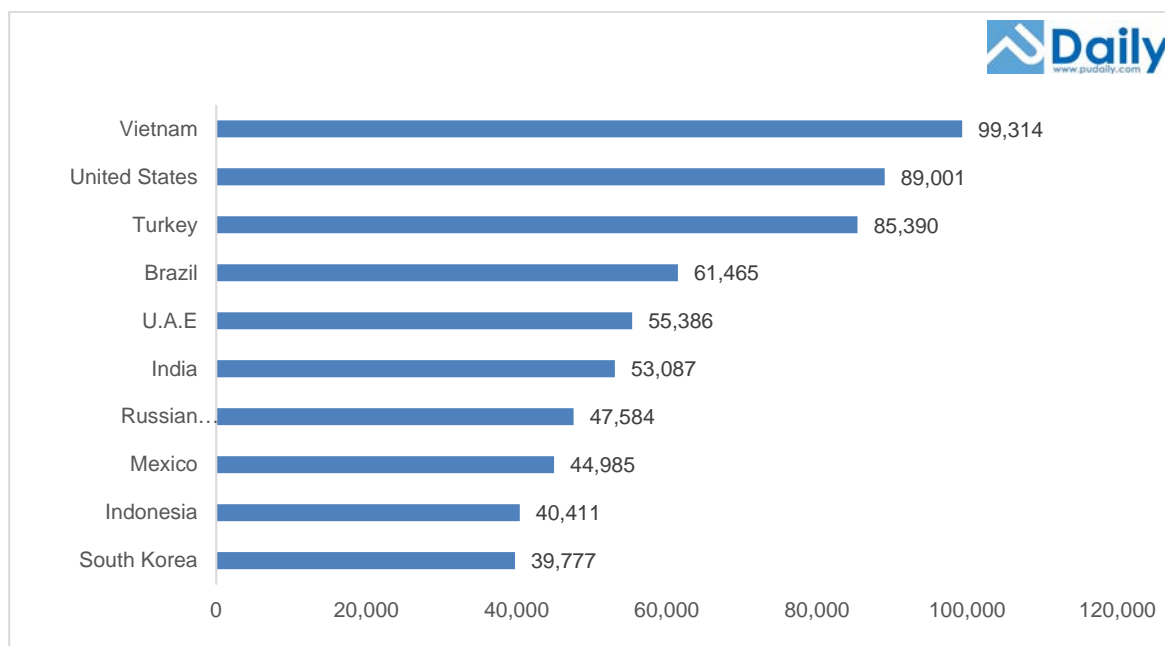


Table 5 Imports of Polyether Polyols from China from Jan-Apr 2022 (Unit/Tonne)

Destination	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Singapore	8,972	9,000	13,581	10,372	6,790								41,924
Saudi Arabia	11,056	9,141	5,506	5,162	6,116								30,864
Thailand	6,713	7,648	7,643	8,219	9,469								30,223
South Korea	5,928	4,485	4,915	4,828	3,968								20,192
USA	3,643	1,987	2,208	3,070	3,257								10,908
Japan	1,659	1,699	1,814	1,775	2,145								6,947
Taiwan, China	1,605	789	977	1,028	952								4,400
Malaysia	2,001	455	442	1,543	2,080								4,442
Netherlands	752	1,071	649	1,337	1,030								3,809

Table 6 Exports of Polyether Polyols from China from Jan-Apr 2022 (Unit/Tonne)

Destination	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Vietnam	10,295	13,255	9,774	7,179	8,461								40,503
Turkey	9,475	8,804	9,196	12,712	11,813								40,187
USA	5,645	3,595	11,963	2,521	5,111								23,725
U. A. E	5,527	5,680	6,632	4,465	6,247								22,303
India	4,874	4,041	8,389	8,389	9,881								25,694
Indonesia	4,532	4,572	5,279	3,337	3,533								17,720
Brazil	4,191	4,474	4,417	4,320	4,739								17,402

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Mexico	5,180	4,009	2,988	2,997	3,903									15,174
South Korea	4,325	2,645	4,306	4,284	4,942									15,560
Egypt	3,342	2,747	2,733	4,310	1,331									13,132
Russia	3,975	3,363	1,046	1,949	2,993									10,333
Pakistan	2,665	3,263	2,198	1,489	2,700									9,615
Taiwan, China	2,923	1,580	2,509	1,273	1,667									8,286
Thailand	2,159	1,960	2,806	2,622	1,905									9,547
Nigeria	2,126	2,093	1,888	1,076	2,452									7,183
Netherlands	1,420	2,113	2,388	1,682	1,443									7,604
Malaysia	1,913	2,321	1,491	2,305	2,245									8,030

Table 7 Exports of Polyether Polyols from Thailand from Jan-Dec 2021 (Unit/Tonne)

Destination	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Chinese Mainland	1,540	1,821	1,942	1,772	2,029	2,259	1,811	1,949	2,274	2,160	2,279	2,419	24,255
India	1,770	1,956	2,148	2,537	2,460	2,198	2,061	2,309	2,426	2,293	2,339	2,298	26,795
Indonesia	1,571	1,818	1,977	2,135	2,161	2,118	2,261	2,243	2,179	2,142	2,258	2,187	25,050
Vietnam	1,908	2,053	2,213	2,425	2,394	2,296	2,135	2,420	2,375	2,302	2,358	2,399	27,278
Philippines	2,051	1,991	2,047	2,481	2,417	2,243	2,654	2,086	2,414	2,322	2,123	2,624	27,453
Japan	1,494	1,662	1,485	1,636	1,813	1,674	1,886	1,796	2,119	2,127	2,217	2,414	22,323
Malaysia	2,061	2,021	2,177	2,422	2,332	2,172	1,963	2,092	2,252	2,209	2,325	2,203	26,229
Australia	1,140	1,226	1,309	1,501	1,931	2,137	2,099	2,119	2,140	2,220	2,096	2,045	21,963
Taiwan, China	1,373	1,589	1,674	1,705	2,096	2,083	2,167	2,225	2,184	2,098	1,970	1,962	23,126

Table 8 South Korea Polyether Polyols Exports from Jan-Dec 2021 (Unit/Tonne)

Destination	Dec.	Jan. ~ Dec. (Total)
USA	4,339	57,526
India	2,622	33,723
Pr. China	4,594	39,793
Mexico	1,553	21,299
Turkey	2,379	29,288
Indonesia	2,623	29,666
Tanzania	378	9,461
Kenya	1,071	11,451
Poland	833	16,829

Table 9 Japan Polyether Polyols Exports from Jan-Dec 2021 (Unit/Tonne)

Destination	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Chinese Mainland	2,285	1,791	2,316	2,527	1,542	1,627	2,277	1,991	2,042	2,918	2,334	2,241	25,891
South Korea	460	428	458	322	321	412	366	516	359	370	505	338	4,855
Taiwan, China	1,198	1,039	946	682	709	1,213	791	537	522	473	620	564	9,294
Vietnam	681	437	381	166	201	279	290	172	111	176	274	321	3,489
Thailand	1,364	890	1,111	1,145	858	751	721	631	750	958	777	630	10,586
Indonesia	466	696	505	374	490	278	428	384	436	369	527	470	5,423
India	414	294	603	518	336	141	333	47	126	247	131	135	3,325
Philippine	502	646	650	703	618	653	704	580	518	999	802	681	8,056
Malaysia	136	221	369	179	168	55	216	59	189	186	86	270	2,134

5.2 Propylene Oxide

Table 10 South Korea Propylene Oxide Exports in Jan-May, 2022 (Unit/Tonne)

Destination	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Chinese Mainland	9,481	0	3,246	10,959	7,417								31,103
Japan	3,001	0	0	0	1,025								4,026
Australia	228	38	228	171	133								798
Saudi Arabia	111	111	111	222	0								555
Netherland	0	1,540	0	0	0								1,540
Spain	0	0	1,202	0	0								1,202
Thailand	18	73	56	0	0								147

Table 11 Exports of Propylene Oxide from Thailand in Jan-Apr, 2022 (Unit/Tonne)

Destination	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Chinese Mainland	5,403	8,799	11,747	17,137									43,085
India	333	148	333	36									850
Japan	1,999	5,989	3832	0									11,821
Korea	19	38	0	0									57
Taiwan, China	519	3,118	56	4,518									8,210

6. Downstream Analysis

Auto Production and Sales Volume in Southeast Asia

Although the development status of the automotive industry in Southeast Asian countries varies, the overall sales and production volumes of automobiles in these countries indicate an upward trend. Thailand is the top-ranked automobile manufacturing and exporting country in Southeast Asia, with a complete industry chain and large domestic and international markets. Local vehicle production in April, 2022 reached 117,786 units, up 12.9% YoY and sale volume increased by 9.1% YoY. The automotive industry also plays a vital role in Indonesia's national economy and is the 5th largest export earning sector after animal and vegetable oils and fats, steel, machinery, and electromechanical equipment. Indonesia increased the production volume to 100,626 units and a sale volume to 82,877 units in April. Malaysia is the third largest auto manufacturer in Southeast Asia and the third largest auto market in Southeast Asia, second in size only to Thailand and Indonesia. Malaysia made 54,734 vehicles in April.

Table 12 Auto Production and Sales Volume in Southeast Asia in 2022 (Units)

a) Production

Country	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Indonesia	119,428	114,850	136,938	100,626								
Malaysia	42,961	51,291	59,908	54,734								
Myanmar	603	431	590	457								
Philippines	5,543	5,805	6,789	5943								
Thailand	158,036	161,307	178,928	117,786								
Vietnam	18,405	13,785	33,226	20,111								
Month Total	344,976	347,469	416,399	299,657								

b) Sales

Month	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Indonesia	84,138	81,290	98,544	82,877								
Malaysia	41,498	45,032	73,222	56,213								
Myanmar	1,125	1,013	1,273	621								
Philippines	20,765	24,304	29,685	25,149								
Singapore	3,747	2,913	3,780	3,638								
Thailand	75,268	79,363	92,010	63,427								
Vietnam	30,742	22,802	36,962	42,359								
Month Total	257,283	256,717	335,476	274,284								

Source: ASEAN AUTOMOTIVE FEDERATION

7. Market Outlook

Quotations from Southeast Asian countries are often benchmarked against China. It is expected that next week, the raw material side, PO weakly down in the short term. And in the supply side, manufacturers are currently stable production, maintained at about 60% load, some factories inventory pressure. Distribution end of the spot supply is more abundant, with the market, negotiating shipments. Imported goods, a small amount of polyether domestic trade shipments heard. In the demand side part, the main soft foam downstream into the off-season, engineering class demand rebound, automotive orders to be restored, end customers have focused on the beginning of this week to prepare a wave of goods, next week to continue the light. Next week's polyols market is expected to be weak.

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