



## 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

- **Buying tempo eases**
- **End-users push for wider discounts**
- **Sellers hold back on margin concerns**

Buying interest for Asia's spot imports of polybutadiene rubber (PBR) waned as concerns continue to rise about China's economic growth trajectory.

Many regional end-users pulled back to wait and see if the Chinese government's latest [fiscal spending plans](#) could help lift downstream demand.

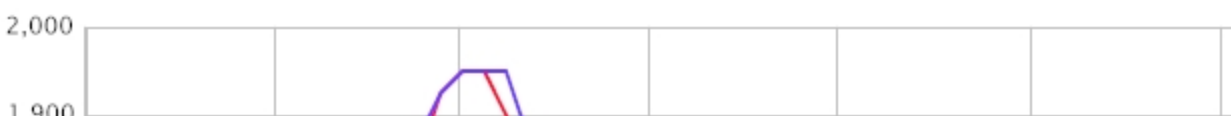
Many are also increasingly pessimistic about the prospect of regional economies recovering within the year following latest data showing that China's [official PMI](#) has rolled back into the contraction zone for October.

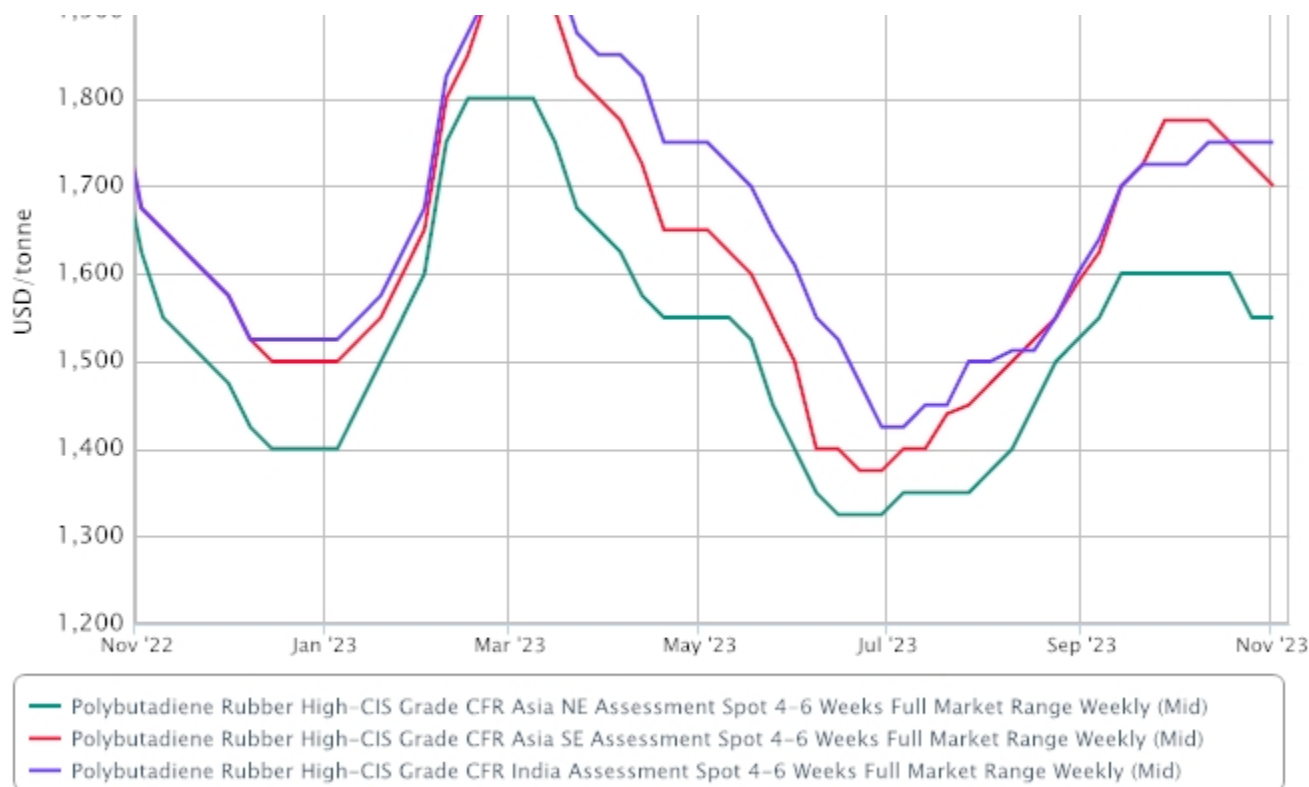
While some end-users still bought to keep ongoing production going, they confined their purchases to only smaller top-up parcels and bargained harder too, market players said.

Some also wanted to start exploring more actively options to purchase alternative, and aggressively-priced, supplies from non-conventional and/or non-Asian sources, market sources said.

Some sellers did moderate expectations to move limited volumes, but most were reluctant to dish out heavier discounts, as margins were already compressed by strong upstream costs.

Spot availabilities were not abundant too, mitigating selling pressures on regional producers. There were several plant maintenance closures across Asia for November and December, and market players said that the ensuing squeeze on PBR output will help provide some support for existing offers.





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## OUTLOOK

- Feedstock BD supplies to stay tight per ICIS [forecast](#)
- Cost pressures on PBR producers may not ease as such
- But demand outlook downcast on economic headwinds

## PRICES

### SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
<b>Polybutadiene Rubber Low-CIS Grade</b>						
<b>CFR Asia NE</b>	USD/tonne	n/c	1900.00-2100.00	n/c	1900.00-2100.00	86.18-95.25
			0			
<b>CFR Asia SE</b>	USD/tonne	n/c	2000.00-2100.00	n/c	1950.00-2100.00	90.72-95.25
			0			
<b>Polybutadiene Rubber High-CIS Grade</b>						
<b>CFR Asia NE</b>	USD/tonne	n/c	1500.00-1600.00	n/c	1550.00-1650.00	68.04-72.57
			0			
<b>CFR Asia SE</b>	USD/tonne	-50	1650.00-1750.00	n/c	1750.00-1800.00	74.84-79.38
			0			

<b>CFR India</b>	USD/tonne	n/c	1700.00-1800.00	n/c	1650.00-1800.00	77.11-81.65
			0			

## Northeast Asia

### High-cis

CFR NE Asian prices were unchanged amid subdued discussions and lacklustre buying interest.

In China, domestic supplies were deemed sufficiently balanced with prevailing requirements, crimping in turn the country's demand for imports.

Even though domestic yuan-denominated prices for PBR rose this week with upstream gains, market sources said that China's end-users still preferred to buy domestically, than from the import pool, given the former's shorter delivery timing, as well as the flexibility to purchase in smaller lots.

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	12,600-12,900	12,500-12,700

### Low-cis

CFR NE Asian assessments were rolled as discussions remained hampered by persistent buy-sell gap. End-users are resistant to existing offers, citing downstream affordability concerns especially since key derivative markets in China like acrylonitrile-butadiene ([ABS](#)) and polystyrene (PS) are still under pressure.

But producers held fast to their expectations and may instead calibrate production to match output with prevailing requirements, market sources said.

## Southeast Asia

### High-cis

CFR SE Asian assessments widened, with low-end down alongside more subdued buying indications heard.

Trade liquidity is curtailed not just by the buy-sell gap, but also because concrete offers were limited. Regional producers said that the bulk of their output has been committed to prior contractual sales.

And with natural rubber prices still holding up, some market players said that this could help bolster PBR requirements, as end-users may switch to using more PBR to substitute natural rubber.

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

Nov (1-2) 2023	Oct 2023	Sep 2023	Aug 2023	Jul 2023	Jun 2023
145.35	144.25	142.65	130.22	131.31	133.48

Source: Malaysian Rubber Board

### Low-cis

Discussions were heard within rangebound levels, and assessments were unchanged as such. Some sellers were heard mulling higher offers to recoup production cost increases.

**India**

CFR Indian prices were kept unchanged on rangebound selling indications for Asia-origin materials.

Some cargoes changed hands at the low end, but concrete discussions were otherwise limited with many local players already winding down for the upcoming Diwali holidays. Trade talks may resume more actively only in H2 November, market sources said.

**UPSTREAM**

**Butadiene**

- Domestic China uptrend continues
- Buying interest for imports supported as such
- But liquidity curbed by persistent constraints in regional supply

The chart below shows the spread between butadiene and PBR, which has slipped back of-late into the unhealthy zone.

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



## PRODUCTION

A 100,000 tonne/year plant in China has [restarted](#) in H2 October after an extended outage since 2021. But regional supplies remain squeezed by several other regional maintenances scheduled for November in [China](#) and [southeast Asia](#).

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