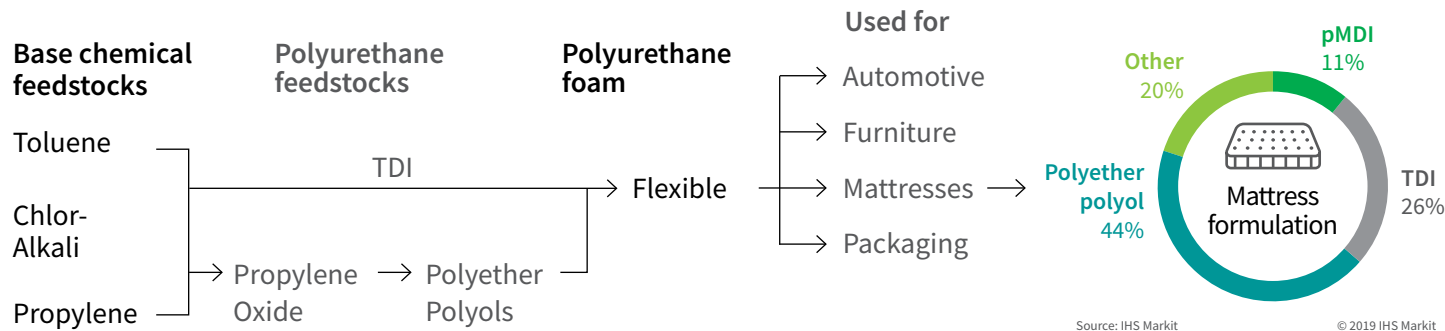


Polyurethane feedstocks

Supply/demand shifts to a new phase

Polyurethane feedstocks markets have experienced two years of supply instability and price volatility. These markets are currently shifting to a new phase in the margin/investment cycle.

Interconnected Markets

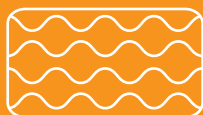


Product Substitutions

2016-2018 MDI/TDI prices were high, forcing the market to seek substitution products

Mattresses

Shift from flexible polyurethane foam to spring-based mattresses



Construction

Substitution from rigid polyurethane foam/polyisocyanurate foam based insulation to rock wool and Expanded Polystyrene insulation

Supply Increase Pulls Prices Lower

MDI / TDI

Supply / Demand drives product economics



Prices dropped in 2018 and expected to remain low in 2019

2018

MDI capacity saw significant increase

2019

TDI capacity in China will increase over 50%



2019 Market

Will low prices help drive demand back up?

2019 - Polyurethane Feedstocks Producers

Challenges



High cost of production

Low prices

Big squeeze on margins

Opportunities



Maximize margins using insight to help you make the best critical decisions

IHS Markit Polyurethane Feedstocks Market Advisory Service

Accurate price analysis and market intelligence to give a current, independent perspective of polyurethane feedstock markets (MDI, TDI, propylene oxide and polyether polyols) enabling clients to navigate the market uncertainty ahead.

Global monthly market report

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