# Mobil™ Coolant

First quarter 2017, the European monoethylene glycol (MEG) market saw spot prices reaching the highest level since June 2015

Market Drivers

- Mono Ethylene Glycol (MEG) is a volatile commodity and prices vary subject to product availability.
- Polyethylene terephthalate (PET) used for plastic bottles and Polyester for the textile industry is the biggest user of MEG and the main market driver of MEG prices
- Antifreeze/Coolant is a much smaller consumer of MEG by comparison
- Europe and Asia are net importers of MEG, importing from America and Russia who produce more MEG than their domestic market demands
- Combination of market demands across different industries and product importations affect market pricing for MEG
- ICIS Tracker report reflects MEG pricing across industries world wide

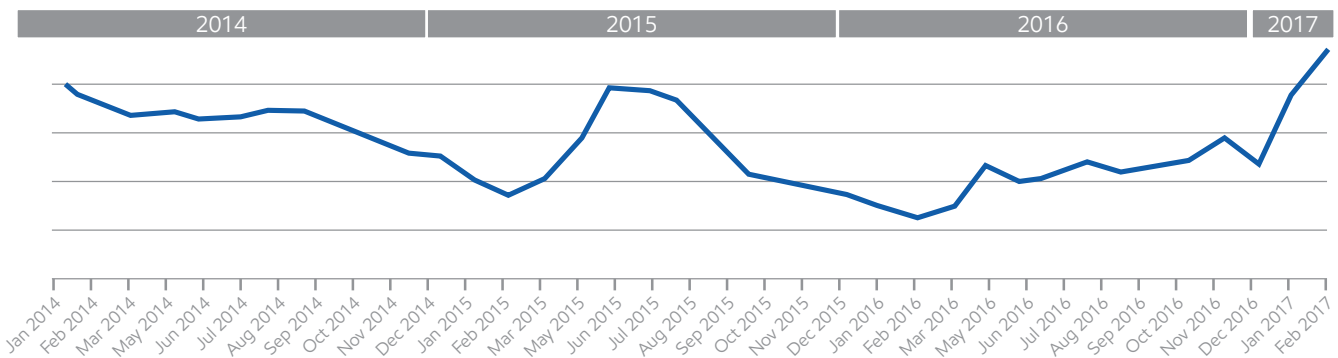Key contributors to Antifreeze/Coolant Price

86%   92%

█ MEG   █ ADDITIVES   ▓ PACKAGING
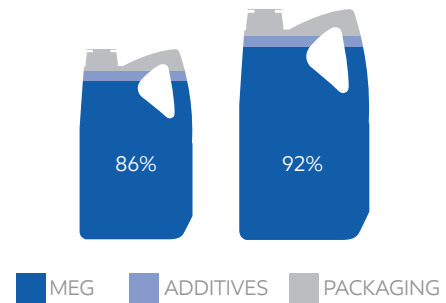
MEG is a significant contributor of the Antifreeze/Coolant price.

Current Factors

- In Q1 demand for MEG in PET and Textile industries has increased significantly, MEG producers are quick to capitalise on increased margins limiting supply to other industries
- Subsequently supply tightens as EU producers respond to increased demand from PET and Textiles customers driving the price upwards of the limited supply remaining for automotive sectors
- Talk of major shutdowns and production issues in Middle Eastern and US facilities has also driven prices up
- MEG demand is often linked to the price of cotton, when cotton price increases so does demand for synthetic fabrics such as polyester
- Cotton pricing has steadily increased over the last 12 months to a 2 year high affecting higher demands of MEG

ICIS Ethylene Glycol Europe Analysis