

Competitive Cost and Margin Analytics

Understanding the structure of chemical production costs requires detailed and complex calculations and an extensive foundation of knowledge and insight.

Companies can spend an inordinate amount of time collecting data and analyzing macroeconomic trends, cost drivers and supply/demand of specific chemicals from disparate sources in order to assess competitiveness and optimize profitability.

Chemical Competitive Cost and Margin Analytics (CCMA) models provide an interactive tool, allowing you to explore how costs and margins for a product vary according to: geography, capacity, time, technology, feedstock, operating rate and integration level.

Key Features

- Production cash cost and margin estimates, identified by plant.
- Quarterly cash and variable cost and margin curves: 4 months history and 8 months forecast.
- Functionality to generate estimated economics for hypothetical plants.
- Global plant list with technology and capacity data.
- User-defined price adjuster model, from product price to immediate feedstock level and global crude oil price.
- Regional feedstock, by-product and utility price forecasts.
- Annual cash and variable cost and margin curves: 5 years history and 10 years forecast.
- Energy price basis and energy outlook.
- Executive overview and methodology.

A 12-month subscription provides four model updates, which occur on a quarterly basis, aligned to our proprietary long-term price forecasts and S/D balances. Our integrated approach offers you the opportunity to respond as the market shifts, and ensures your strategic and operational decisions utilize the most current and robust data available.

How do our clients use the Competitive Cost and Margin Analytics service?

Competitive Benchmarking

- Evaluate competitive position of existing assets locally, regionally or globally
- Review cost and margin estimates for competing assets by location and technology
- Understand impact of new capacity to existing assets' performance

Portfolio Improvement

- Understand risk and exposure to feedstock price fluctuation
- Assess relative competitiveness of future hypothetical assets
- Build value based commercial strategies
- Explore how economics shift under different future price scenarios

Procurement Strategy

- Understand cost structure of raw material suppliers to inform contract negotiations
- Evaluate cost and margin dynamics to inform price setting
- Identify feedstock cost advantages from integrated producers
- Understand sensitivity to industry shifts

Key Questions

How will new capacity additions affect the competitiveness of my existing operating plants?

Who are the most cost advantaged and disadvantaged producers?

Is my capital investment viable in the long-term?

What is the feedstock cost advantage of an integrated plant?

How will a shift in oil, feedstock or chemical prices impact competitiveness?

I need to renegotiate contracts - what are the upstream and downstream cost structures in my value chain?

Using an interactive, data-rich Excel model that calculates production costs and margin estimates by chemical plant, you can:

Evaluate Long-Term Competitiveness of a Plant

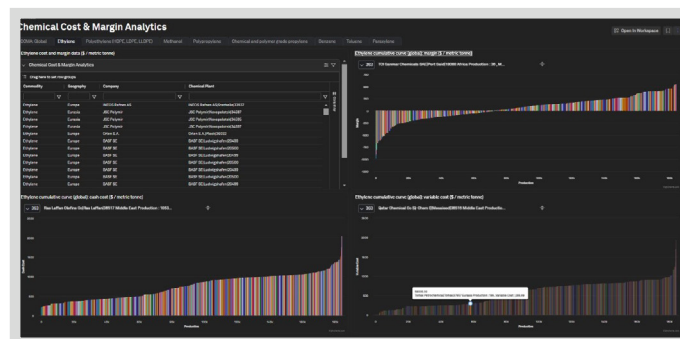
- Understand impact of market fluctuations with 10 year annual forecast.
- Leverage the crude adjuster model to define and alter price forecasts to identify exposure.
- Input estimated plants to grasp competitive position relative to operating assets.

Calculate Impact of Market Changes on Cost and Margin Performance

- Shift from annual to monthly curves to understand impact of short term change or plant shutdown.
- Alter oil/feedstock/product price to anticipate the effect of a volatile market.
- Compare multiple time-periods to understand the longevity of a market change and assess impact of capacity additions.

Inform Purchasing Strategies

- Understanding your suppliers cost structure and competitiveness is a key component of a rigorous procurement strategy.
- Leverage annual forecast curves to assess how the marginal cash cost will adjust over time.
- Understand the cost differential of an integrated vs. non-integrated plant.
- Customize price sets to grasp how your suppliers competitive position could shift.



Available Products – 45 product models covering over 6,000 plants

ABS Resin	Cumene	Monoethylene Glycol	Propylene
Acetic Acid	Cyclohexane	MTBE	Propylene Oxide
Acrylic Acid	Ethylbenzene	Nylon 6 and Nylon 6,6	Styrene
Acrylonitrile	Ethylene	Paraxylene	Styrene-Butadiene Rubber
Adipic Acid	Ethylene Dichloride	PET	Terephthalic Acid
Ammonia	Ethylene Oxide, High-Purity	Phenol	Toluene
Benzene	Expandable Polystyrene	Polybutadiene Rubber	Urea
Bisphenol-A	Formaldehyde	Polycarbonate	Vinyl Acetate Monomer
Butadiene	Hexamethylenediamine (HMDA)	Polyethylene (HDPE, LDPE, LLDPE)	Vinyl Chloride Monomer
Butanediol	Methanol	Polypropylene	
Caprolactam	Methyl Methacrylate	Polystyrene	
Chlor-Alkali	Mixed Xylenes	Polyvinyl Chloride	

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