

CONTRACT PRICES			Price Range		One Year Ago	USD/tonne
PS GPPS						
DEL US Bulk JAN	US CTS/lb	+5.00	98.00-100.00	+5.00	88.00-90.00	2161-2205
DEL US Package JAN	US CTS/lb	+5.00	100.00-102.00	+5.00	90.00-92.00	2205-2249
PS HIPS						
DEL US Bulk JAN	US CTS/lb	+5.00	105.00-107.00	+5.00	96.00-98.00	2315-2359
DEL US Package JAN	US CTS/lb	+5.00	107.00-109.00	+5.00	98.00-100.00	2359-2403

NOTE: Please click [here](#) for full details on the criteria ICIS pricing uses in making these price assessments.

Overview

- Producers separately nominate February increases
- Prices being negotiated after 1 Feb effective date
- Extended styrene turnarounds not impacting market

Even as US polystyrene (PS) producers are negotiating February contract prices, the likelihood of the full increase being implemented looks even stronger on the back of rising feedstock markets, sources said.

All three of the major North American PS producers separately nominated price increases of 8 cents/lb, effective 1 February.

No one is happy with the February price increases, one producer said, but it is not likely that anyone could find it cheaper anywhere in the marketplace. Additionally, PS import prices have risen in recent weeks and are at a premium to domestic prices.

PS GPPS and HIPS DEL US bulk and package, in cents/lb



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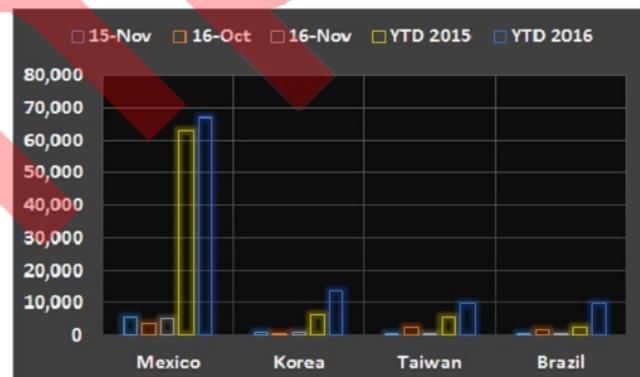
Following news earlier this week that both of the producers that are conducting turnarounds at US Gulf styrene plants will extend their downtime, US styrene spot prices jumped higher.

However, one producer said that it does not have any issues with styrene with regard to its PS business. The producer said that it had all of the styrene it needs. If styrene has caused any

concerns for converters, we have not heard about them yet, the producer added.

A second producer said that it is not anticipating any allocations or other negative effects for its PS customers' deliveries in light of what is happening in the styrene market.

Top PS suppliers to the US market, in tonnes



Source: US International Trade Commission

The domestic PS typically takes most of its cues from feedstock benzene instead of styrene, sources said. February benzene contracts settled at an average of \$3.33/gal, which was up by an average of 62 cents/gal from the previous month, and hit the highest point since December 2014.

Even though it is early in the month, there was already some talk of higher PS prices in March. However, sources said that the market would have to wait and see what happens over the course of February before anything is determined for March.

With pricing, all feedstock costs are evaluated, plus the current supply and demand situation, one producer said. At this time, there is no discussion about higher prices in March, the producer added.

Overseas markets

Asia: Trade in the Asia PS market was muted this week amid the Lunar New Year holidays across the region. While some participants returned to the market this week, most of them

Polystyrene USA

delayed commitments until next week. Suppliers mostly withheld offers this week given the sharp price increase in feedstock styrene prices.

Europe: The third consecutive three-digit increase in the February feedstock styrene barge contract will potentially complicate contract price discussions in the European PS market, according to buyers and sellers. Players were prepared for another significant upward movement of styrene, but most of them failed to predict the level that was achieved.

Upstream

Benzene: US February benzene contract prices settled 59-65 cents/gal higher this week, as limited imports from Asia have kept spot prices in a steep climb. However, production issues in downstream styrene are offsetting some of the upward pressure from limited imports. Spot prices through most of this week have been in a narrow range near the February contract price.

Styrene: US styrene spot prices jumped mid-week, as both of the current US Gulf turnarounds have been extended. One producer declared a force majeure on its styrene production, and said that production could be off line until this summer – about four months longer than anticipated.

A Trump presidency, “Brexit” and the Chinese government’s stricter environmental policies – these are just some of the major developments that pose uncertainty to the global petrochemicals market. What will happen next? Examine how these changing market conditions have impacted global chemical markets, with expert analysis of the market outlook for 2017. Download your copies of the Americas, Asia and Europe outlooks here: <http://bit.ly/2k409Ef>



ICIS Chemicals Outlook 2017

FEEDSTOCK CONTRACT PRICES			Price Range	One Year Ago
Styrene				
FOB US DEC	US CTS/lb	+2.00	57.75-62.75	+2.00 50.00-55.00

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