

Asia's styrene market outlook and China's changing role in a dynamic global economy



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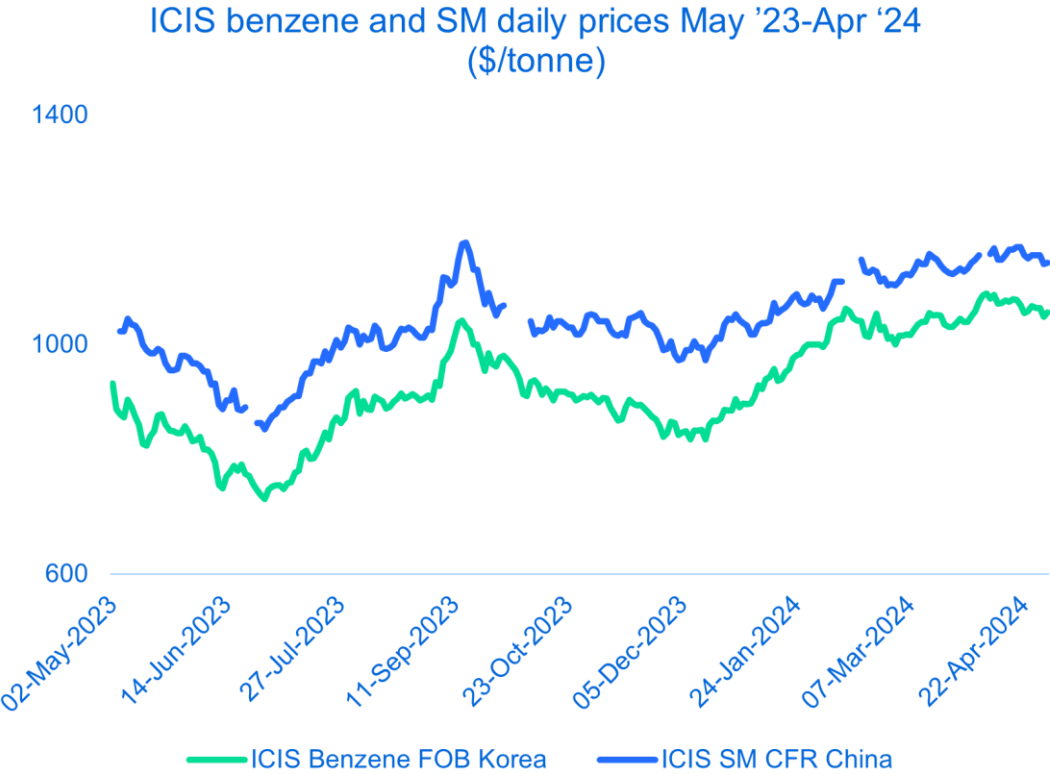
Agenda

1. Cost drivers: The forces behind Asia's SM prices
2. Trade dynamics: China's journey to becoming an SM exporter
3. Global ripples: The impact of US tariffs on Asia's styrenics market
4. The road ahead: Between growth and growing pains

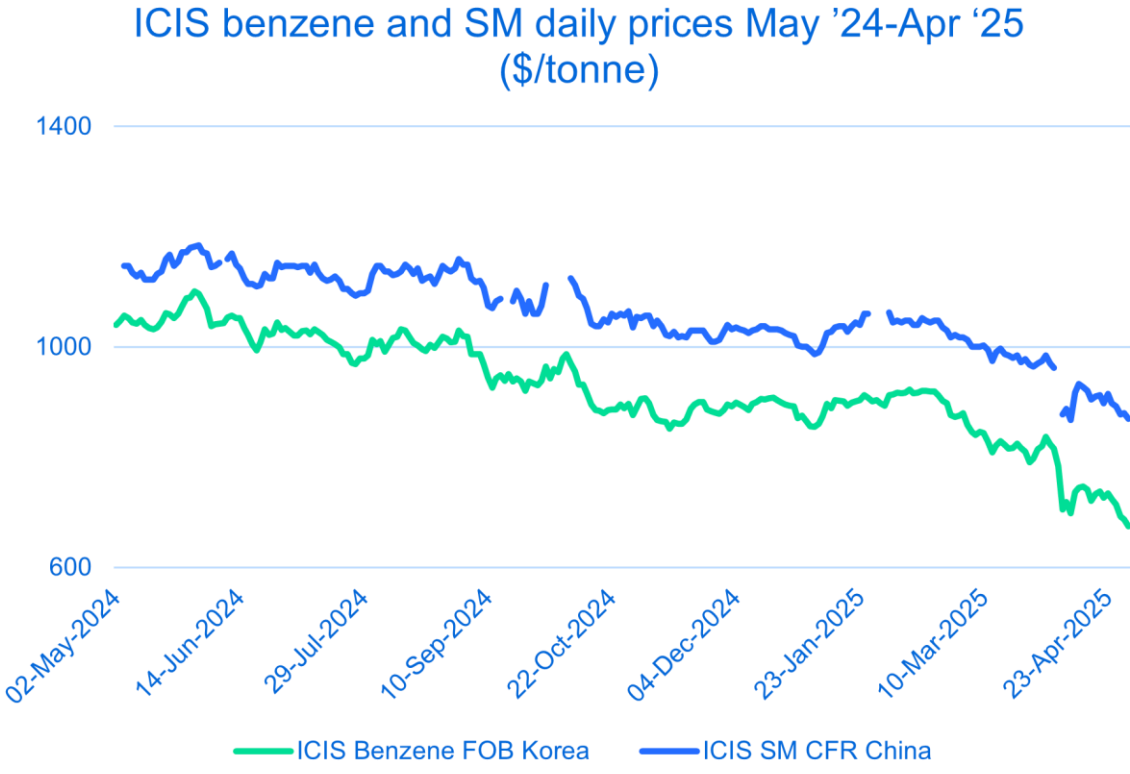
Cost drivers: The forces behind Asia's SM prices



High correlation between SM, benzene prices continues



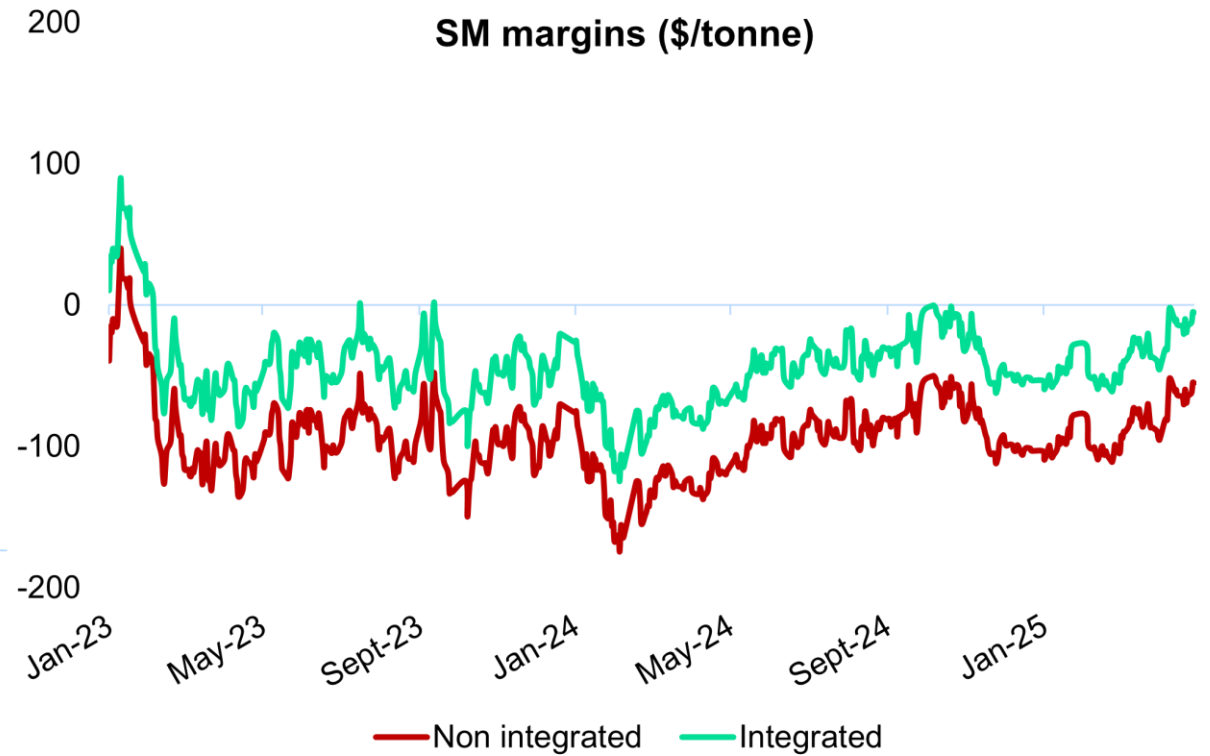
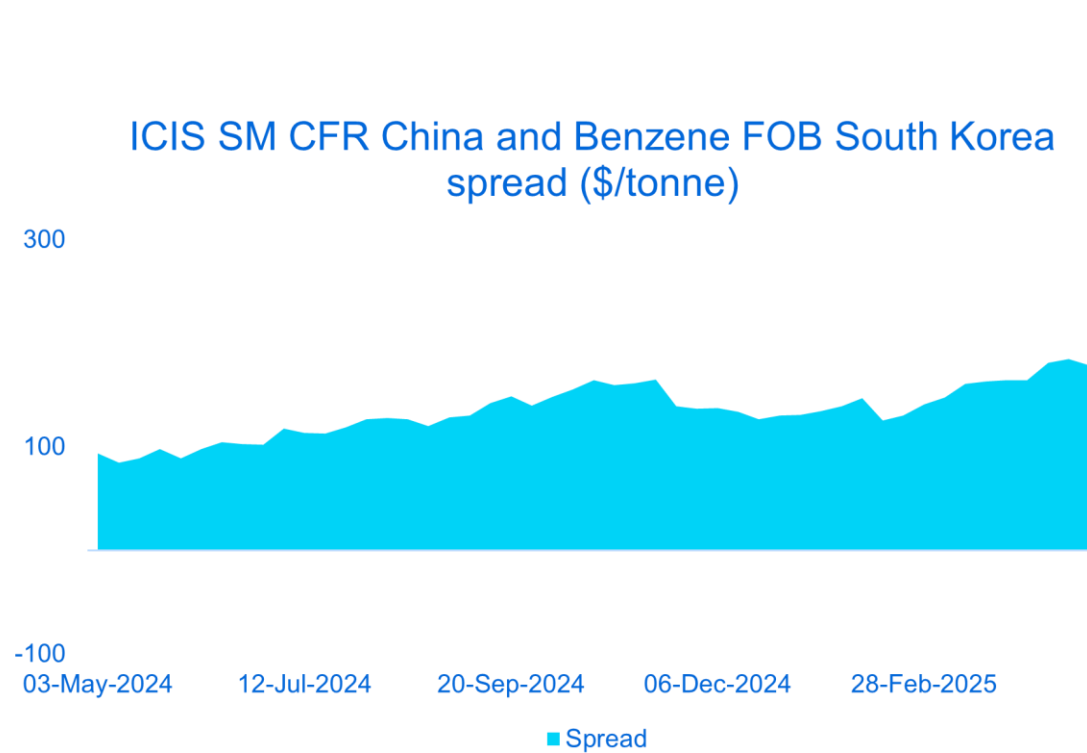
May 2023 to Apr 2024: **0.972**



May 2024 to Apr 2025: **0.986**

Source: ICIS

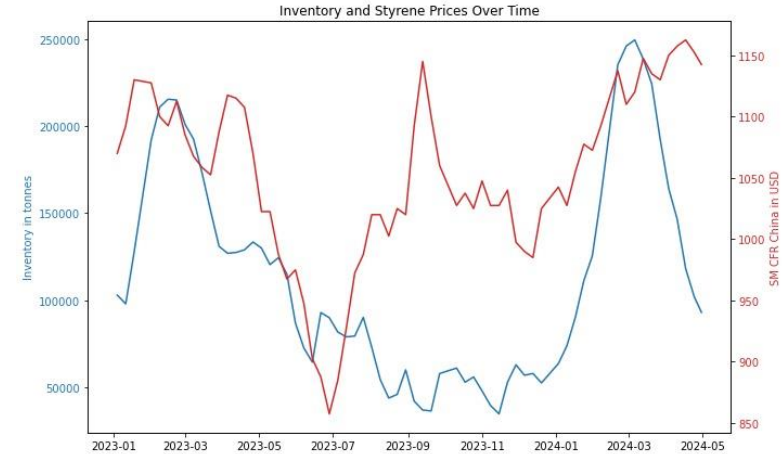
Production margins have improved since mid-2024



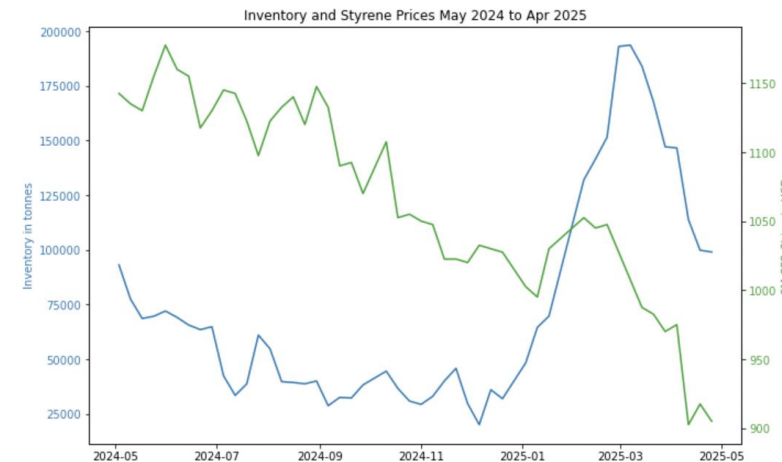


Weak negative inventory-price correlation

- Weak correlation points to price as an unreliable indicator
- More direct trades reduce cargo flow into storage
- Low inventory now signals liquidity, not necessarily market strength



Jan 2023 to May 2024: **0.505**

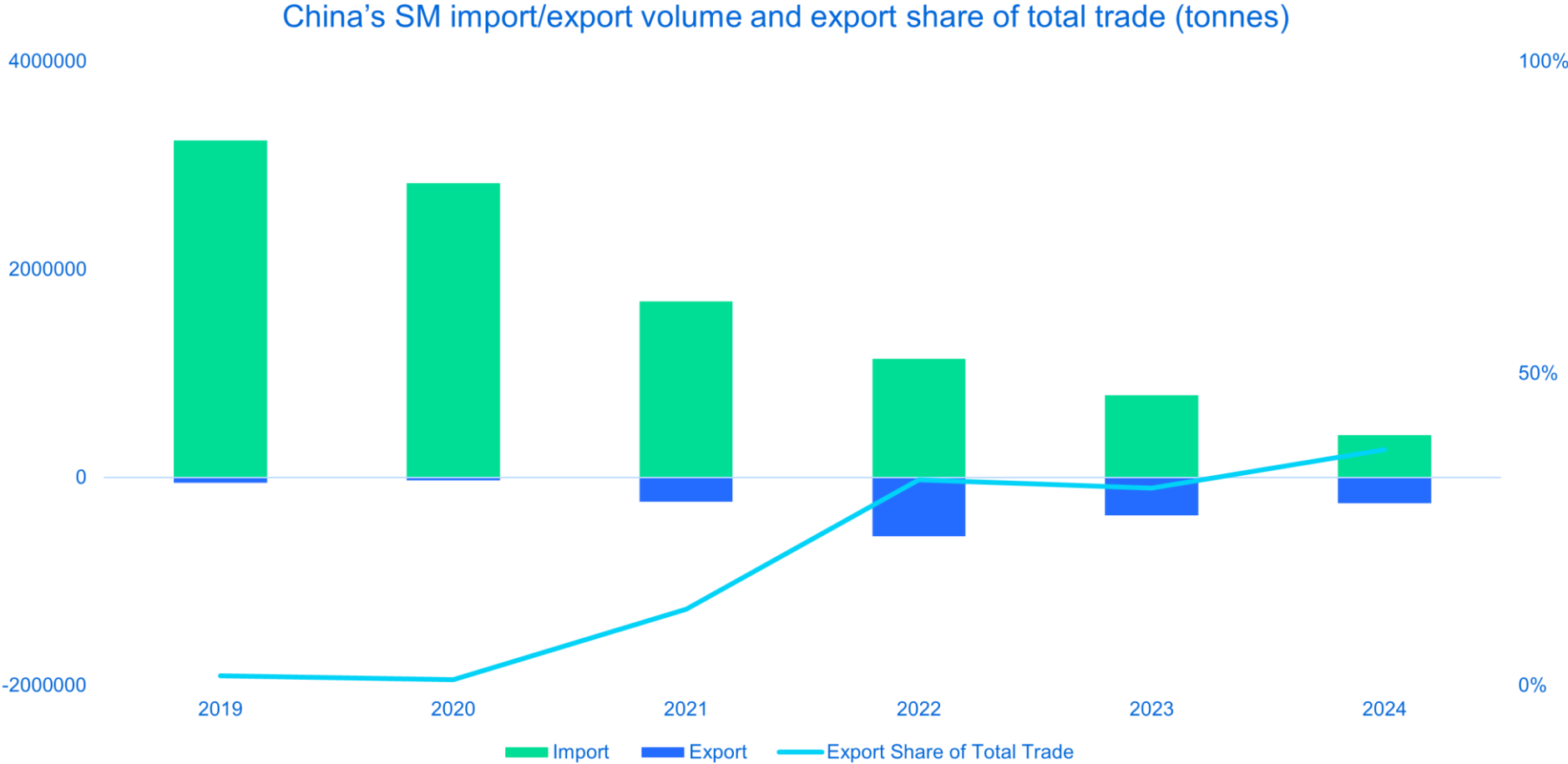


May 2024 to Apr 2025: **-0.441**

Trade dynamics: China's journey to becoming an SM exporter



China's export share in total trade has increased

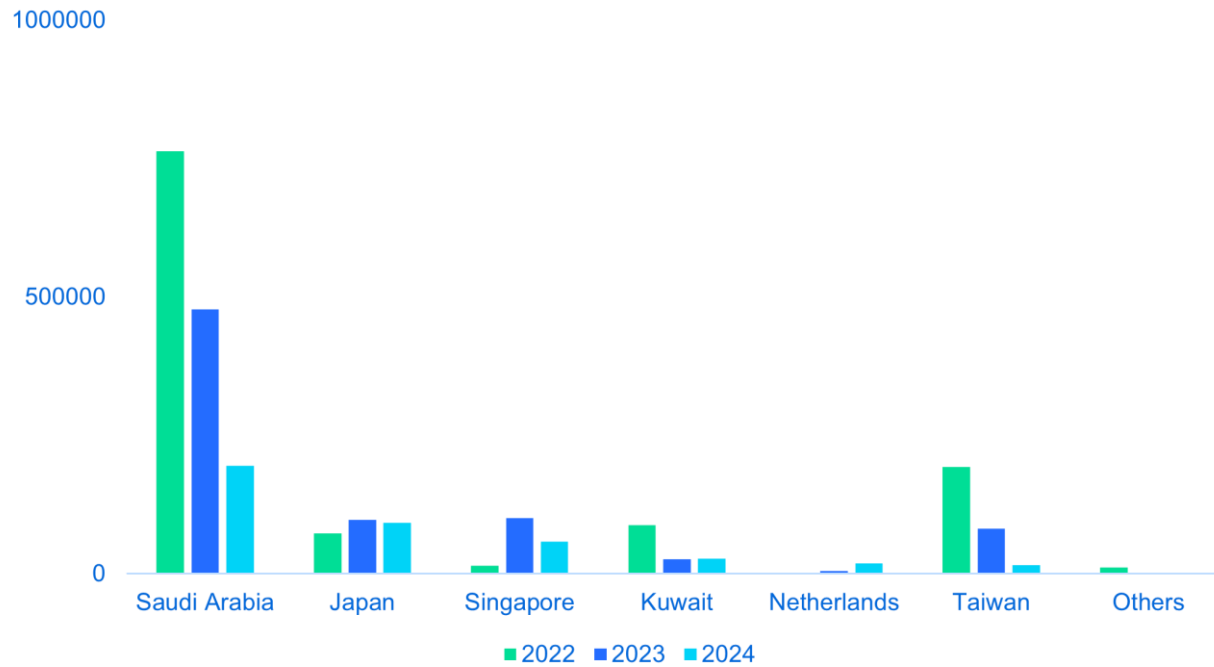


Source: ICIS Demand and Supply Database

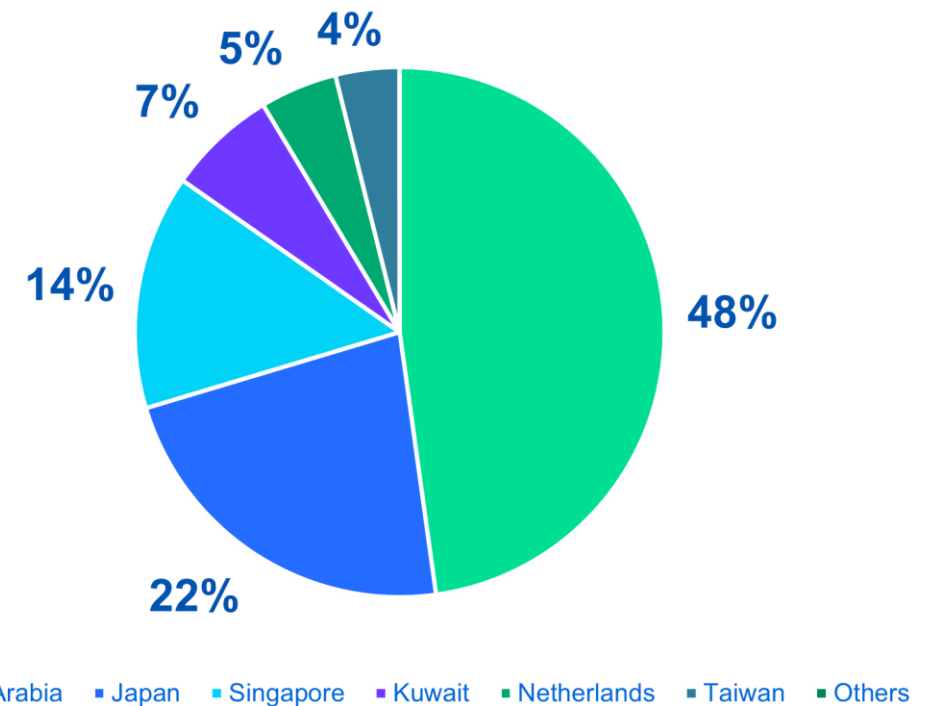
Saudi Arabia remains the major CFR China seller



China SM import origins and volumes (tonnes)



China 2024 SM import cargo origins

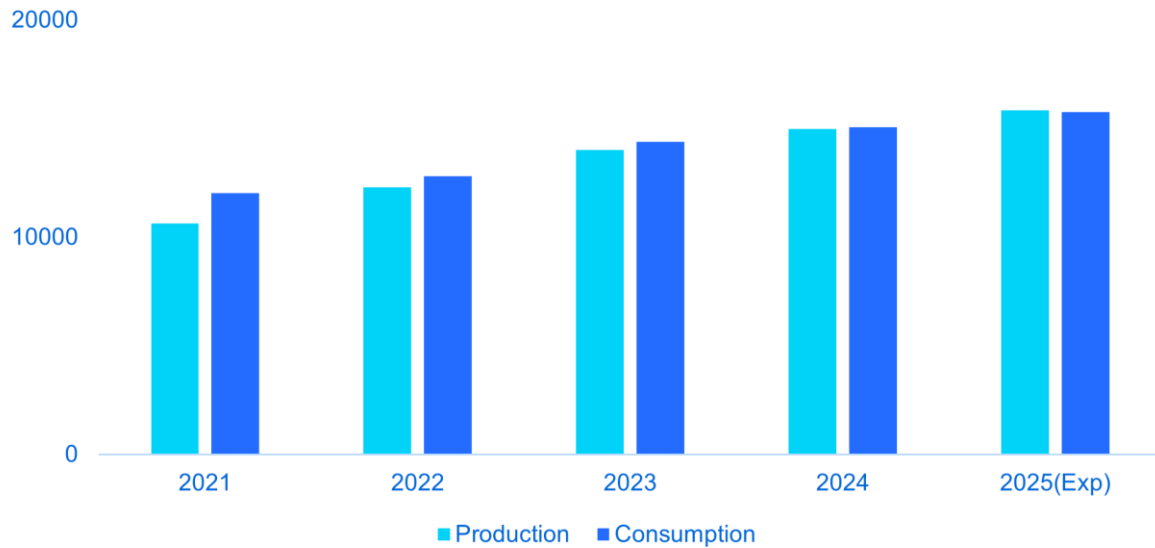


Source: ICIS Demand and Supply Database

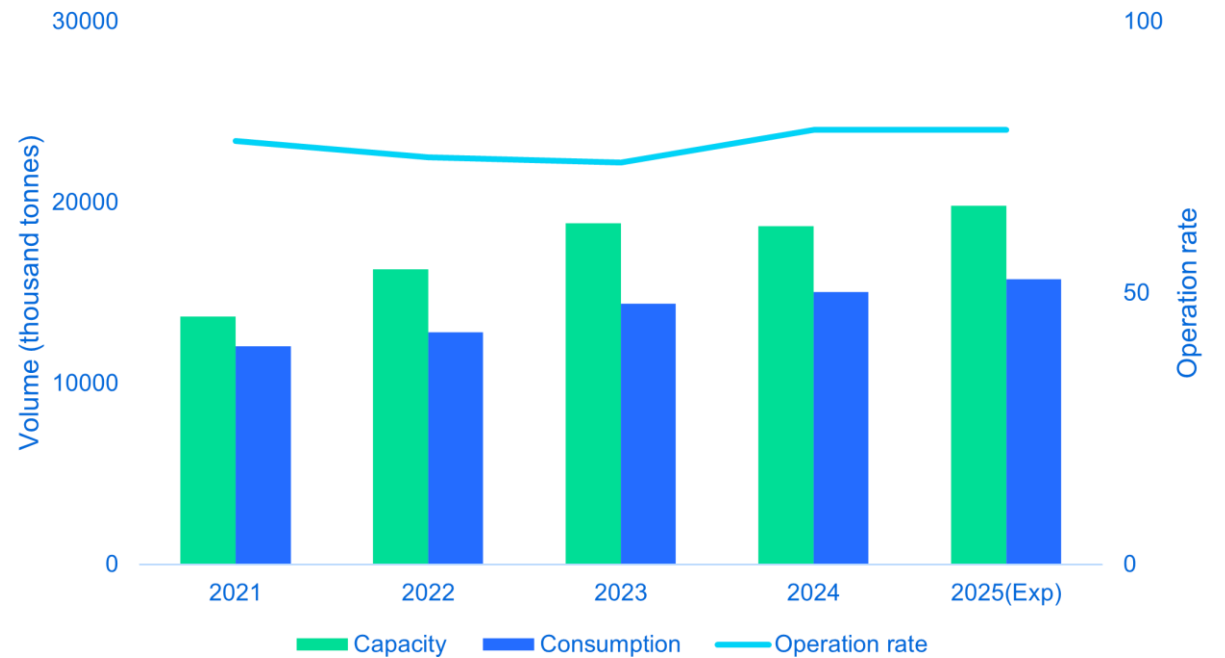
Rising domestic SM subsistence curbs imports



China's SM production and consumption (thousand tonnes)



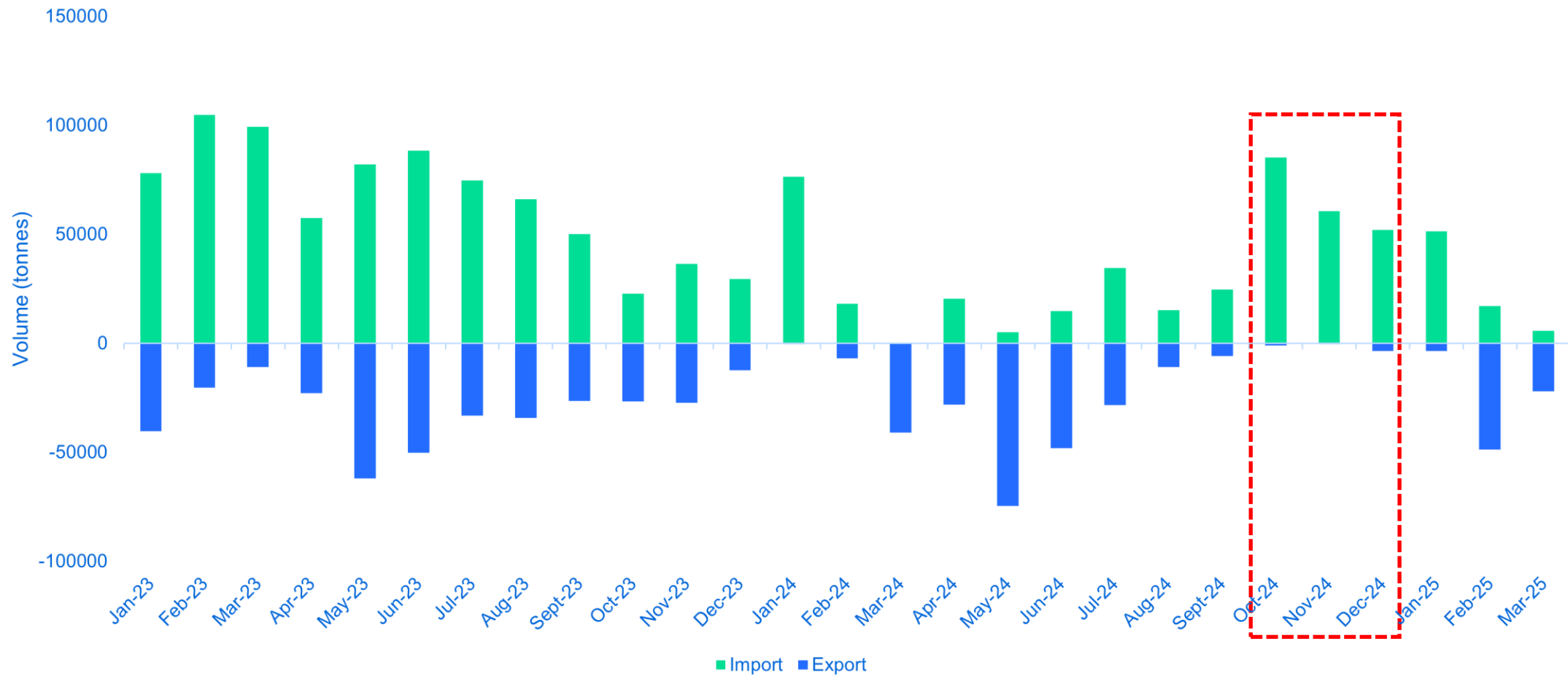
China's SM capacity, consumption and operation (thousand tonnes)



Irregular trade patterns reflect transitional phase



China styrene import/export volume (tonnes)



Source: ICIS Demand and Supply Database

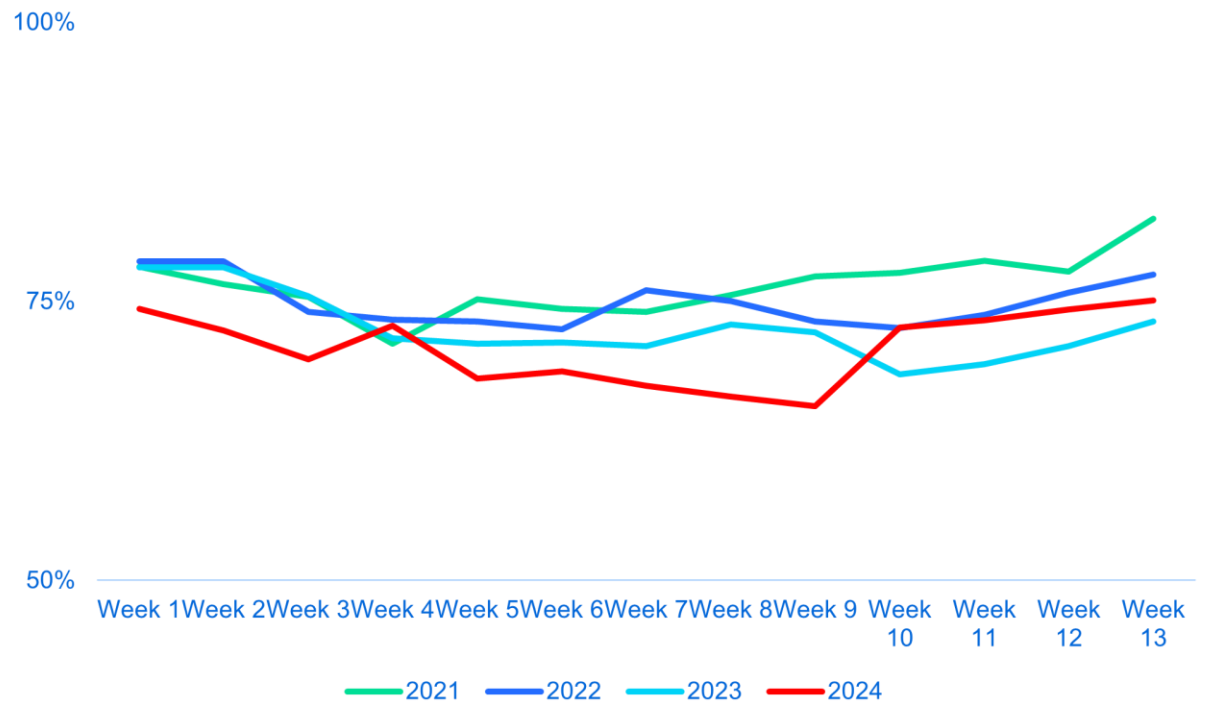
Low inventory and operation crunch in Q4 2024



Q4 E China shoretank SM inventories (tonnes)



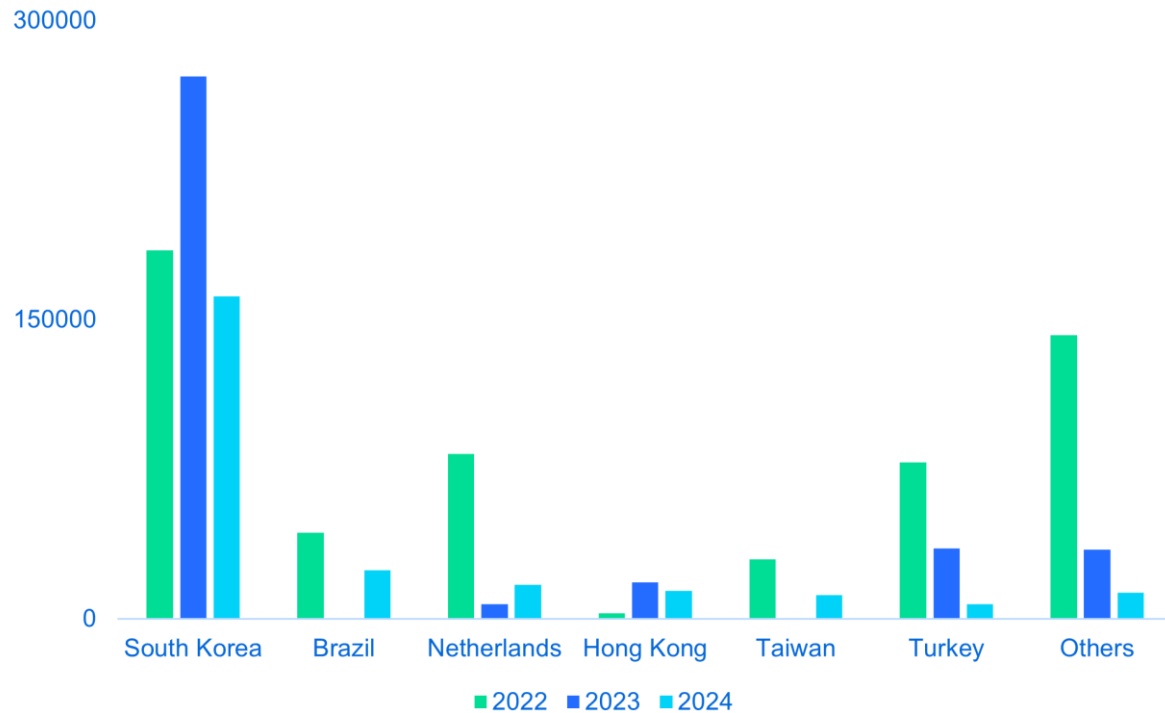
Q4 China domestic SM operation rate



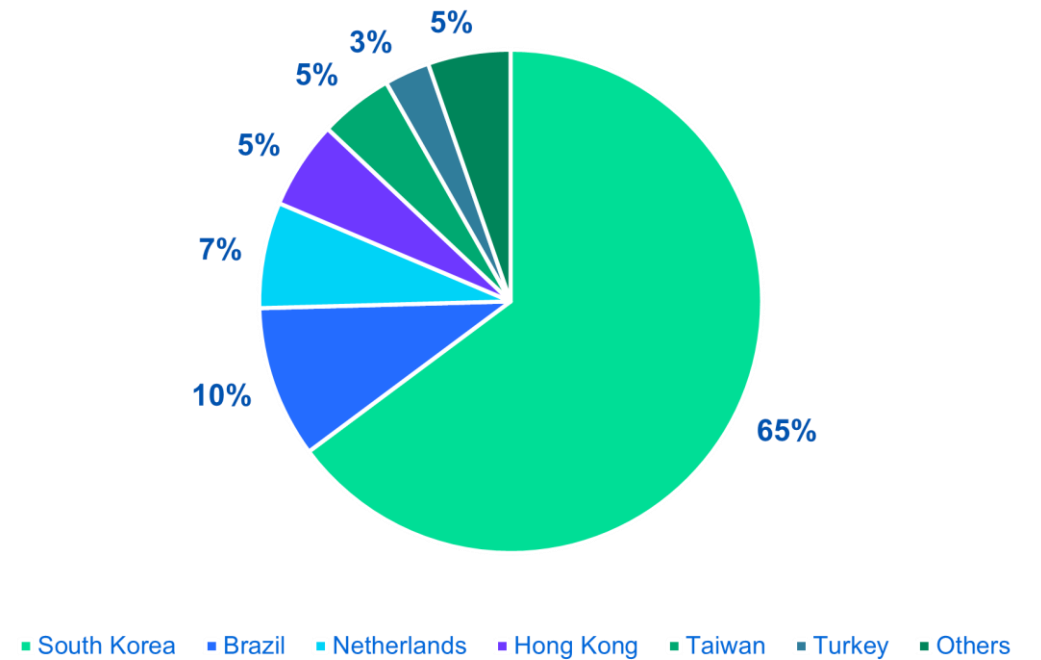
S Korea remains as major ex China SM buyer



China SM export destinations and volumes (tonnes)



China 2024 SM export cargo destinations



Current China export cargo pricing mechanisms



CFR China floating

- Spot quotes on a CFR China + alpha
- Dollar-denominated
- Intra-Asia

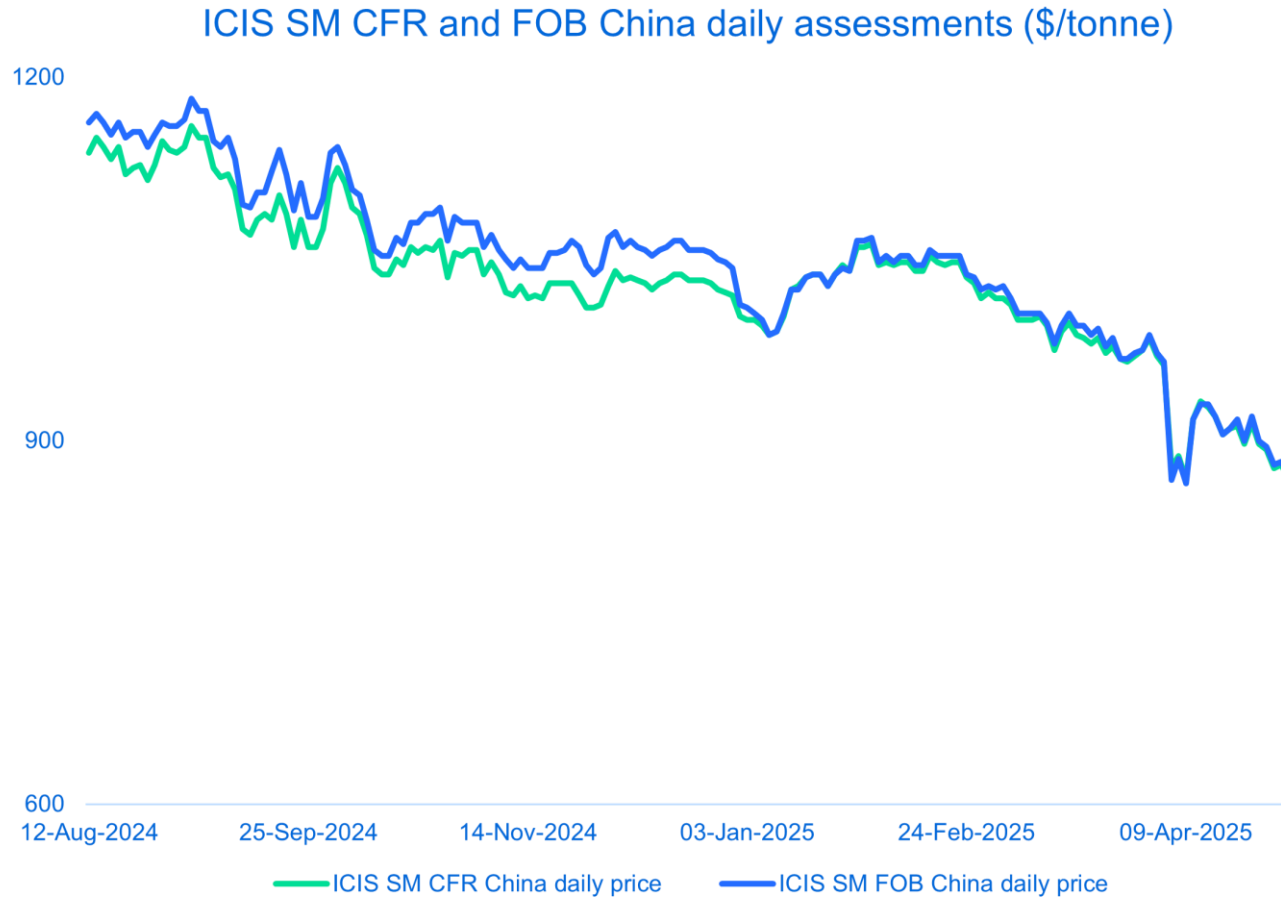
Domestic price floating

- East China ex tank
- Yuan-denominated
- Intra-Asia

FOB China fixed

- Fixed price quotes
- Dollar-denominated
- Deep-sea

ICIS FOB China daily assessment launched in Aug 2024



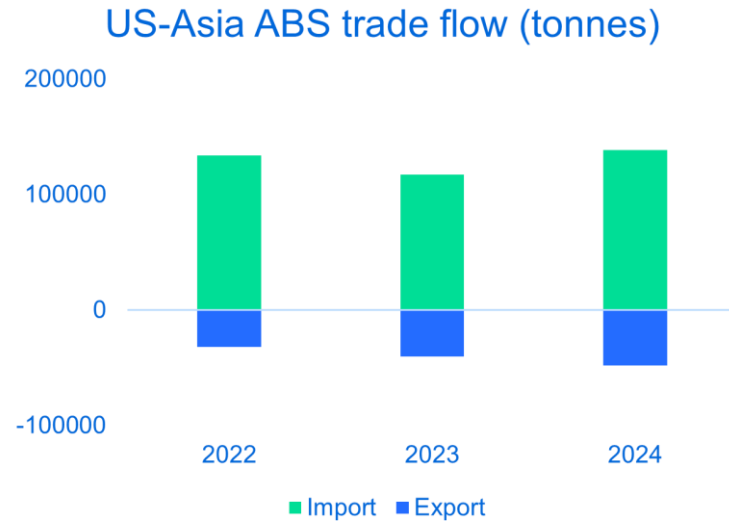
- Daily/weekly assessment
- Discussions and price indications
- China exporters' opportunity costs

Global ripples: The impact of US tariffs on Asia's styrenics market



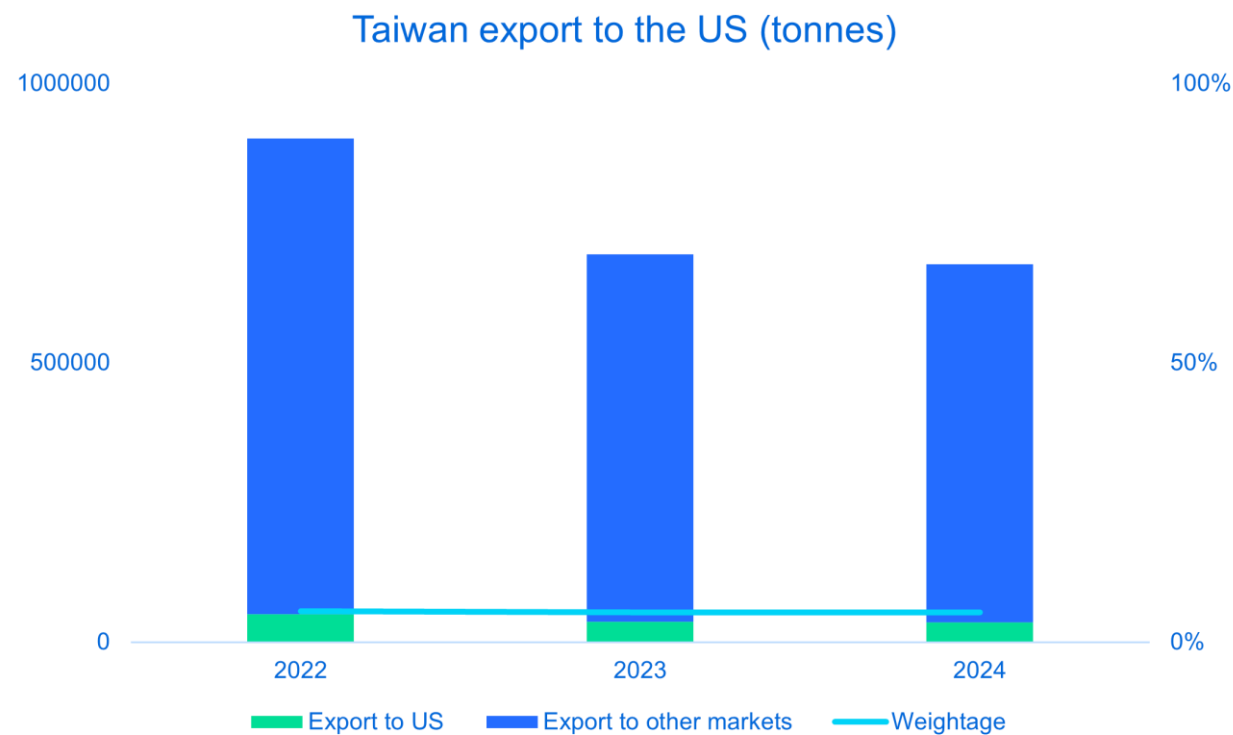
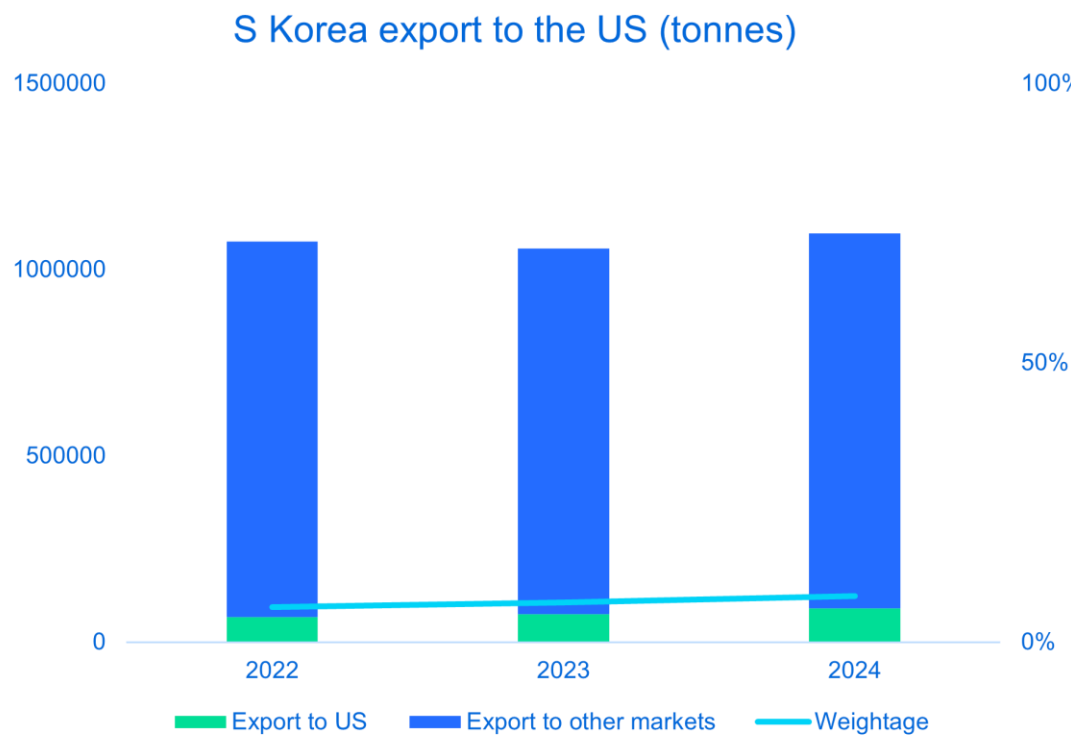


Asia is an important ABS source for US

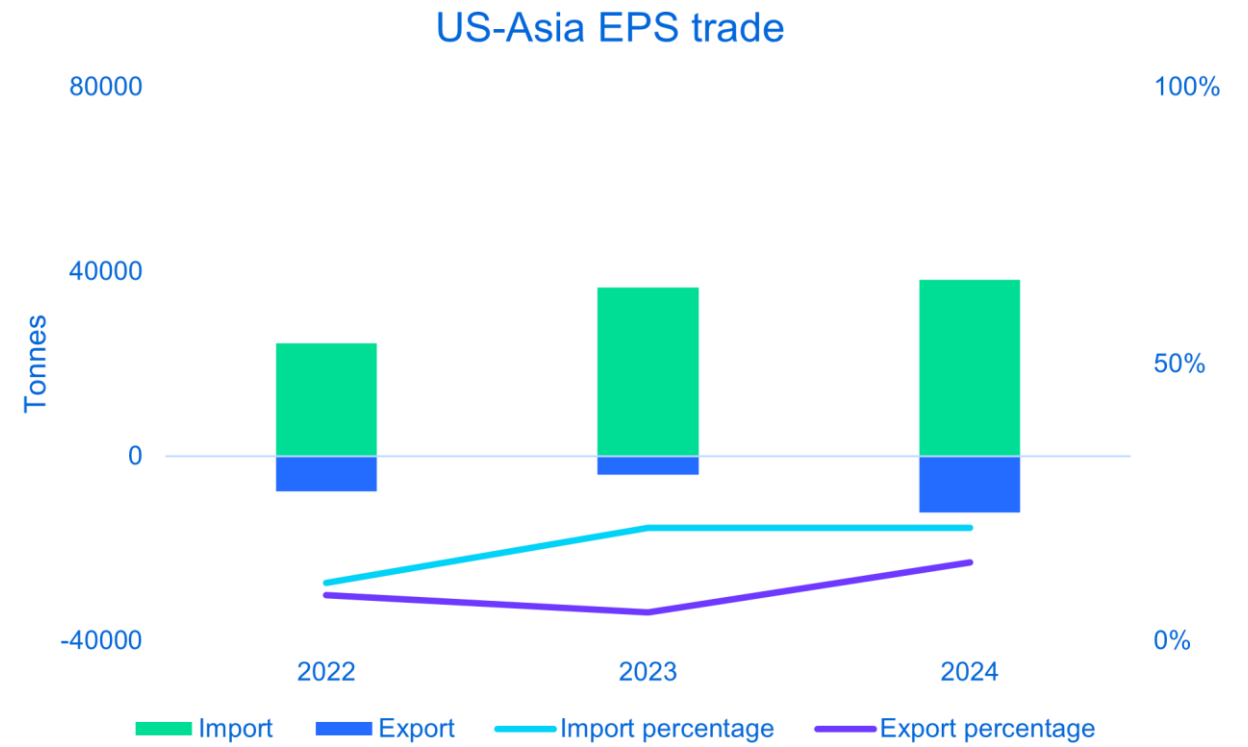
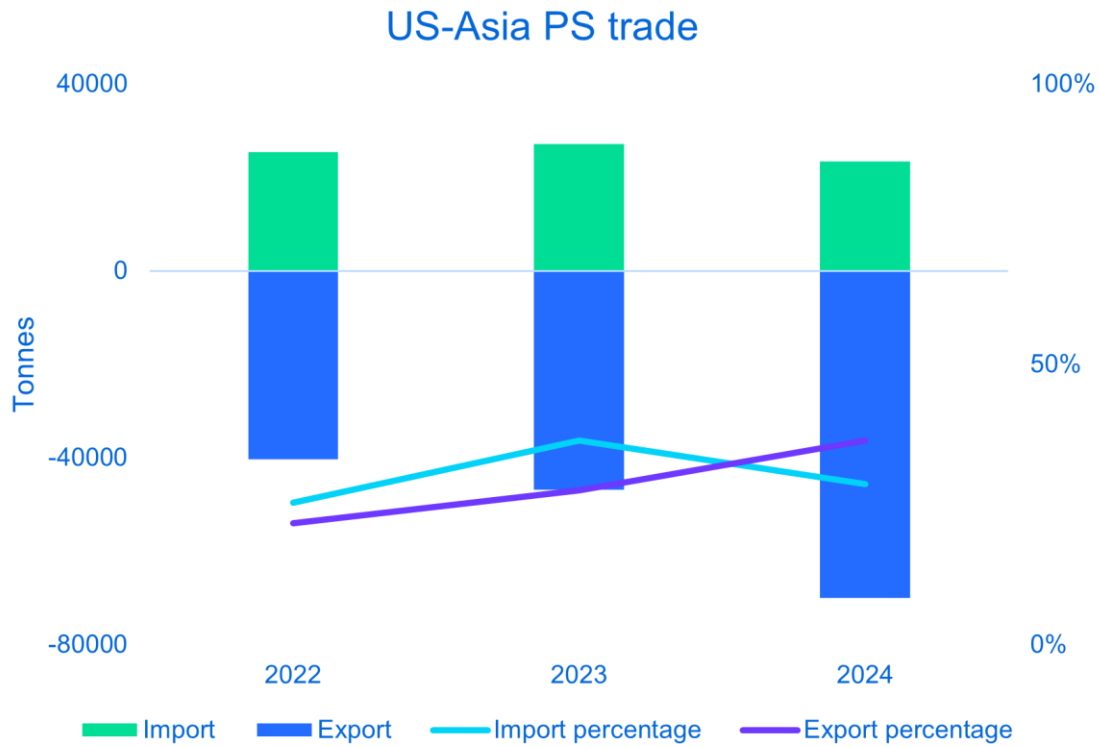


- Over 70% of US ABS imports in 2024 came from Asia
- S Korea, Taiwan are key ABS supply sources
- US tariffs risk could disrupt US ABS supply and raise costs

Asia ABS makers' risk exposure limited



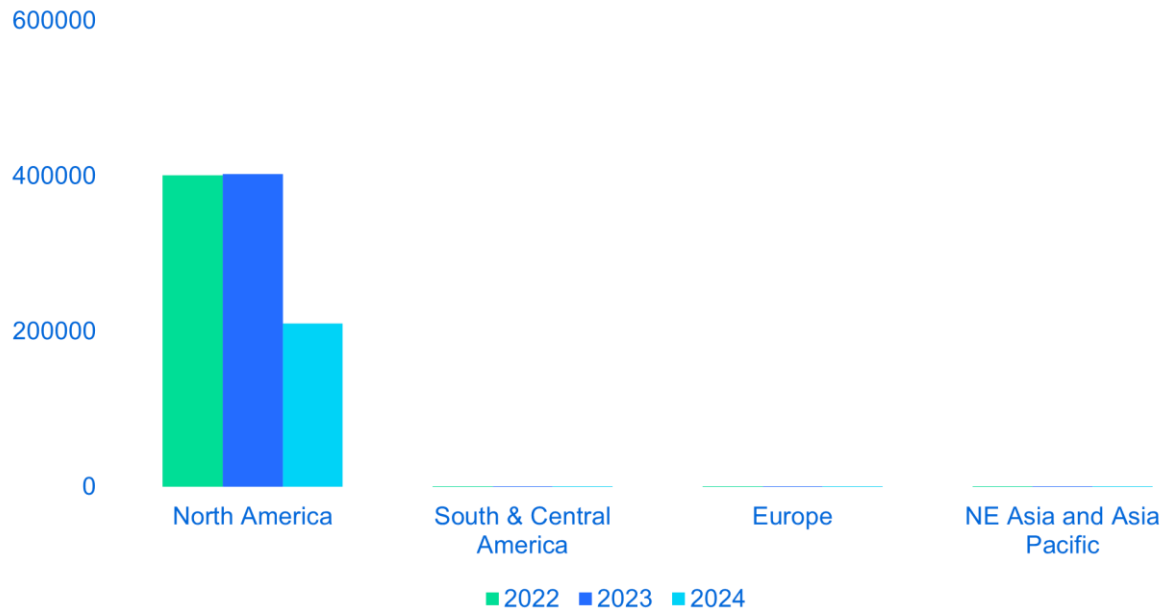
US-Asia PS/EPS trades relatively lower in significance



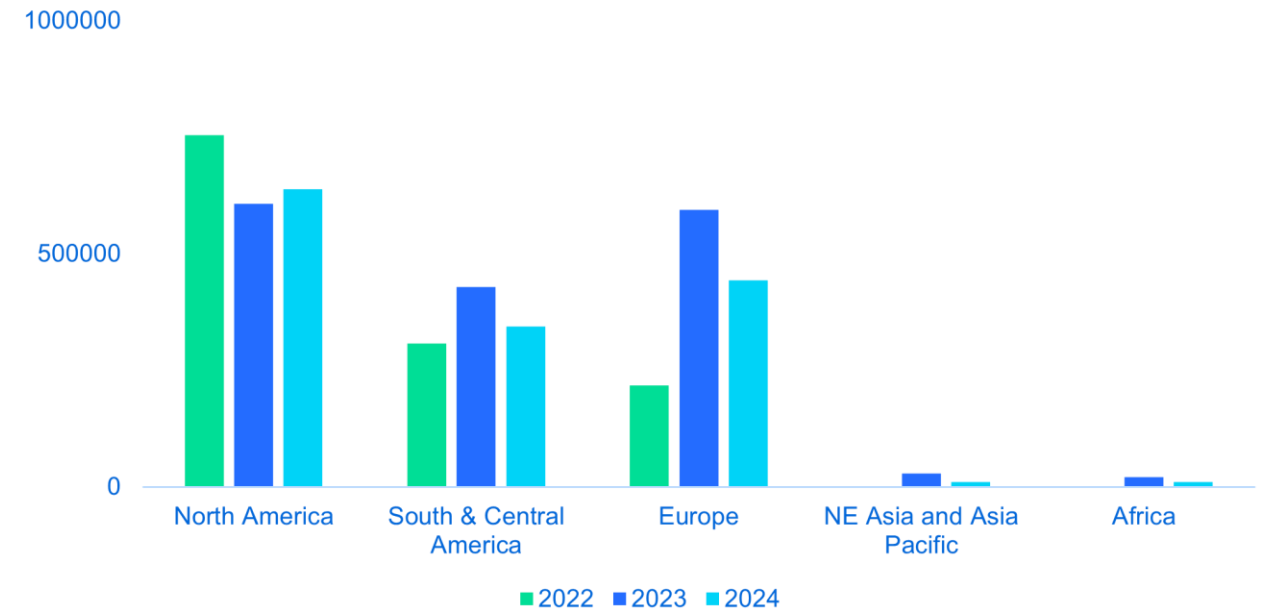
Limited direct Asia-US SM trades



US SM import volume (tonnes)



US export volume (tonnes)



US tariffs impact on China SM



Ethane supply
instability

Ethylene
production at
some crackers
affected

SM plant
operation
impacted

Lower SM
consumption

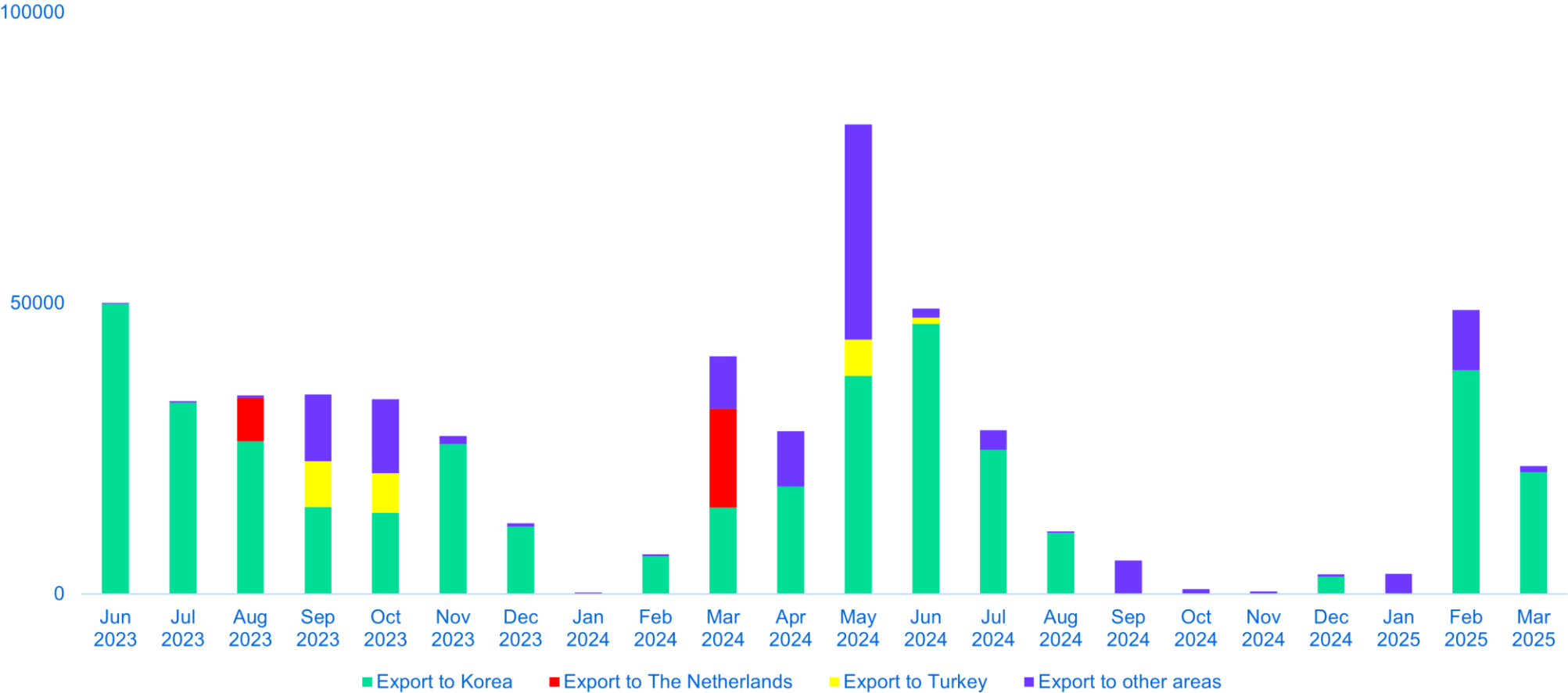
Lower regional
demand for
styrenics
polymers

Lower US demand
for ex Asia end-
consumer products

China-Europe SM trade more active with US-EU frictions

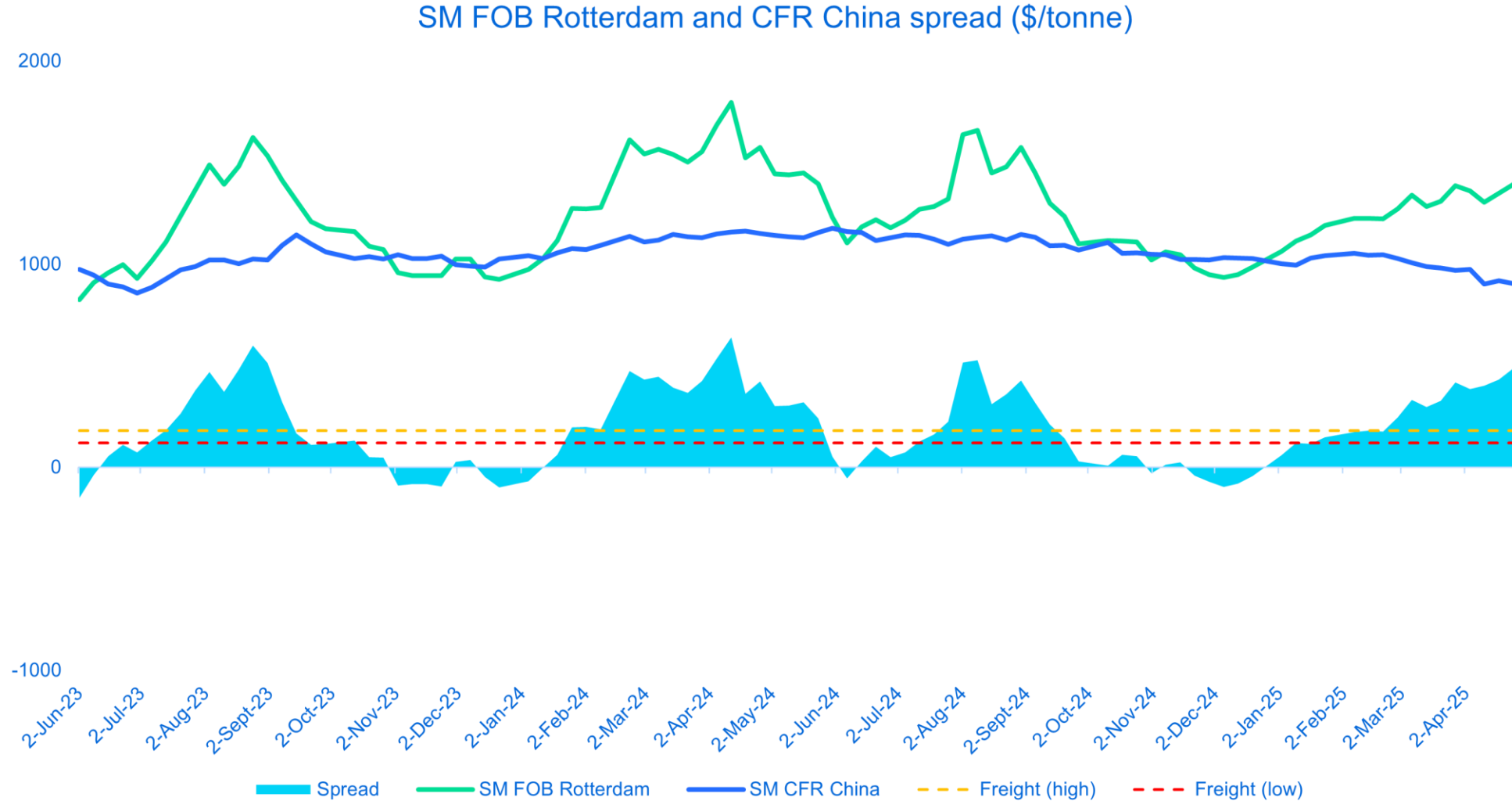


China's SM export (tonnes)



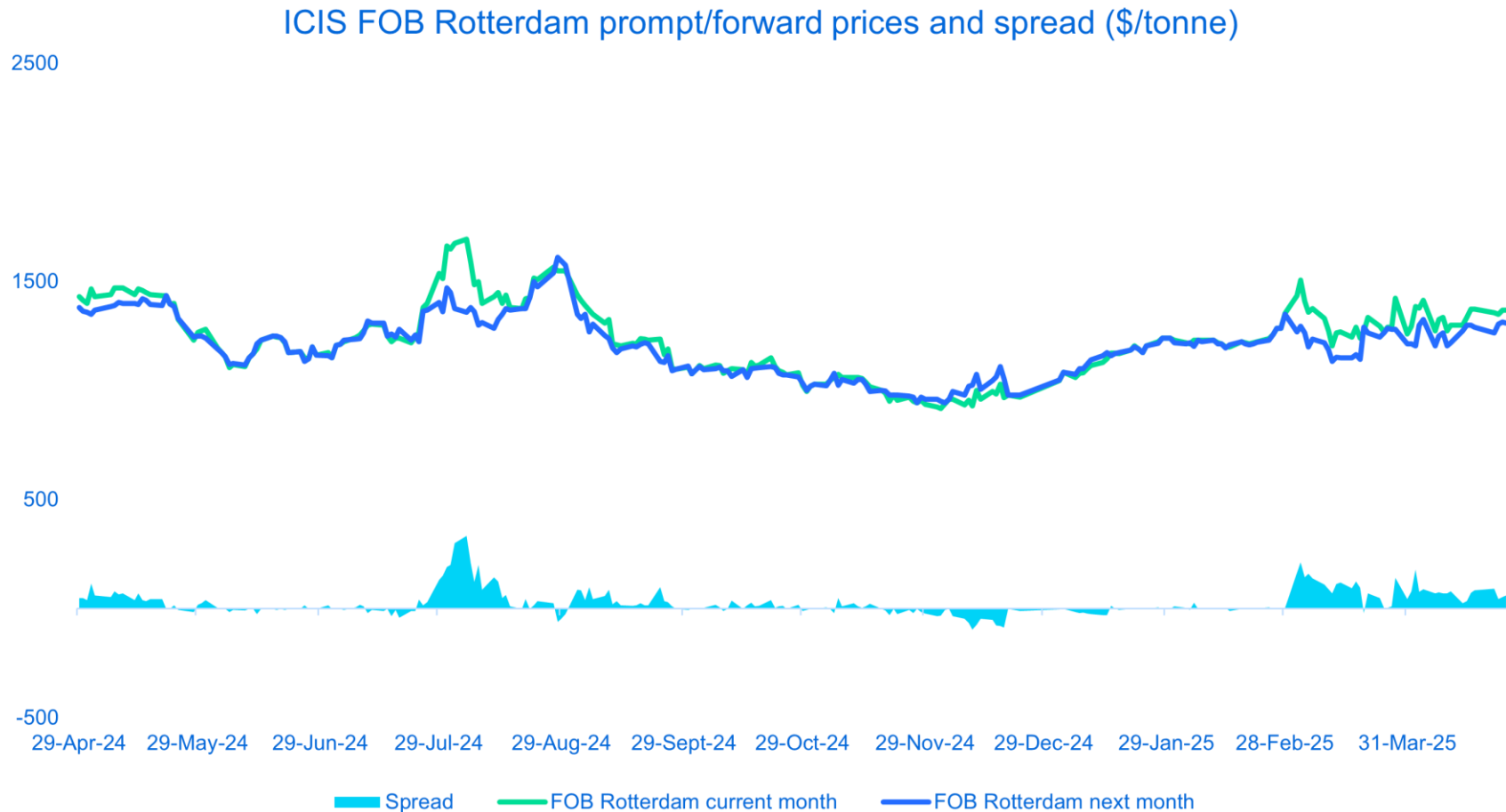
Source: ICIS Demand and Supply Database

China-Europe spot spread attractive for arbitrage



Source: ICIS

EU SM market backwardation leads to high risks



- Europe SM backwardation adds pricing risk to China-Europe arbitrage
- Long lead times may miss Europe's brief spot price spikes
- China's SM push into Europe spot market reflects shifting trade flows

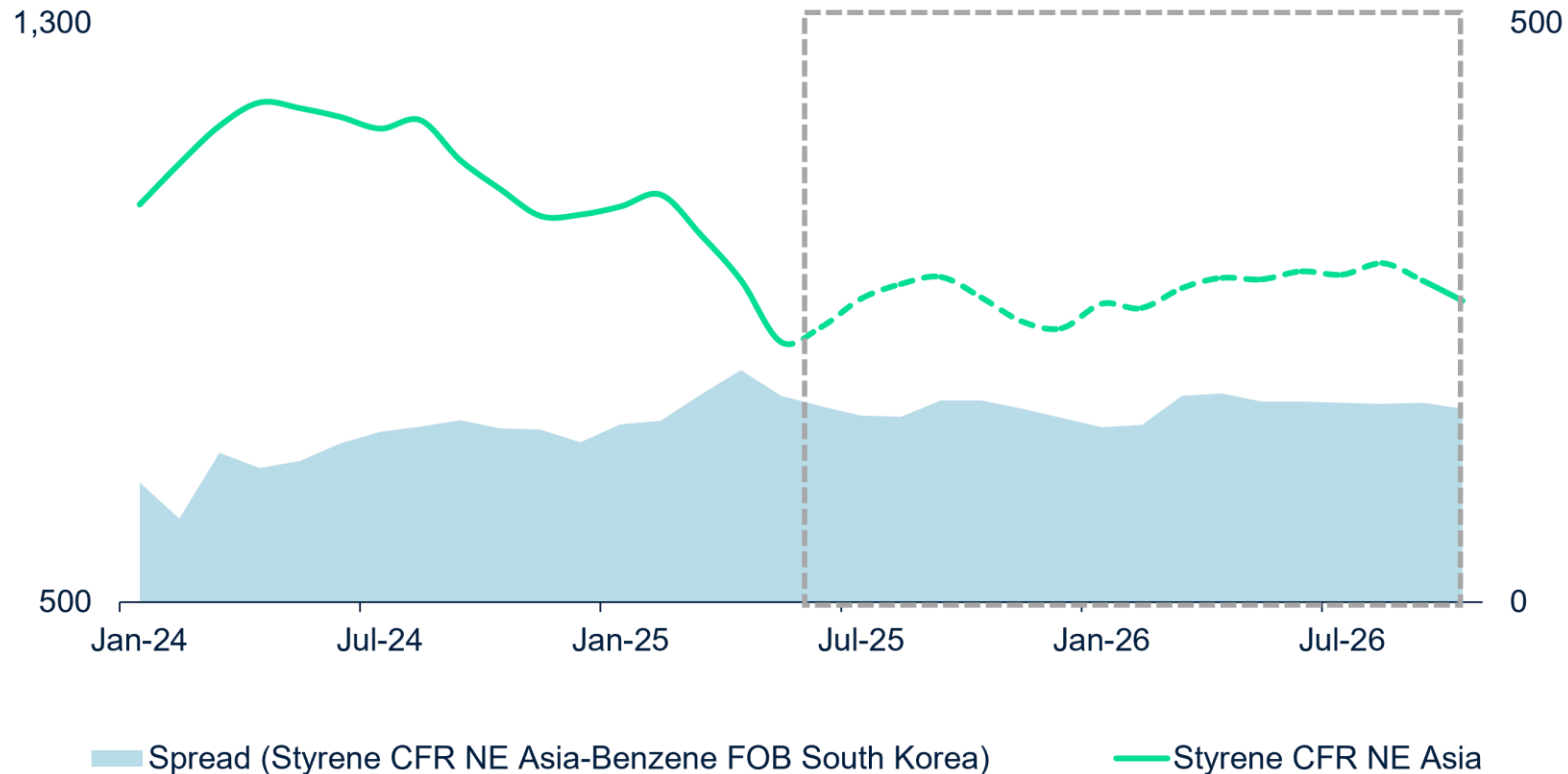
The road ahead: Between
growth and growing pains





Asia styrene market to face pressure in 2025

Asia benzene and styrene price forecast
(\$/tonne, Jan 2024-Oct 2026)



Market drivers

- Weaker crude oil and long supply continue to suppress Asian benzene and ethylene prices in 2025. Styrene driven up by **lower cost**
- Continuous **downstream ABS, PS and EPS expansions** support styrene prices
- **US Reciprocal Tariffs** has significant impact on end exports demand
- The market is still facing **oversupply** pressure. Styrene margins remained low for a significant period time

Source: ICIS price forecast service

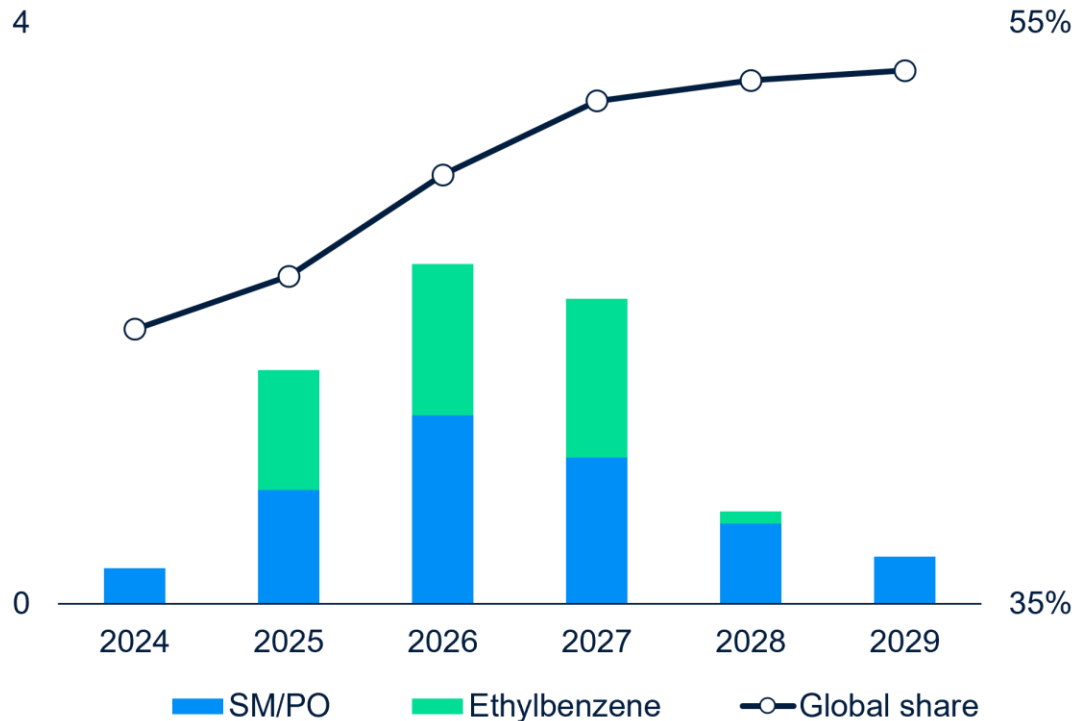
Note: ICIS price forecast is published monthly; Please click [here](#) for the latest price forecast (updated in April).



China to be growth engine of global styrene expansion

- China leads global styrene capacity expansion. From 2026, China's capacity will account for more than 50% of global total.
- However, ~13% of the world's styrene capacity permanently closed or idle for long time due to negative margins; concentrated in NE Asia, Europe, US

Incremental styrene capacity and market share in China
(million tonnes, 2024-2029)



Global new and closed/idle styrene projects

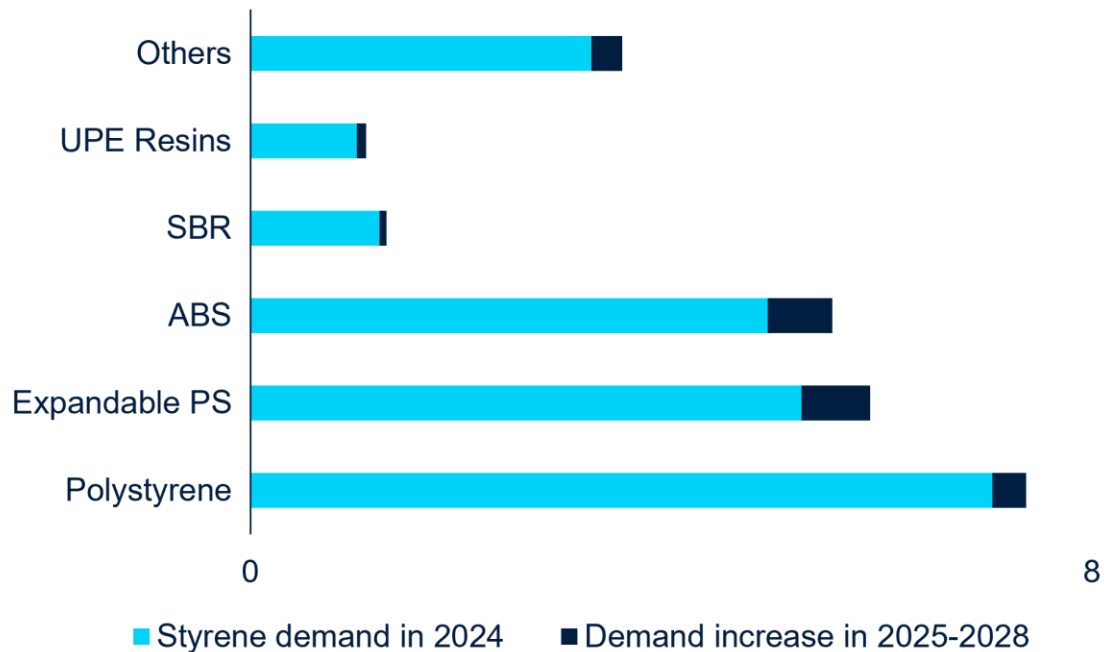




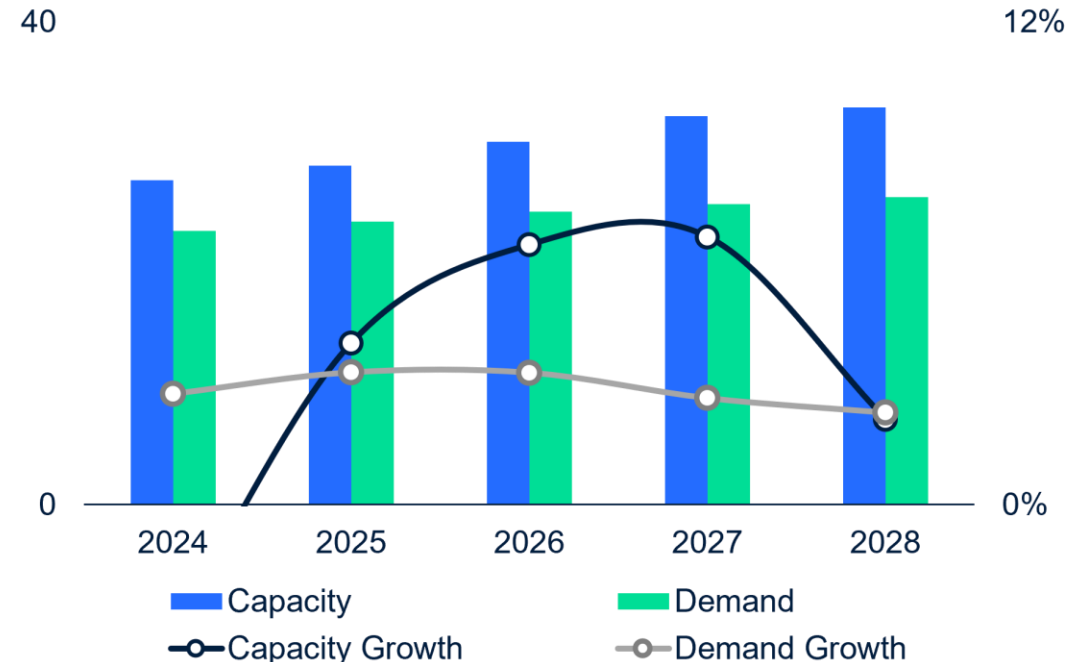
Asia styrene demand not growing as fast as supply

- ABS has entered capacity expansion peak; would be main driver of future styrene demand, while EPS, PS have limited growth
- Growth rate of Asia styrene capacity has outpaced demand, therefore reshaping the global supply-demand pattern, trade flow

Asia styrene demand
(million tonnes, 2024-2028)



Asia styrene supply and demand balance
(million tonnes, 2024-2028)



Summary



Reshaped market dynamics



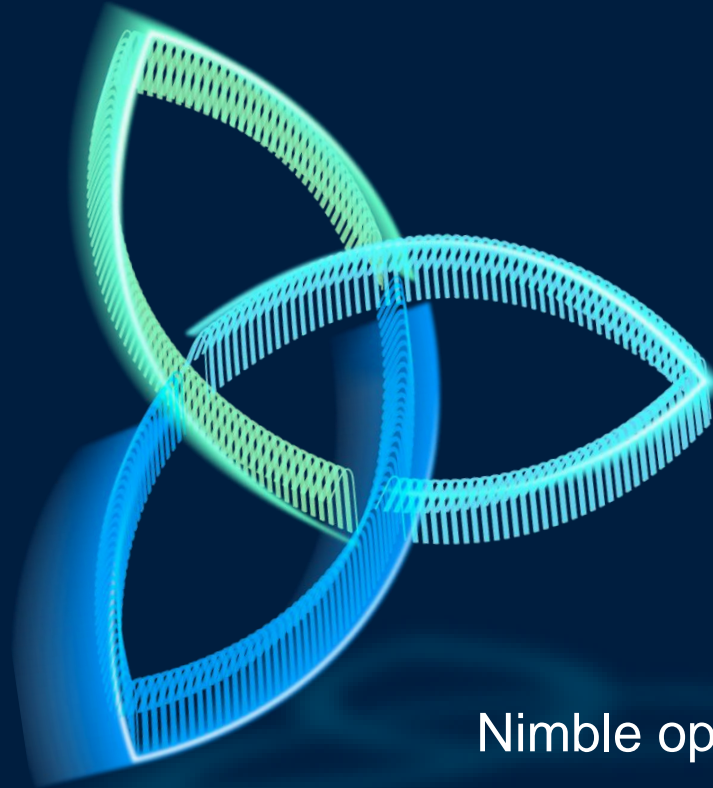
Global macroeconomic uncertainties



Structural imbalances persist



Nimble operating and pricing strategies to be essential



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Beta styrene page in ICIS Clarity



Interactive interface



Clean, on-demand design



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Highlights

- China SM market lower following upstream benzene market losses
- China export market cools ahead of holidays; Europe enquiries remain active
- Regional spot demand still hampered by tepid end-consumption for polymers

← Market commentary

Market drivers impacting prices and outlook



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MARKET OVERVIEW FORECAST PRICES SUPPLY AND DEMAND TRADE BALANCE MARGINS

Market commentary

Highlights

- China SM market lower following upstream benzene market losses
- China export market cools ahead of holidays; Europe enquiries remain active
- Regional spot demand still hampered by tepid end-consumption for polymers

[← Market commentary](#)

Market drivers impacting prices and outlook

Select product

USD/mt

Price (USD/mt)
1,250
1,200
1,150
1,100
1,050
1,000
950
900
850

China's styrene monomer (SM) market fell further this week, mainly due to the weak feedstock benzene market.

Supply lengthened in China on higher operation rates. Several plants on turnarounds returned to production, which also curbed any upside momentum in the market.

Demand-supply fundamentals of SM in China were still seen as comparatively stronger than the benzene market, as end-demand for styrenics polymers, though not strong, was still generally stable. This led to fewer losses in the SM market than the benzene market and, consequently, improving spot production margins.

Spot demand from other parts of Asia outside of China appeared largely limited as SM users in South Korea had completed their May procurements by the end of last week.

Thank you



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