

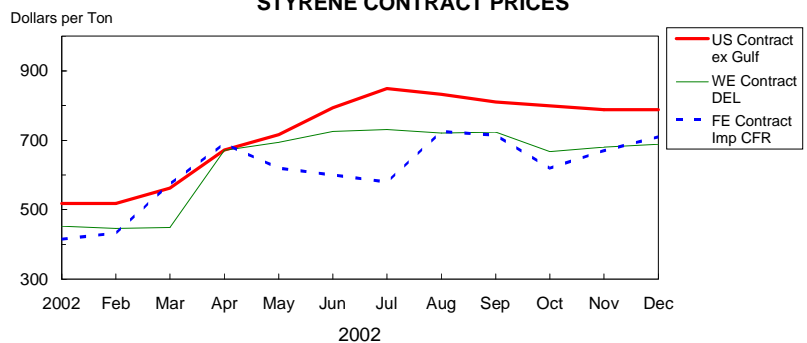
Styrene producers are taking appropriate action to combat rising feedstock costs. The price of benzene remains extremely volatile with recent trades taking place at around \$1.50-1.55/gal. January benzene contract nominations have been announced at \$1.65/gal and \$1.70/gal. Natural gas prices are also climbing higher and are now above \$5/mmbtu and are forecast to increase further over the winter period. There is no doubt that styrene cash costs are increasing fast because of the feedstock situation. North American producers announced 2-3c/lb increases for December and a further 3c/lb increase has been nominated for January business.

West European styrene spot markets are being supported by demand from Asia. Price levels had drifted down to the mid \$500/ton cif mark but increased up to \$570-580/ton cif by the middle of the month for January lifting. At the time of editing spot numbers again stated to move quickly spiking at around \$640-650/ton cif. The current spot situation is being driven by fast moving energy markets, which have had a dramatic effect on benzene pricing in recent weeks. The arbitrage window to Asia is still open although traders and suppliers based in Europe are finding it difficult to take advantage of because of a lack of deep-sea vessel space available.

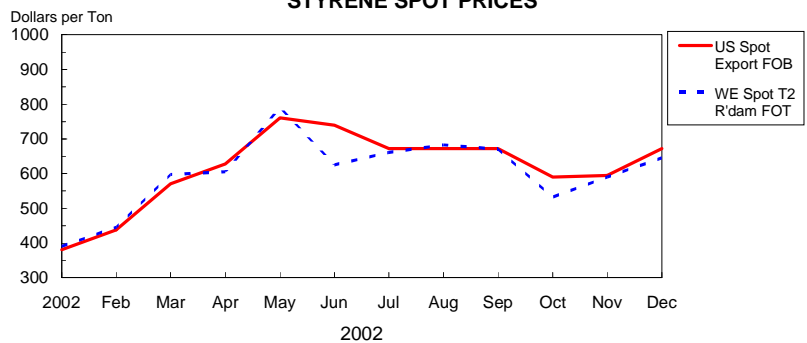
In Asia prices have changed from offers of \$660/ton fob Korea for first-half December shipments, and \$650/ton fob Korea for second-half December. Into December, prices stabilised initially as both scheduled and unscheduled outages came to an end and normal production was restored across the region. However, sharp hikes in benzene and ethylene markets in the second week of December were again pushing styrene levels up sharply by mid-month. It is reported that recent deals are taking place at around \$700-720/ton cfr, level close to the price of polymer.

		Nov-02	Dec-02			Dec-02
US PRICES		¢/pound	¢/pound			\$/ton
Contract	List Barges	34.75-36.75	N.A.	Ex Gulf		N.A.
Spot	Export	26.5-27.0	30-31	FOB		661-683
EUROPEAN PRICES		€/ton	€/ton			\$/ton
Contract		667-692	667-692	DEL		673-698
		\$/ton	\$/ton			€/ton
Spot	Rotterdam	580-600	650-660	FOB		644-654
ASIAN PRICES		\$/ton	\$/ton			
Contract	Taiwan	N.A.	N.A.	DEL		
	Import	660-680	700-720	FOB		

**US, WEST EUROPEAN and FAR EASTERN
STYRENE CONTRACT PRICES**



**UNITED STATES and WEST EUROPEAN
STYRENE SPOT PRICES**



**US and WEST EUROPEAN STYRENE CONTRACT MARGINS
over 0.285 x ETHYLENE + 0.786 x BENZENE**

