**Methanol prices in India on a stable mode**

Methanol being one of the crucial chemical of Indian chemical industry has remained steady from past few weeks.  In the year 2014, there has been constant decline in the prices for Methanol in Asian market. In the first week of January prices were assessed around USD 560/MTS for CFR India. This was the starting prices for the year 2014, since then prices have been rolling down week over week. With closing of week on 4 July prices reached the level of USD 295/MTS.

Supply from Iran has flooded the Indian markets in last six months.  Methanol plants in Iran like Fanavaran and Kharg are operating at full rates and most of the Iranian cargoes are either being shipped to the Indian ports or at the Chinese ports. Supply has been so huge that domestic manufacturers in India like GNFC have shut down their production. The company is unable to afford the production at such low rate.

In the span of last six months on an average more than 30,000 MTS of Methanol has been imported at Kandla port.  Large imports led to the slowdown in the domestic prices. From last two months domestic prices have been hovering in the range of Rs.20-25/Kg. This stagnancy continued even when the prices for petrochemicals rose by heavy margins due to plunging of crude prices and Iraq crisis. Methanol remained untouched by this instance.

Neighboring country and chemical giant China is also going through similar phase. Trading activities continued to remain thin and slow.  Prices were around USD 480/MTS CFR China in the first week of January which has now narrowed to the level of USD 330/MTS. China has got other uses of methanol as well. Many MTO plants have been started in China and they are the major consumer of methanol.

As expected very thin discussions are being heard in the Indian market and prices continued to remain steady. Slackness is observed in the Laminate industry which is the biggest consumer of Methanol. Moreover with upcoming monsoon many manufacturers slowed down their production and continue to remain till September. According to market players no major change will be seen in the methanol market for the upcoming weeks. The only factor that can impact is position of Indian currency against dollar.

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