

Japan to see cut of 47,120 mt in SM supply over Feb-Apr from turnarounds

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Japan is expected to see a cut of 47,120 mt in SM supply over February to April due to scheduled maintenance, S&P Global Platts calculations showed Tuesday, with Middle Eastern supply likely to fill the supply gap.

Major producer NS Styrene Monomer will shut its 190,000 mt/year No. 1 SM line at Oita for 30 days starting March 10, while the 230,000 mt/year No. 2 line at the same plant will be shut for around 50 days from end-February, S&P Global Platts reported previously.

NS Styrene Monomer's Oita plant last underwent a turnaround in February to April 2017.

Market participants are expecting Japan's SM exports to fall in the first quarter due to the upcoming turnaround at NS Styrene Monomer's Oita plant, with the shortfall offset by more Middle Eastern cargoes flowing into the region.

"South Korean manufacturers are not in a hurry to export at the moment due to uncertainty over potential antidumping duties. With SM supply expected to be tight in Q1, we expect more Middle East origin cargoes to head into China," a South Korea-based trader said this week.

China imported 173,414 mt of SM from Japan over January to November 2017, equivalent to around 6% of total imports, latest Chinese customs data showed.

In addition to NS Styrene Monomer, several other Japanese producers also have plans to undergo scheduled maintenance in H2 2018, according to industry sources.