

HIGHLIGHTS

Americas

- Benzene fell on long supply but market outlook bullish.
- Styrene prices dipped on soft fundamentals.

Europe

- Benzene buoyed by more balanced supply.
- Styrene buyers returned to a heavily backwarddated market.

Asia-Pacific

- Benzene declined on softer demand.
- Styrene inched lower in thin trade amid holidays.

Contents

Global prices	2
Americas	3
Europe	7
Asia-Pacific	9

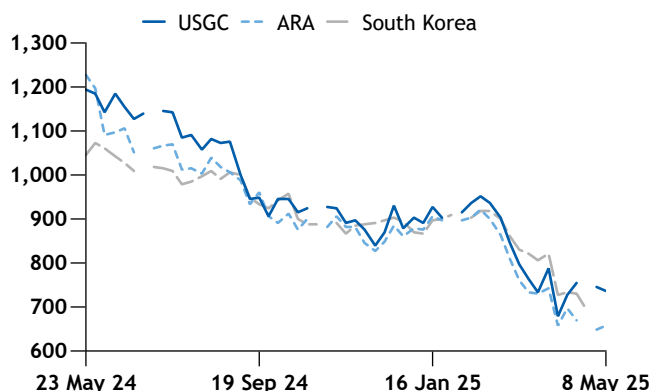
MARKET SNAPSHOTS

Global benzene prices					\$/t
	Timing	Low	High	Mid	±
Americas					
fob USGC contract	May	754.24	754.24	754.24	nc
USGC spot	Prompt	730.29	745.26	737.78	-8.98
Europe					
cif NWE contract	May	665.00	665.00	665.00	nc
cif ARA spot weekly average	Prompt			658.13	+8.43
Asia-Pacific					
cfr South Korea contract	May	740.00	751.81	745.91	
cfr Taiwan contract	May	740.00	765.31	752.66	
cfr Asean contract	May	740.00	742.81	741.41	
fob South Korea	Marker			669.10	-22.96
cfr China	Prompt	665.00	703.00	684.00	-34.00

Benzene breakeven price from toluene conversion				\$/t
Process	Asia-Pacific	Western Europe	US Gulf coast	
STDP	607.58	669.57	609.61	
TDP	577.01	748.11	791.84	
HDA	782.50	918.75	1,007.91	

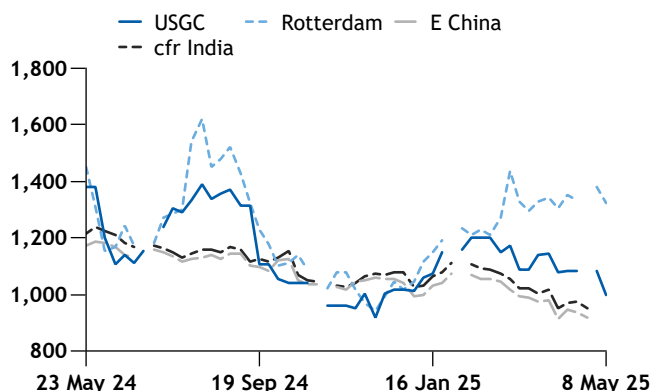
Global benzene prices

\$/t



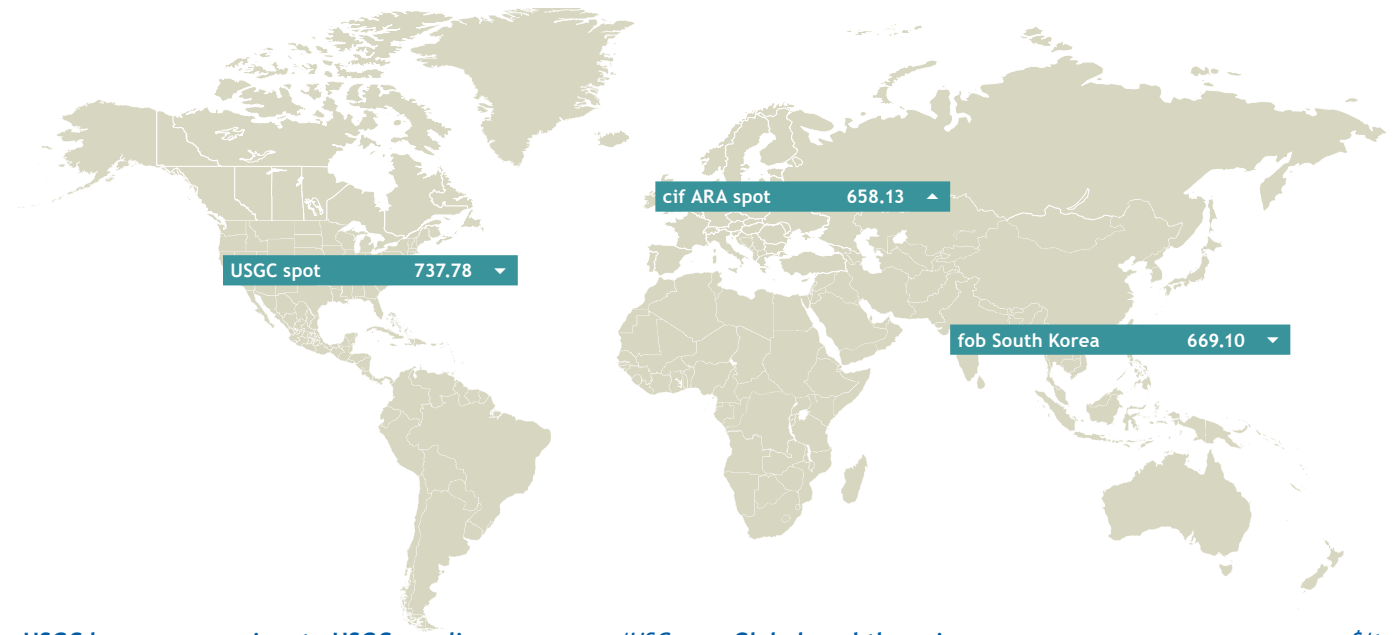
Global styrene prices

\$/t



GLOBAL PRICES

\$/t

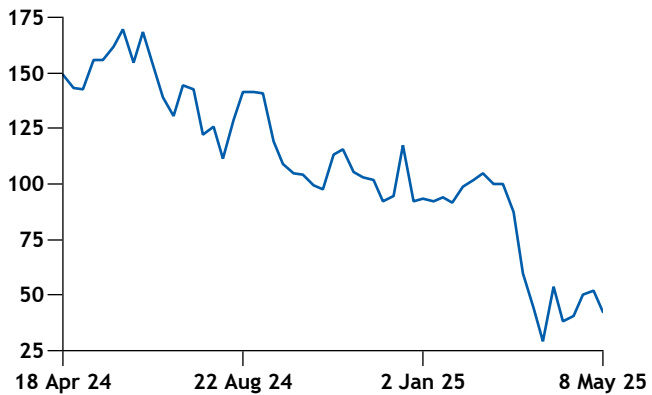


USGC benzene premium to USGC gasoline

¢/USG

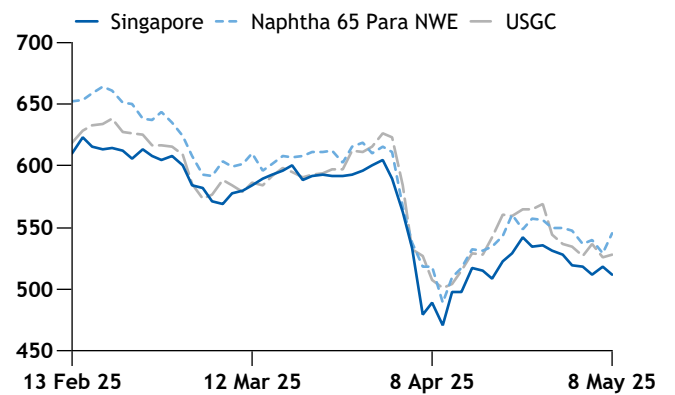
Global naphtha prices

\$/t



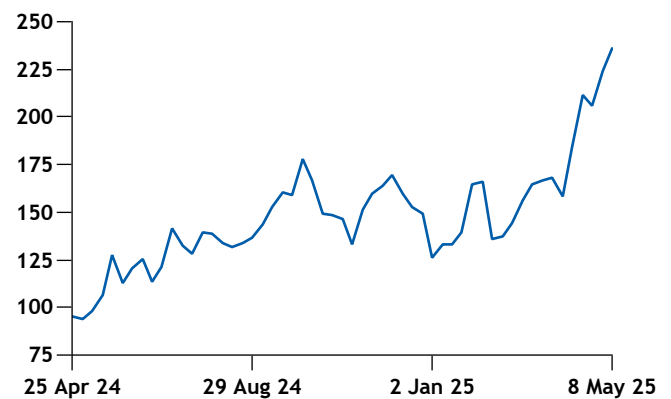
ARA benzene premium to NWE naphtha

¢/t



East China styrene premium to benzene

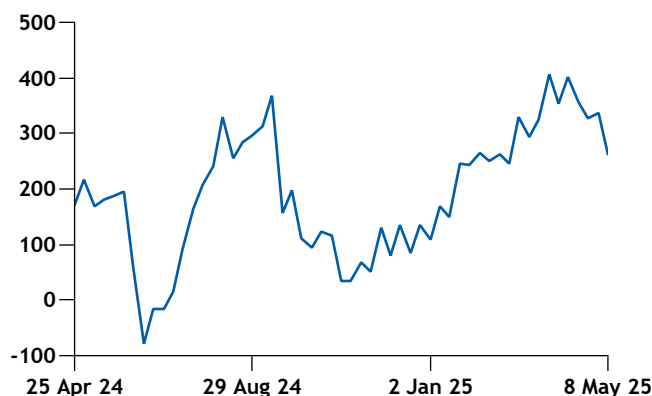
\$/t



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USGC styrene premium to benzene

\$/t



Benzene

Prompt US Gulf coast (USGC) BZ prices fell by another 3¢/USG this week to close from 244-249¢/USG ddp for May loading trades.

Traded volume totaled 535,000 bl this week, or just more than 75,000 metric tonnes (t), higher than the total volume traded last week.

US benzene prices this week continued to fall despite derivative unit restarts. Benzene supply remains long and traders maintain high inventories along the USGC. Benzene prices fell in tandem with lower crude futures as spot prices tracked upstream energy futures absent fundamental changes in a well-supplied market.

WTI crude futures fell by nearly 2pc this week to settle at \$58.07/bl. Benzene fell by a similar rate this week to close at 246.5¢/USG, according to Argus data. A concluding cumene turnaround, coupled with a resolved heat exchanger issue at an ethylbenzene (EB) unit and concluded styrene line turnaround, capped further losses in benzene this week compared to WTI crude as consumption increased.

The European market, which previously participated in a C6 molecule trade route with the US, has largely replaced the US with China. Subsequently, despite reduced spot benzene prices now following an influx of imports, many traders and producer align in a bullish outlook because fewer benzene imports from Europe and Asia are anticipated in response to US tariffs.

Inventories are set to draw for several consecutive months through the third quarter because of reduced imports and

Americas prices

	Timing	Low	High	Mid	±
Benzene ¢/USG					
fob USGC contract	May	252.00	252.00	252.00	nc
USGC spot	Prompt*	244.00	249.00	246.50	-3.00
Styrene ¢/lb					
fob USGC contract	Apr	74.55	77.21	75.88	
fob USGC spot	Prompt*	44.23	46.49	45.36	-3.81
fob USGC VWA	Apr			50.27	nc
USGC large buyer index	Apr			51.39	nc
Ethylbenzene ¢/USG					
ddp USGC	May	242.00	259.00	250.50	+1.50
USGC premium to Rbob	May	+40.00	+50.00	45.00	+2.50
Cumene formula ¢/lb					
fob USGC contract	May	36.65	36.65	36.65	nc
Phenol ¢/lb					
fob USGC contract	May	62.37	65.83	64.10	nc
Cyclohexane ¢/USG					
fob USGC contract	Apr	249.90	249.90	249.90	nc
Marker with NG escalator	Apr	263.30	263.30	263.30	nc

*Prompt refers to current month, but if the publication date is on or after the 15th of a given month, then the spot posting will include current month and next month trades

Benchmark margins

¢/USG

	Margin	±
BTX US reformat extraction vs floor contract	22.30	-12.44
BTX US reformat extraction vs floor spot	21.51	-12.87
BT US reformat extraction vs floor contract	-19.78	-8.00
BT US reformat extraction vs floor spot	-21.16	-8.75

US polystyrene markets

¢/lb

	Timing	Contract marker	Low / High ±	Argus Δ
GPPS	Apr	118.5	-3.0 / -3.0	-3.0
HIPS	Apr	129.5	-3.0 / -3.0	-3.0

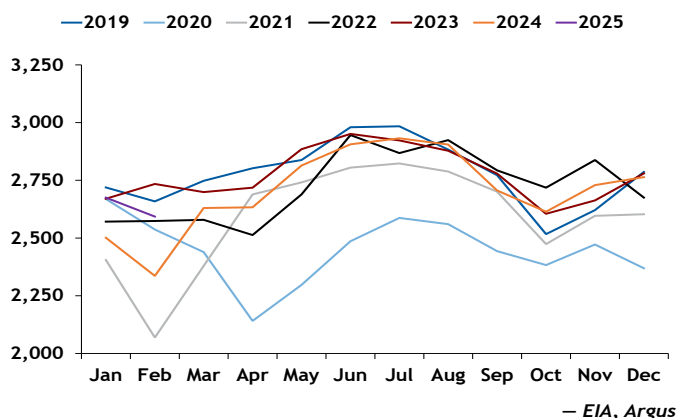
snug domestic production, according to a trader. A selective toluene disproportionation (STDP) unit shut operations to start May, sources said. Lower imports and reduced on-purpose benzene production are set to tighten supply and support higher spot benzene prices.

As seen in the adjacent charts, even as naphtha exports fell year-over-year, US reformer run rates remain unseasonably low on soft gasoline export demand. This is set to keep aromatics production reduced from reformers, including benzene, toluene and mixed xylenes. Again, this is expected to contribute to tight supply for benzene in the coming months and support prices.

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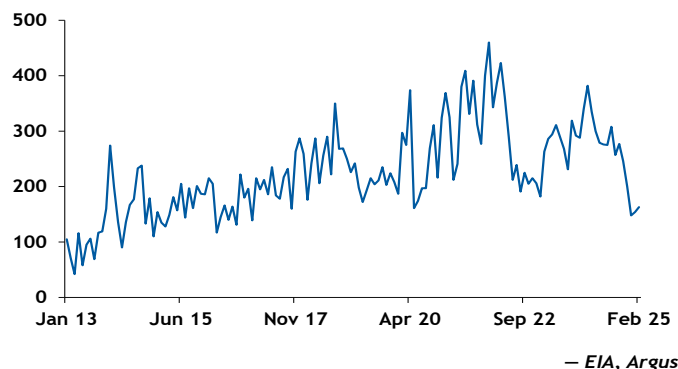
US reformer feed rates

'000 b/d



US naphtha monthly average exports

'000 b/d



US crude oil production fell by about 100,000 b/d to 13.3mn b/d during the week ended 2 May, according to data from the Energy Information Administration (EIA). Crude inventories fell by 2mn bl to 438.4mn bl. Crude imports rose by 500,000 b/d to 6mn b/d, while exports fell by 100,000 b/d to 4mn b/d.

On refinery operations, total crude throughput remained at 16.3mn b/d and US Gulf coast refiner operating rates fell by 1.5 points to 92.5pc.

US gasoline inventories rose by 200,000 bl to 225.7mn bl and implied gasoline demand fell by nearly 400,000b/d to 8.7mn b/d, bringing estimated inventory cover to about 26 days of current use.

Gasoline yields at refineries rose by 3.5 points to 51.9pc and middle distillate yields rose by 0.5 points to 42pc.

Fuel oil inventories rose by 1.4mn bl to 25.1mn bl. Diesel inventories fell by 1.1mn bl to 106.7mn bl, about 8.3pc lower than year-ago levels. Motor gasoline blending component inventories fell by 600,000 bl to 210.5mn bl.

US energy prices have generally rose from 1-8 May. US Nymex WTI crude futures increased by \$0.67/bl to \$59.91/bl. Front-month RBOB gasoline futures climbed by 3.62¢/USG to 208.54¢/USG. Spot reformat rose by 1.485¢/USG to 238.665¢/USG, bringing its premium to RBOB gasoline to +30.125¢/USG

In feedstocks, the cracking margin for ethane still remained around 5¢/lb this week, even with a slight increase in ethylene spot prices. Propane's deeply negative margin of -16¢/lb from the prior week had a sharp reversal and now stands at -1¢/lb. Butane's cracking margin is negative, but also

saw gains, jumping from -8¢/lb the prior week to -2¢/lb this week.

In BZ consumption, the prompt-loading ethylbenzene (EB) assessment, inclusive of May loading discussions prior to the 15th, rebounded by 1.5¢/USG to range from 242-259¢/USG. The differential EB assessment on Thursday settled at a narrower +40-50¢/USG over June RBOB.

Liquidity proved scarce this week for EB, as blenders paused purchases this week, with few bids surfacing for aromatics blendstocks. That said, residual appetite for aromatics blendstocks this week proved more prominent for commercial-grade toluene and 843 mixed xylenes remained, particularly as offers for these commodities emerged at a 1-2¢/USG discount to EB.

Styrene

US prompt styrene monomer (SM) prices declined sharply by \$84/t this week to \$975-\$1,025/t fob USGC based on three May deals concluded for a cumulative 9,250t.

A North American producer stepped into the market to purchase this week, sources said. Meanwhile export discussions resumed.

Traders this week continued to eye Europe for an opportunity to step into the market and sell despite the possibility of a 10pc tariff. Ongoing negotiations between the US and Europe may result in trade deal, but absent a certain outcome some traders appear resolute to compete with China to sell into the European market despite tariffs.

USGC SM discussions this week ranged from \$930-\$980/t for

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May and June. The netback from Europe, assuming \$100/t for freight and storage and 10pc for tariffs, closed at \$958.50/t on 8 April, maintaining a narrowly-open arbitrage on paper.

Expectations point to possible buy interest from Brazil for up to 25,000t of US SM in May or June. However, given the presence of US tariffs, some South American producers are now running SM production units harder instead of purchasing higher-priced US volume. Others are considering importing from China, a move which has been completed successfully within the last five years, although not in a rateable manner for an extended period.

Still, US export outlets for US styrene have proven constrained in May, hampering spot liquidity. Prices subsequently fell in response to increased competition from China to sell into Western Hemisphere markets and as SM operating rates inched up to nearer 73-75pc this week in North America.

Following a resolved EB heat exchanger issue and the restart of a styrene unit, SM operations increased this week and further weighed on spot prices. The US SM-BZ spread narrowed by \$7/t this week to \$233/t on 8 April, according to *Argus* data. Typically, producers prefer a minimum a \$100/t spread. Discussions at benzene plus a premium surfaced this week at BZ+\$180-\$250/t.

US EBSM breakeven cash costs stood at \$804/t by close on 8 April, assuming \$132/t for fixed costs, according to *Argus* data. This allows for a \$171/t margin for US SM producers compared to May fob USGC spot prices this week.

In feedstocks, the US April ethylene contract settled lower by 3.75¢/lb to 31.5¢/lb, its lowest level since November. The settlement price declined for the third consecutive month as ethylene spot prices continued the downward trend since peaking in late January. The April contract decline is the steepest since July 2022, when the contract dropped by 4.25¢/lb.

US spot ethylene at the Enterprise Products Partners' (EPC) hub at Mont Belvieu, Texas, traded yesterday between 18.5-19.125¢/lb for May-delivery. Prices have risen from the prior week on a few unplanned issues. The Choctaw cavern traded at 20¢/lb today for May delivery.

ExxonMobil's olefins complex in Baytown, Texas, continued to have flaring this week, even as some market participants said they expected the issues to have ended the prior week-end. One market participant believes the issues at Baytown will be resolved next week now. Chevron Phillips Chemical's

(CP Chem's) EU-1594 cracker in Cedar Bayou, Texas, had a sudden disruption to steam supply on 5 May, that caused flaring. CP Chem's 807,000 t/yr cracker in Port Arthur, Texas, began maintenance activities on 5 May. Motiva's 700,000 t/yr merchant cracker in Port Arthur, Texas, had a process upset on 6 May that resulted in flaring.

Polystyrene

Argus assessed US April polystyrene (PS) contract prices down by 3¢/lb for the month, with general-purpose PS (GPPS) contract prices at 118.5¢/lb delivered East of the Rockies and high-impact PS (HIPS) contract prices at 129.5¢/lb delivered. This fell in line with expected pricing from buyers and sellers.

US producers previously nominated price decreases for April from 2-4¢/lb, sources said. Because the April benzene contract price fell by a steep 59¢/USG, this weighed on derivative PS contract discussions this month.

Typically for every 10¢/USG decline in the US benzene contract a corresponding 1¢/lb decline precipitates into the polystyrene markets. However, ongoing PS turnarounds and stronger sales in March capped downward momentum on PS contracts for April. Most buyers and sellers anticipated a 3¢/lb decline in US April PS contracts as negotiations entered the end of April.

Looking ahead, one producer has already nominated a roll-over from April to May for all polystyrene contracts. This falls in line with a modest change in the upstream May US benzene contract price, which settled down by 2¢/USG at 252¢/USG.

In the spot domestic market, spot offers surfaced from 75-79¢/lb delivered East of the Rockies for GPPS and from 77-83¢/lb delivered for HIPS. PS prices fell roughly by 6¢/lb in April following the announcements of US tariffs on imports announced on 2 April.

In macroeconomic indicators this week – which function as an indicator of broader consumer demand for PS derivatives into disposables, including financing for durables, housing and automobiles – the US Federal Reserve policymakers kept the target interest rate flat today for a third time this year. The Fed said economic “uncertainty” has increased, signaling they would continue to monitor the impacts of the new US administration's policies before adjusting monetary policy.

The Fed's Federal Open Market Committee (FOMC) held the federal funds rate unchanged from 4.25-4.50pc. The Fed has held the target rate unchanged this year after three rate cuts

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late last year lowered the target rate by 100 basis points from a two-decade high of 5.25-5.5pc. The Fed sharply hiked rates from near zero to battle inflation that topped 9pc in 2022 during the overheated recovery from the Covid-19 slump.

"If the large increases in tariffs that have been announced are sustained, they are likely to generate a rise in inflation, a slowdown in economic growth, and an increase in unemployment," Fed chair Jerome Powell told reporters after the decision. "All of these policies are still evolving however, and their effects on the economy remain highly uncertain."

Powell also said that "we are entering a new phase where the administration is entering into beginning talks with a number of our important trading partners and that has the potential to change the picture materially."

US manufacturing activity contracted in April for a second month, as output and new orders slowed on tariff policy uncertainty while price gains accelerated. The Institute for Supply Management's manufacturing purchasing managers' index (PMI) fell to 48.7 in April, down from 49 in March and the lowest since November 2024. The threshold between contraction and expansion is 50.

Announcement

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"Demand and production retreated and de-staffing continued, as panelists' companies responded to an unknown economic environment," according to ISM. "Prices growth accelerated slightly due to tariffs, causing new-order placement backlogs, supplier delivery slowdowns and manufacturing inventory growth."

The manufacturing data follows a report last week that showed the US economy contracted at an annualized 0.3pc pace during the first quarter as businesses boosted imports and stocked up on goods ahead of US import tariffs.



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EUROPE

Benzene

The spot benzene market in Europe has been calm. The volatility in crude values weighed on buying interest in spot benzene supply, which remains plentiful but manageable for now.

May traded at \$660/t, slightly below contract values. The Argus daily assessment for the front month (May) averaged \$658/t in the week ending 8 April after sinking to \$650/t, the lowest since November 2020, the previous week. June was mostly discussed at premiums of \$10-15/t to May but no June deals were reported. July was tentatively showing premiums of \$15-25/t to prompt values. Overall activity slowed after a very active trading window for the May benzene contract price last week, with liquidity easing because of public holidays in parts of Europe.

Recent exports helped reduce surplus supply of benzene, which grew in the second quarter because of derivative maintenance shutdowns and production problems. The arbitrage economics to the US remain viable after assuming freight rates of about \$30-40/t for volumes of at least 10,000t and the blanket US tariff of 10pc that took effect in early April when the US paused the sweeping 25pc tariffs for 90 days until July. But interest to export to the US has waned since April because of the tariff uncertainty. The latest fixtures involving at least 50,000t of benzene were heard to have left Europe in March. There were some discussions heard for a US-bound cargo carrying about 10,000t of benzene but it was unclear if it was fixed. Many traders shifted their sights to the far east and were heard to have booked at least 50,000t of benzene for China in April when the arbitrage opened. The export economics to China were unworkable on paper since last week.

Europe prices				
	Timing	\$/t	€/t	Volume t
Benzene				
cif NWE contract	May	665	585	
cif ARA spot weekly average	Prompt	658.13	583.70	
Styrene				
fob ARA contract	Apr	1,685	1,494	
fca ARA spot	Prompt	1,297-1,353	1,150-1,200	
fob ARA spot	Prompt	1,255-1,390	1,113-1,233	
Argus fob ARA VWA	Apr	1,336.83	1,218.79	18,000
Argus fob ARA VWA	Mar	1,283.33	1,210.82	12,000
Phenol				
delivered ARA contract	May	1,178	1,045	
Cyclohexane				
fob ARA contract	May	908	805	

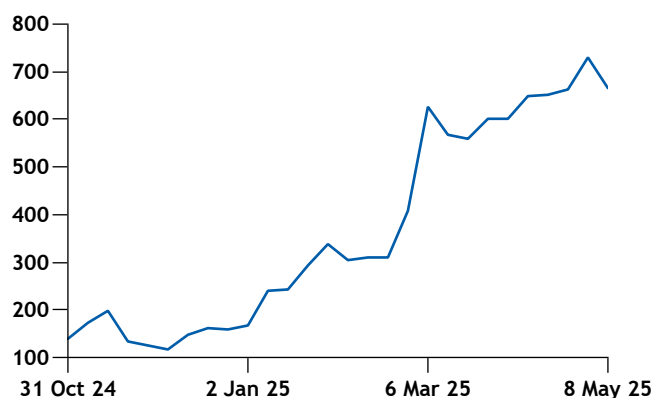
Supplementary benzene transaction data (cif ARA)					
	Timing	Volume weighted average \$/t	Min \$/t	Max \$/t	Total volume t
Week 19	Prompt	660.00	660.00	660.00	2,000.00
Month to date	May	664.04	650.00	675.00	31,000.00
Previous month	Apr	717.20	625.00	745.00	27,000.00

Western Europe polystyrene markets				€/t
	Timing	Contract marker	Low / High ±	Argus Δ
GPPS	Apr	1,557.5	-60.0 / -55.0	-57.5
HIPS	Apr	1,657.5	-60.0 / -55.0	-57.5

Benzene and feedstock supplies were further curtailed by the widespread shutdowns of refineries and petrochemical sites in Spain and Portugal triggered by the 28 April power outage on the Iberian peninsula. The majority of the refineries

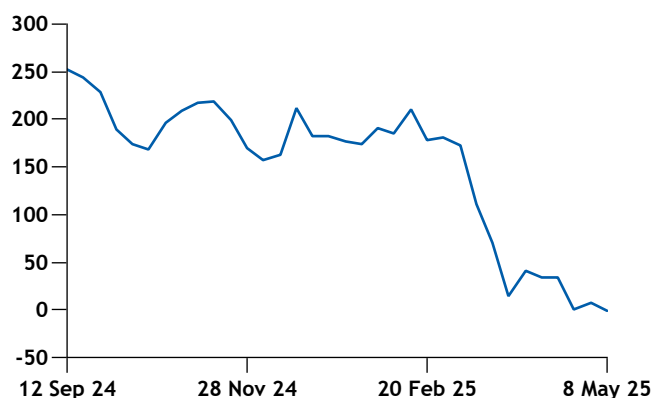
NWE styrene premium to benzene

\$/t



cif ARA benzene premium to Eurobob

\$/t



EUROPE

have restarted and are returning to normal processing levels more than a week after the power cut. Restoring production to pre-outage levels at crackers and derivative units is taking longer than expected, especially at large, integrated sites. An electrical fault and subsequent technical issues have disrupted operations at a cracker in France since late-April, with a restart timeline unclear. Pygas from this site moves to southern Europe for extraction. Crackers that are operational are running hard. The impact of the disruptions caused by the power outage in the wider ethylene balance in Europe has so far been limited, with demand reasonably stable at low levels. Aromatics extraction margins languished, with benzene's premium to feedstock naphtha averaging \$116/t so far in May against \$136/t in April and \$213/t in the first quarter. Naphtha has been under pressure from weakness in crude, with North Sea Dated struggling to bounce back from four-year lows and swinging narrowly within the \$61-62/bl after major Opec+ producers, including Saudi Arabia and Russia, agreed to again raise oil output in June. But supply curbs from refinery maintenance and unplanned shutdowns tempered the falls in naphtha, which stayed at \$530-550/t this week after sliding below \$500/t for the first time since January 2021 in early April. Benzene output from hydrodealkylation and disproportionation remains low because of poor margins.

Styrene

Styrene supply curbs triggered by maintenance shutdowns and production disruptions continued to support prompt demand and margins. May deals were done within a wide range, with cargoes changing hands at \$1,255/t, \$1,290/t, \$1,370/t and \$1,390/t. The *Argus* assessment for the front month (May) remained well above \$1,300/t but bids and offers were far apart. June traded once at \$1,146/t, keeping the market heavily backwardated. July offers were discussed in line with June but no bids surfaced.

Scheduled maintenance works in the Netherlands and France, with a combined styrene capacity of more than 1.2mn t/yr, will continue for the rest of the month. Production at a propylene oxide-styrene monomer (POSM) unit in Spain, which has a styrene capacity of 450,000 t/yr, has yet to resume following an unplanned shutdown caused by the 28 April power outage. Refineries in Spain have restarted while crackers, which supply feedstocks to the POSM unit, remain generally off line, with the restart and production ramp-up expected in

the coming days. About 40pc of styrene capacity in western Europe, adjusted to factor in the closure of the Maasvlakte POSM unit in the Netherlands, is off line. Logistical problems caused by the low Rhine water levels are also possibly adding to the styrene supply constraints. Rhine water levels rose to around 170cm on 8 April but are forecast to slip again below 150cm in the coming days because of the generally dry and warm weather.

Production margins for ethylbenzene-styrene units strengthened, with styrene's premium to benzene and naphtha averaging \$696/t and \$807/t, respectively, so far in May, against \$660/t and \$792/t in April. This, along with supply constraints, are incentivising incremental styrene production. But demand has not changed, with seasonal demand yet to materialise. The uncertainty caused by ever-changing US trade policies and concerns about their global economic fallout, combined with the heavy backwardation in styrene market, have kept consumers down the value chain cautious and unable to commit and plan ahead. Weak propylene oxide demand kept POSM operating rates reduced.

Europe is drawing increased styrene imports from the US. The arbitrage economics are viable even with the steep backwardation in the European market, with the weakness in the US dollar against the euro also making US products competitive. More than 60,000t of US-origin styrene are expected to arrive in the region in May, and probably at least another 50,000t in June, according to market participants. But concerns are rising that fixtures from the US will start to slow later in the month as the 90-day pause on the US' 25pc tariffs and the EU's countermeasures proceed in July. Most of the styrene flowing out of Asia is heard to have headed to Turkey, limiting the volumes moving to the ARA region. Structural flows from the Mideast Gulf were stable.

Some settlements for the May barge styrene contract price (CP) reached €1,426/t fob, down from the *Argus*-assessed April CP of €1,494/t. *Argus* has yet to confirm the latest styrene CP, pending confirmation from other industry participants. The monthly CPs of styrene's main feedstocks fell in May, with ethylene down by €70/t to €1,135/t and benzene by €84/t to €585/t.

Polystyrene

The European polystyrene market is muted again this week with comfortable supply facing up to weak domestic demand.

EUROPE

Argus finalised contract deltas last week for both general-purpose polystyrene (GPPS) and high-impact polystyrene (HIPS). There was a decrease of €55-60/t on both grades for April contract deltas. The monthly contract price for feedstock styrene fell by €40/t in May. On the polystyrene side, producers have been heard to offer opening offers of decreases of €25-20/t for May contracts. Argus will publish preliminary contract deltas for May next week.

Construction activities in the eurozone remains in recession at the start of the second quarter, according to the Hamburg Commercial Bank (HCOB) construction purchasing managers' index (PMI). With the index recording a value of 46 in April, from 44.8 in the previous month. Any reading below 50 indicates a contraction in the market.

Cyclohexane

Cyclohexane (CX) production margins in Europe continued to improve as feedstock benzene and hydrogen costs remained on a downward trend. The monthly contract price (CP) for benzene has fallen by €274/t since February, bringing the CX reference price to a four-year low in May. The delta contract

between benzene and CX of €220/t in the second quarter has been the widest in two years.

CX supply appeared manageable despite the persistent lackluster demand in Europe, particularly main key segments automotive and construction. CX imports from the US have slowed, while CX flowing from the Mideast Gulf remains firm.

Phenol

Orlen said it is halting phenol and acetone production at its Plock petrochemicals site in Poland by the end of this year. The 50,000 t/yr phenol unit, which was built almost 60 years ago, will be closed because of technical and environmental reasons, Orlen said. It also produces about 30,000t of acetone as co-product. Upgrading the unit technologically and to make it compliant with the EU's environmental regulations will be too costly for the company at a time when the phenol and acetone markets in Europe are struggling with overcapacity, high energy costs and weak demand. Orlen's 75,000 t/yr cumene unit, which supplies feedstocks to the phenol unit, at Plock will also close as a consequence.

ASIA-PACIFIC

Benzene

Asian benzene prices fell week-on-week because of softer demand and thinning margins.

The Argus Asia benzene marker averaged \$666/t over the first three days of the week, down from \$680/t the previous week.

Average spot benzene prices in the Chinese domestic market closed at an average of 5,627 yuan/t over the first three days of the week, or the import parity equivalence of \$673/t. This represented a \$7/t premium to Argus' Asia benzene marker. The price spread is lower than the freight costs to carry 3,000t of benzene from South Korea to China, which was quoted at \$25-27/t this week.

Declining upstream prices added pressures on Asian benzene prices. Upstream crude oil futures slumped to a four-year low on 5 May amid an agreement by a core group of Opec+ members to further increase output. The Argus ICE Brent market averaged \$61.17/t over the first three days of the week, compared to \$63.33/t last week.

Downstream demand remained limited, with a few key Chinese importers continuing to adopt a wait-and-watch approach. Discussions for cfr China cargoes remained muted early in the week, but picked up subsequently. Bids for June arrival cfr China cargoes emerged on 6 May at between \$12-13/t premiums to published fob South Korea assessments, before rising to between \$13-15/t premiums on 7 May. The People's Bank of China (PBOC) will cut requirement reserve ratio (RRR) by 0.50 percentage points and the agreement of trade talks between China-US buoyed market prices. Cfr China June arrival offers were placed between \$19-21/t premiums this week.

Producer profitability continued to fall on a thinning benzene-naphtha price spread. Benzene losses have outpaced naphtha losses since the announcement of US import tariffs at the start of April, causing the benzene-naphtha price differentials to fall by around \$80/t since the start of last month. Spreads plunged below the conventional breakeven level of \$150/t for the first time in over two years. The benzene-naph-

ASIA-PACIFIC

tha spread averaged \$112/t over the first three days of the week, compared to an average of \$113/t over last week.

Market participants expect narrower margins to prompt a downward adjustment in producer operating rates in the near-term, particularly as European-origin cargoes are expected to arrive in northeast Asia next month. Average benzene run rates amongst South Korean producers were discussed to be relatively stable week-on-week at between 70-80pc on average this week. Lotte's 240,000 t/yr cracker-based benzene unit in Daesan is expected to remain offline until mid-June amid a turnaround that begun on 12 April. The company's benzene run rate at its Yeosu unit is currently at around 85pc capacity, said a source close to the matter. Meanwhile, fellow South Korean producer S-Oil is currently operating its benzene units at around 75-80pc, while Hanwha Total has also reduced production rate at one of its reformer units to 65pc, market sources shared.

Margin pressures were also keenly felt in southeast Asia, with one regional producer mooting exports of feedstock pygas from as early as end-May should the decision be made to drop run rates. Malaysian Petrochemical producer Petronas has extended the maintenance duration at its aromatics units in Kerteh, Malaysia by over a month. The firm's 200,000 t/yr benzene and 550,000 t/yr paraxylene units had been shut since 29 April for a planned maintenance, with an initial restart date of 19 May. However, economic considerations have prompted the producer to push back the restart date to around end-June. In Indonesia, PT Trans-Pacific Petrochemical Indotama (TPPI) is set to take their aromatics units in Tuban, east Java offline in mid-May for around two weeks, according to a source close to the matter. The company has an ongoing sell tender for 12,000t of second-half June loading benzene, which will conclude on 9 May, according to market sources. TPPI will proceed with maintenance works amid the June sell tender as it has built up sufficient benzene inventories, said a source close to the matter.

The South Korea-to-US arbitrage continued to widen, providing limited optimism for future arbitrage prospects. Regional traders noted that inter-regional spreads would need to widen further before arbitrage interest would return, amid prevailing US import tariffs. The price spread between the Argus benzene ddp Houston/Texas City month 2 and benzene fob South Korea month 1 assessments averaged \$74.77/t over the first two days of the week, compared to an average of \$65.16/t the week before.

Asia-Pacific prices					\$/t
	Timing	Low	High	Mid	±
Benzene					
cfr South Korea contract	May	740.00	751.81	745.91	
cfr Taiwan contract	May	740.00	765.31	752.66	
cfr Asean contract	May	740.00	742.81	741.41	
fob South Korea	1H Jun	652.00	684.00	668.00	-25.00
fob South Korea	2H Jun	652.00	684.00	668.00	-25.00
fob South Korea	1H Jul	653.00	683.00	668.00	-23.50
fob South Korea	2H Jul	653.00	683.00	668.00	-23.50
fob South Korea	1H Aug	655.00	683.00	669.00	
fob South Korea	Marker			669.10	-22.96
cfr China spot	Prompt	665.00	703.00	684.00	-34.00
cfr China month avg	Apr	758.33	761.86	760.10	-86.53
fob southeast Asia	Prompt	630.00	675.00	652.50	-30.00
ex-tank E China Yn/t	Prompt	5,560.00	5,680.00	5,620.00	-250.00
ex-tank E China	Prompt	667.66	682.07	674.87	-25.65
ex-works Sinopec Yn/t	Prompt			5,600	-600.00
ex-works Sinopec	Prompt			744.52	+4.62
Styrene					
cfr Taiwan contract	Apr	936.60	936.60	936.60	
cfr China	May	900.00	925.00	912.50	-10.00
cfr China	Jun	890.00	915.00	902.50	-10.00
cfr China	Marker			905.00	-11.25
fob northeast Asia	May	850.00	880.00	865.00	-5.00
cfr South Korea/Taiwan	Prompt	915.00	948.00	931.50	-10.00
ex-tank China Yn/t	Prompt	7,111.00	7,228.00	7,169.50	-85.50
ex-tank China	Prompt	853.91	867.96	860.94	-4.87
cfr India	Prompt	925.00	955.00	940.00	-10.00
ex-tank India Rs/kg	Prompt	84.00	88.00	86.00	-2.00
ex-tank India	Prompt	991.27	1,038.48	1,014.88	-19.00
Phenol					
ex-tank east China Yn/t	Prompt	6,600.00	6,675.00	6,637.50	-412.50
ex-tank east China	Prompt	761.00	770.00	765.50	-46.00

Benzene freight rates				\$/t
	Size t	30 Apr	8 May	
South Korea to China	3,000	26	26	
Thailand to mid China	6,000	34	34	
South Korea to Houston	6,000	97	95	
South Korea to Houston	12,000	90	88	

Asia-Pacific polystyrene markets				
	Yn/t	±	Import parity \$/t	±
China ex-works				
GPPS	7,700-8,900	-50.0	874-1,012	0.0
HIPS	8,900-9,400	0.0	1,012-1,070	7.0
China spot cfr CMP price \$/t				
GPPS			1135.0 / 1155.0	0.0
HIPS			1220.0 / 1225.0	0.0

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The gasoline crack spread widened to average \$13.50/bl over the first three days of the week, compared with \$12.47/bl last week. The premium that PX-naphtha and benzene-naphtha carried against gasoline cracks averaged \$7.55/bl and -\$1.48/bl respectively over so far this week, compared with \$7.14/bl and -\$0.33/bl over the past week.

Styrene

Asian SM prices inched down week-on-week amid a thin market activity, while profit margins remained robust.

The Argus Asia SM market averaged \$907/t cfr China over the first three days of the week, falling slightly from an average of \$910/t over the previous week.

Domestic Chinese SM prices averaged 7,169 yuan/t over the first three days of the week, down slightly from an average of Yn7,193/t last week, equivalent to an import parity of \$858/t. This represented a \$49/t discount to published cfr China assessments.

Market activity was sparse at the start of the week as the holidays in both northeast and southeast Asia kept market participants away. In China, domestic prices dipped slightly earlier this week because of the Labor Day holidays, before seeing some improvements on 7 May after news of monetary stimulus measures from People's Bank of China (PBOC). Market participants continued to note a lack of viable export options for Asian cargoes. Some discussions of China-to-South America cargoes were mooted, but details could not be verified. In northeast Asia, buy indications for cfr South Korea cargoes were lower on the week at around \$10-15/t premiums to published cfr China assessments as higher inventories curbed buying appetite. Fob China offers were discussed at around \$880/t this week, market sources shared.

India domestic prices softened slightly on the week, as the impact of escalating tensions between India and Pakistan on the SM market were minimal, market sources said. An unclear demand outlook amid political uncertainties caused some buyers to remain on the sidelines. Prices are also unlikely to see sharp downturns, unless production in downstream sectors were to become directly affected by the conflict, market sources shared. Cfr India selling indications were discussed at between \$30-35/t premiums to published cfr China assessments, while tradeable levels for domestic prices were discussed between 84-88 rupees/kg.

In plant news, Shandong Lihuayi has shut its 720,000 t/yr

SM unit in Shandong, China for maintenance on 7 May because of technical issues, market sources shared. The shutdown is expected to last around 15 days. Average SM operation rates in China were discussed at between 65-72pc this week, market sources shared.

Lower operating rate helped support profit margins. The SM-benzene spread averaged \$241/t over the first three days of the week, compared to an average of \$229/t last week. Market participants largely expect the SM-benzene spread to remain high in May and June amid oversupplies in the feedstock benzene market.

Polystyrene

Asian polystyrene (PS) prices were stable to lower week-on-week, reflecting a slight downturn in upstream styrene monomer (SM) prices. Polystyrene operation rates in China were discussed at around 59pc on average this week, slightly higher from 58pc the previous week, market sources shared.

General-purpose PS (GPPS) Chinese domestic prices were assessed lower week-on-week at 7,700-8,900 yuan/t, or the import parity equivalence of \$943/t this week.

Cfr China GPPS prices were assessed unchanged week-on-week at \$1,135-1,155/t, based on a tradeable indication discussed at \$1,145/t.

High impact PS (HIPS) prices Chinese domestic prices were assessed unchanged at Yn8,900-9,400/t this week, or the import parity equivalence of \$1,041/t, considering tradeable levels discussed at between Yn9,100-9,150/t this week.

South Korea benzene premium to Japan naphtha \$/t



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Cfr China HIPS prices were unchanged week-on-week at \$1,220-1,225/t this week, in line with a tradable indication discussed at \$1,225/t.

The GPPS-SM spread widened to Yn1,130/t, from Yn1,096/t last week.

The HIPS-SM spread also widened to Yn1,980/t, from last week's Yn1,895/t.

Phenol

Asian phenol prices extended losses this week amid fast-falling feedstock benzene prices.

Asian phenol prices fell by 163 yuan/t week-on-week to close at Yn6,450-6,500/t this week. Meanwhile, acetone prices declined by Yn225/t week-on-week to close at Yn5,550-5,600/t.

The Chinese phenol market softened as both upstream and downstream prices fell on the week. Feedstock benzene prices

continued its downward trend, with Chinese domestic ex-tank benzene prices closing at Yn5,670/t on 7 May, compared to Yn5,980/t the same time last month. Meanwhile, suppliers also grappled with soft demand as downstream producers adopted a wait-and-watch approach. Prices for phenol derivatives have also waned, with Chinese domestic bisphenol A and methyl methacrylate (MMA) prices lower compared to last week at Yn9,100/t and Yn10,000/t respectively.

Overall phenol plant operation rates in China were discussed to be fairly stable on the week at an average of 80pc, market sources shared.

Profit margins had narrowed week-on-week. China's non-integrated phenol plant margins were at -\$15/t at the end of last week, compared to \$2/t from the week before. Meanwhile, margins for other Asian non-integrated phenol plants also narrowed to -\$95/t over the same period, compared to -\$85/t from the week before.



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