



Polybutadiene Rubber (Asia-Pacific)

By Ai Teng Lim
01-Dec-2022

[Overview](#) | [Outlook](#) | [Prices](#) | [Upstream](#) | [Production](#) | [Analytics](#)

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

OVERVIEW

- **Demand lacklustre**
- **Softer high-cis offers emerge**
- **Discussions capped by wide buy-sell gap**

Demand for Asian polybutadiene rubber (PBR) imports remain under pressure in all regional outlets.

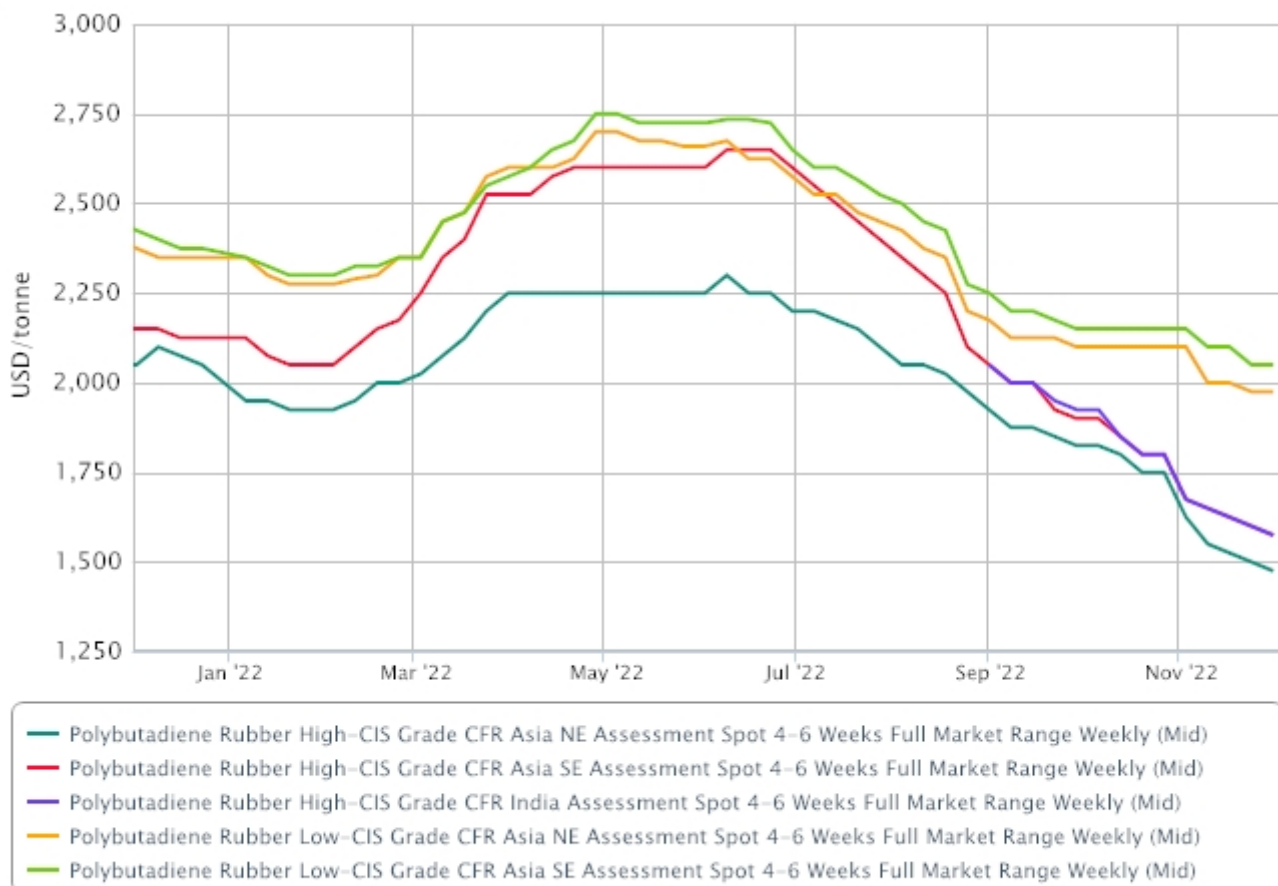
In China, the latest data show that factory activities in the country [weakened](#) further in November. Recurrent COVID-19 restrictions in various locations have disrupted downstream plant operations and limited PBR off-take.

Sentiment in southeast Asia is also weighed down by the lacklustre China market, as many end-users in southeast Asia are themselves reliant on export sales to China for their finished products.

In India, end-users there also scaled back operations to cope with slower-than-expected export sales of their finished goods to US/Europe, which in turn meant their buying appetite for feedstock PBR was also curtailed.

Some high-cis PBR sellers moderated offers on Asia origin material to boost buying. This drew limited responses, as buyers deemed the discounts not sufficiently attractive, especially amid an influx of deep-sea cargoes, much of which were indicated at substantially lower levels than Asia-origin material.

Discussions stalled for low-cis material, as limited spot availabilities lent support to existing selling expectations, against lacklustre requirements from the major downstream polystyrene sector.



© 2022 ICIS

OUTLOOK

- Prospects for near-term demand recovery dim
- Uncertainties in China may linger
- Producers may consider output cuts to minimise surplus

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
Polybutadiene Rubber Low-CIS Grade						
CFR Asia NE	USD/tonne	n/c	1900.00-2050.00	n/c	2000.00-2200.00	86.18-92.99
CFR Asia SE	USD/tonne	n/c	2000.00-2100.00	n/c	2100.00-2200.00	90.72-95.25
Polybutadiene Rubber High-CIS Grade						
CFR Asia NE	USD/tonne	n/c	1400.00-1550.00	-50	1550.00-1700.00	63.50-70.31
CFR Asia SE	USD/tonne	n/c	1500.00-1650.00	-50	1600.00-1750.00	68.04-74.84
CFR India	USD/tonne	n/c	1500.00-1650.00	-50	1600.00-1750.00	68.04-74.84

Northeast Asia

High-cis

CFR NE Asia assessments were dropped at the high end with softer selling indications heard. The low end was kept unchanged in the absence of any concrete buy-side response.

End-users in China were heard to be fully reliant on domestic supply.

Compared to US dollar-denominated imports, domestic supply is deemed more attractively priced too, since domestic prices in east China have been sliding in recent weeks.

Price (CNY/tonne)	1 Dec	24 Nov
E China Ex-Warehouse	10,300-10,800	10,900-11,400

Low-cis

Assessments were rolled over amid thin trade talks. Some discussions took place at the higher end of the published range but were inconclusive eventually, market sources said.

Southeast Asia

High-cis

CFR SE Asia assessments were down at the high end with lower offers heard for Asia-origin materials.

Buying interest was thin and the low end was kept unchanged in the absence of any concrete fresh buying indication.

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

Dec 2022	(1) Nov 2022	Oct 2022	Sep 2022	Aug 2022	Jul 2022	Jun 2022	May 2022	Apr 2022
133.70	127.32	130.52	134.12	149.74	158.83	164.15	162.81	171.15

Low-cis

CFR SE Asia assessments were kept unchanged, tracking stable offers.

India

CFR India assessments for high-cis PBR were dropped at the high end with lower selling indications for cargoes from regular northeast Asian suppliers.

However, substantive transactions were limited as the buy-sell gap remained wide. Buyers kept to bearish pricing indications for Asia-origin materials, capped at the low end, citing the availability of aggressively priced cargoes from deep-sea origins.

UPSTREAM

Butadiene (BD)

- Domestic China falls
- China's import appetite dented in line
- Limited demand support in wider Asia as well

The chart below shows the spread between butadiene and PBR.

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



© 2022 ICIS

PRODUCTION

Regional supply is poised to rise now that most maintenance turnarounds across [China](#) and [Japan](#) have been completed by end-November.

In southeast Asia, an existing outage may [stretch](#) through Q1 2023, market sources said.

ANALYTICS

ICIS crude outlook

OPEC+ production is set to decrease due to a supply cut of 2m bbl/day which was agreed in late October and preceded the EU embargo on Russian oil exports on 5 December. In addition, Russian exports to the EU have reduced by 90% since the start of EU sanctions on these volumes due to Russia's invasion of Ukraine. Although the EU and G7 are likely to implement a price cap on Russian crude, Russia's overall exports may not be hit as severely as previously expected as it has had time to find alternative buyers. US supply remains stable at 12m bbl/day and will be supported by strong refinery demand and the last Strategic Petroleum Reserve (SPR) releases of 2022. China's oil demand has been challenged in recent months, with lower refinery runs due to outbreaks of COVID-19 and growing worries about a global economic slowdown.

By **Greg Mouchikas**, energy and refining analyst, grigorio.mouchikas@icis.com

ICIS naphtha outlook

Naphtha cracks in Asia and Europe have improved in recent weeks due to the recent drop in oil prices and tight petrochemicals supply. In the US, strong middle distillate margins and increased refinery output have buoyed supply. In China, record-high exports of gasoline and gasoil in November are expected to continue after large additional quotas were announced in September. ICIS expects naphtha cracks to remain challenged due to ongoing high oil prices and higher middle distillate margins, as refiners maximise their output of middle distillates at the expense of excess lighter products, including naphtha.

By **Greg Mouchikas**, energy and refining analyst, grigorio.mouchikas@icis.com

Polybutadiene Rubber (Asia-Pacific) | 01-Dec-2022. ICIS accepts no liability for commercial decisions based on the content of this report. Unauthorised reproduction, onward transmission or copying of the Polybutadiene Rubber (Asia-Pacific) Report in either its electronic or hard copy format is illegal. Should you require a licence or an additional copy of the Polybutadiene Rubber (Asia-Pacific) Report, please contact ICIS at sales.uk@icis.com

ICIS, Quadrant House, The Quadrant, Sutton, Surrey, SM2 5AS. United Kingdom. ICIS accept no liability for commercial decisions based on the content of this report. Copyright violation is a serious offence. Any distribution or forwarding of information that is not expressly permitted by your subscription agreement is a copyright violation. ICIS uses software to monitor unauthorised electronic redistribution of reports.

© 2023 Reed Business Information Limited. ICIS is a member of RELX Group. www.icis.com

