



Polybutadiene Rubber (Asia-Pacific)

By Ai Teng Lim

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Please click [here](#) for full details on the criteria ICIS uses in making these price assessments.

OVERVIEW

- **Discussions in China softer with domestic declines**
- **Discussions broadly flat elsewhere**
- **Sentiment varies across different wider Asian outlets**

Discussions for Asian spot imports of polybutadiene rubber (PBR) were mixed across different Asian outlets – softer in China, but rather flat elsewhere.

That said, even within wider Asia, discussions were seemingly more upbeat in India, compared to SE Asia, some market players said.

In China, domestic yuan-denominated prices for PBR fell, alongside declines seen early week in yuan values of upstream butadiene (BD) market. This also weighed down China's buying interest and appetite for US dollar denominated cargoes, be it for high-cis or low-cis PBR materials.

The domestic China market is also amply supplied of high-cis PBR, riding on recent capacity growth in east China, market sources said.

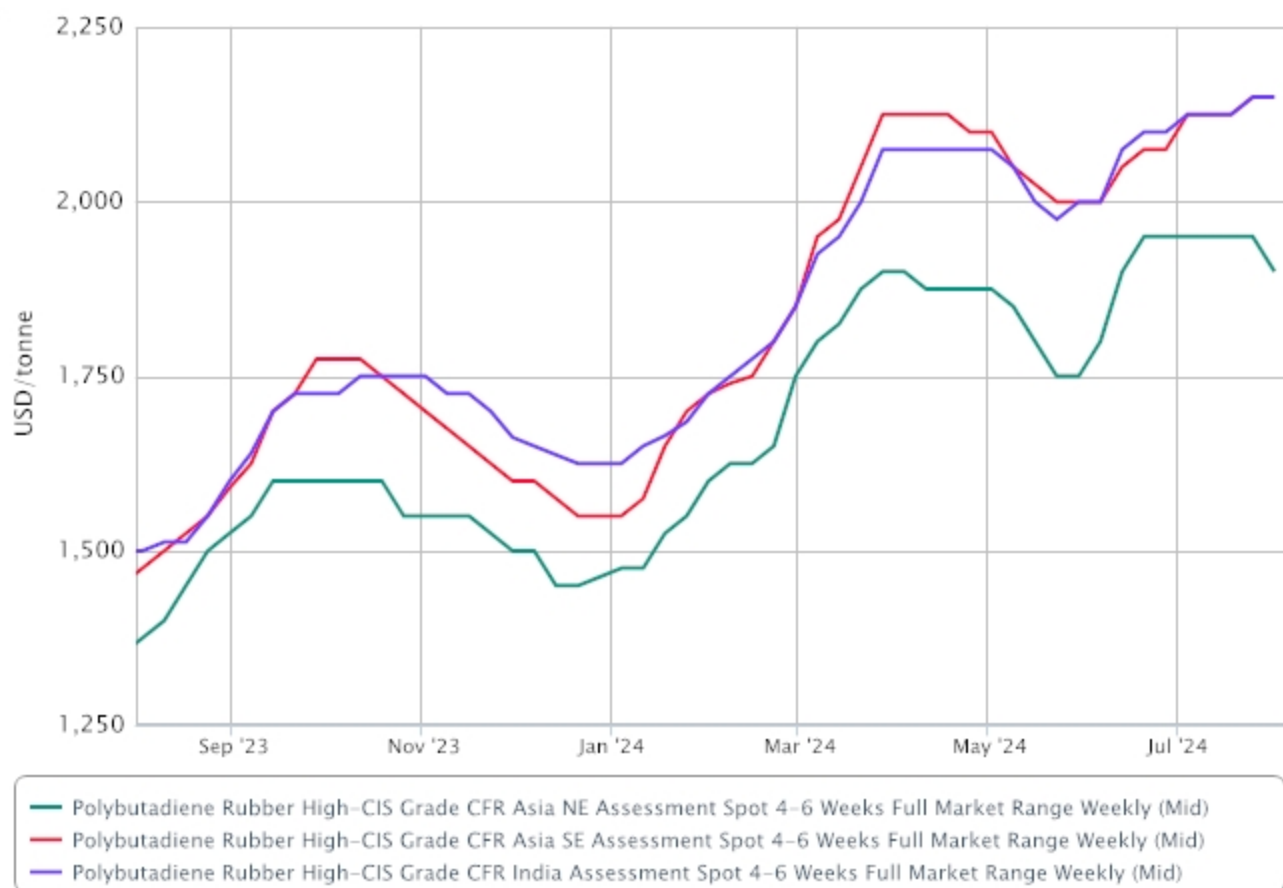
In SE Asia, the atmosphere is duller, as end-users mostly remained in the sidelines, relying instead only on contractual volumes for prevailing production needs.

However, fresh spot offers were also scant, as many regional PBR makers are more preoccupied with contractual obligations, and not keen to engage in spot business unless buyers are willing to negotiate at closer to their terms.

In India, sellers' mood was uplifted by news of recent increases in natural rubber pricing, as they believe that this may help pique buying interest for synthetic rubbers like PBR as a cheaper substitution product to natural rubber.

However, because current downstream factory operations are seasonally slower, market players said that India-based end-users were in no hurry to finalise any PBR procurement decisions, preferring to wait until the rainy

monsoon weather conditions have cleared up, perhaps by this month's end.



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OUTLOOK

- Feedstock market movements to drive PBR spot offers
- Demand outlook [hazy](#)
- Supply may [tighten](#) going into Q3 2024

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
Polybutadiene Rubber Low-CIS Grade						
CFR Asia NE	USD/tonne	n/c	2400.00-2500.00	n/c	2300.00-2500.00	108.86-113.40
			0			
CFR Asia SE	USD/tonne	n/c	2400.00-2500.00	n/c	2400.00-2500.00	108.86-113.40
			0			
Polybutadiene Rubber High-CIS Grade						
CFR Asia NE	USD/tonne	-50	1850.00-1950.00	-50	1900.00-2000.00	83.91-88.45
			0			

CFR Asia SE	USD/tonne	n/c	2100.00-2200.00	n/c	2050.00-2200.00	95.25-99.79
			0			
CFR India	USD/tonne	n/c	2100.00-2200.00	n/c	2050.00-2200.00	95.25-99.79
			0			

Northeast Asia

High-cis

CFR NE Asian prices were down, tracking lower discussions and indications for China-bound shipment materials.

Buying interest for US dollar denominated imports tapered in China, following losses seen in the domestic yuan-denominated market.

Domestic China prices were down, alongside weaker upstream pricing.

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	14,400-14,800	14,800-15,050

Low-cis

There were limited discussions for CFR NE Asian trades of low-cis PBR materials.

The assessment was kept unchanged as such, in the absence of any concrete and fresh buy-sell indications.

Southeast Asia

High-cis

CFR SE Asia assessment was rolled over, supported by limited, albeit rangebound, deals done and discussions heard in the week.

SMR 20 Natural Rubber Reference Price (US cents/kg) FOB Malaysia

Aug 1 2024	Jul 2024	Jun 2024	May 2024	Apr 2024	Mar 2024	Feb 2024
170.50	168.65	176.00	170.03	162.99	165.36	156.66

Source: Malaysian Rubber Board

Low-cis

CFR SE Asian assessment for low-cis PBR was unchanged, in a thinly-discussed week.

India

In India, northeast Asia-origin materials were heard indicated, on a CFR India basis, at the high-end of the assessment range and up.

Buying indications hovered at the low—end, and no deals materialised, with some local buyers still seeking to tap

more heavily instead on either domestically produced materials or imports from non-conventional and non-Asia origins. The latter were competitively priced compared with northeast Asian materials, market sources said.

UPSTREAM

BD

- Buy-sell sentiment mixed
- Regional supplies lengthen [after plant restart](#) and renewed deep-sea flows
- No selling pressure for sellers who wait and see

The chart below shows the spread between butadiene and PBR, which remains deep in the unhealthy zone.

[Downstream spread – butadiene NE Asia and PBR SE Asia](#)



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PRODUCTION

Japan's [Zeon](#) plans to discontinue its 65,000 tonnes/year PBR production at the Tokuyama site in 2028, according to the company's report published on 11 June.

In wider Asia, a 60,000 tonnes/year unit in Taiwan has [commenced](#) a month-long maintenance from late July.

ANALYTICS

ICIS outlook on downstream domestic appliances sector

Logistics woes and a higher cost-of-living have forced consumers to rein in non-essential spending. As a result, overall demand for domestic appliances is slowing in all regions and the global outlook is not promising for the next two quarters. This is especially true for China and India, which were earlier seen as markets with substantial growth prospects. Inflation has been the leading cause behind the demand destruction. A slowing real estate market, an erosion in household incomes and a longer appliance replacement cycle are expected to adversely affect sales in the short-to-medium term.

The US household appliance market is mature, and a longer appliance replacement cycle is expected to adversely affect sales in the medium term. Demand expectations for 2024 are low due to a lack of pent-up demand.

As in the US, European demand for domestic appliances is expected to be low this year. Given the current economic situation, consumer spending is forecast to be conservative. Overall, the sector is cooling down.

Against a background of China's real estate downturn, demand for domestic appliances is expected to be constrained. However, the long-term outlook is more positive, driven by megatrends such as urbanization, a growing middle class and digitalization. Earlier expectations that India would outperform its global peers have been downgraded. However, there is substantial growth potential in southeast Asia because of its low market share.

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