

# Europe styrene acrylonitrile market off to a quiet start

Released on 08/01/13

European styrene acrylonitrile (SAN) market participants are still waiting for signs of a pick up in January demand, as the month gets off to a 'quiet' start, sources said on Tuesday.

"Demand is still quite quiet," a distributor said.

"[We] didn't expect ... demand would pick up that much for SAN [this month]. Order levels are comparable to January 2012," a major producer said.

However, players are not too concerned about current demand levels during the first full working week of the New Year. Players said that next week will present a much clearer picture of January demand.

"Demand is good enough. Order entry is still good, customers had low stocks [before the holiday season] and need to replenish," a distributor said, adding demand has not increased or decreased compared with December.

Despite a slow start to January, producers are still targeting increases for January contract prices.

On 20 December, Styron, a major producer of SAN in Europe, announced an initial contract business price increase of €100/tonne for January business. However, figures may need to be revised downwards following a lower-than-expected increase in the January feedstock styrene contract price.

Other producers have targeted increases of €50-80/tonne up from December, for January business, citing increased feedstock styrene costs and squeezed margins as reasons to move prices up.

The January styrene barge contract price was settled at €1,488/tonne (\$1,958/tonne) free on board (FOB) Amsterdam-Rotterdam-Antwerp (ARA), an increase of €60/tonne from December.

The majority of SAN consumers are attempting to secure January SAN contract price rises of €40-50/tonne, accepting some increase on the back of hikes in raw material costs.

Asian-produced compounding grade material remains competitively priced, with prices of €1,450-1,600/tonne FD NWE heard from European distributors.

"[Asian prices] could go up \$80/tonne and will still be attractive to European buyers," a distributor said, adding it expected Asian prices to be fairly stable into February.

European buyers are also waiting for a clearer idea of where the January feedstock acrylonitrile (ACN) contract price will settle before agreeing their SAN prices with suppliers.

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