



ACT NOW: 1 Value Stock for TFSA Investors to Own

Description

Methanol is a clear liquid commodity chemical that is predominantly produced from natural gas. Traditional chemical demand, which represents over 50% of global methanol demand, is used to produce traditional chemical derivatives that form the basis of a wide variety of industrial and consumer products.

Demand for [energy-related applications](#), which represents just under 50% of global methanol demand, includes a number of applications such as fuel applications, which includes vehicle fuel, marine fuel, and biodiesel. **Methanex** ([TSX:MX](#))([NASDAQ:MEOH](#)) is the world's largest producer and supplier of methanol to the major international markets in Asia Pacific, North America, Europe, and South America.

Diverse ownership interests

The company's total annual operating capacity, including Methanex's interests in jointly owned plants, is currently 9.2 million tonnes and is located in New Zealand, the United States, Trinidad, Chile, Egypt, and Canada. In addition to the methanol produced at the company's sites, Methanex also purchases [methanol produced by others](#) under methanol offtake contracts and on the spot market.

This gives it flexibility in managing supply chain while continuing to meet customer needs and support marketing efforts. Methanex has marketing rights for 100% of the production from the jointly owned plants in Trinidad and Egypt, which provides it with an additional 1.3 million tonnes per year of methanol offtake supply when the plants are operating at full capacity.

Focused on growing shareholder value

Methanex's primary objective is to create value through leadership in the global production, marketing, and delivery of methanol to customers. The company achieves this objective through global leadership, low-cost operations, and operational excellence. Methanex has consciously adopted a culture of flexibility, responsiveness, and creativity that allows it to capitalize on opportunities quickly as they arise and swiftly respond to customer need.

The company is focused on creating value through Methanex's position as the major producer and supplier in the global methanol industry. Methanex's 2020 sales volume of 10.7 million tonnes of methanol represented approximately 13% of global methanol demand. This scale allows it the flexibility to meet customer needs across international markets.

The company's leadership position has also enabled it to play an important role in the methanol industry, which includes publishing Methanex reference prices that are used in each major market as the basis of pricing for customer contracts. The geographical diversity of Methanex's production sites allow it to deliver methanol cost effectively to customers in all major global markets.

Significant capital-deployment opportunities

Methanex regularly invests in global distribution and supply infrastructure, which includes a fleet of oceangoing vessels and terminal capacity in all major international markets, enabling it to enhance value to customers by providing reliable and secure supply. A key component of the company's global leadership strategy is the scale of Methanex's asset position with 9.2 million tonnes of operating capacity.

Methanex's expanding presence in Asia Pacific has also helped it identify several opportunities to support the development of applications for methanol in the energy-related sector and applications aimed to promote the use of clean-burning fuels.

In summary, Methanex has maintained healthy financial capacity and ensured flexibility to navigate the current environment and emerge stronger over the cycle as conditions improve.

CATEGORY

1. Investing

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1. canada

TICKERS GLOBAL

1. NASDAQ:MEOH (Methanex Corporation)
2. TSX:MX (Methanex Corporation)

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Author

nikhilwaterloo

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