

European polystyrene, ABS buyers brace for Mar price rise on demand, feedstocks

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European polystyrene and acrylonitrile butadiene styrene market participants are preparing for another price rise in March because of a pick-up in demand and rising feedstock prices, sources said this week.

Uptake of polystyrene in key downstream sectors, such as construction, will pick up due to warmer weather despite the price rise, sources said.

Expectations for the March styrene contract price were heard in the range Eur1,650-Eur1,710/mt (\$1,750-\$1,814/mt), a Eur90-Eur150 increase on the month.

Sources remained bullish on the styrene contract price despite lower spot prices this week.

Polystyrene prices have seen steep rises in the past few months, tracking three-figure increases in the styrene contract price.

The general purpose PS net contract price has risen to an assessment of Eur1,680/mt (\$1,781/mt) FD NWE Wednesday from Eur1,275/mt (\$1,352/mt) in the last week of November.

A polystyrene distributor said demand from construction was inelastic and, while other buyers had mulled substitution opportunities, the reality was that many large packaging companies were tied to using polystyrene.

In the acrylonitrile butadiene styrene sector, butadiene -- another of its feedstocks - is set for a three-figure increase.

Europe will continue to face supply tightness as Ineos Styrolution reduces output at its Antwerp ABS units.

Sources said the ABS unit will have lower production due to work for one week each in February, March and April.

Import offers have been scarce this year as ABS prices in Asia have been bolstered by high feedstock costs.

European demand for ABS was reported to be stellar, with sellers repeatedly reporting full order books this year.

One seller was heard to have filled up its order book for March this week.