



## 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.

The Chinese domestic yuan (CNY) prices in the weekly analysis on 4 April are based on information collated up to 3 April. Please click [here](#) for the ICIS publishing schedule.

### OVERVIEW

- **Buying tempo slowed with holiday trade lull**
- **Offers well supported on cost push**
- **Demand outlook deemed positive but buyers hesitant to pay**

Discussions for Asian spot imports of polybutadiene-rubber (PBR) slowed this week because of holiday market closures across the region.

In northeast Asia, the China and Taiwan markets are shut for the three-day Qing Ming Festival beginning 4 April.

In southeast Asia and India, not all players have returned from Easter and the Holi festival celebrated in the week prior. And with the extended Eid ul Fitr holiday approaching in mid-April, many may continue to stay in the sidelines longer, market sources said.

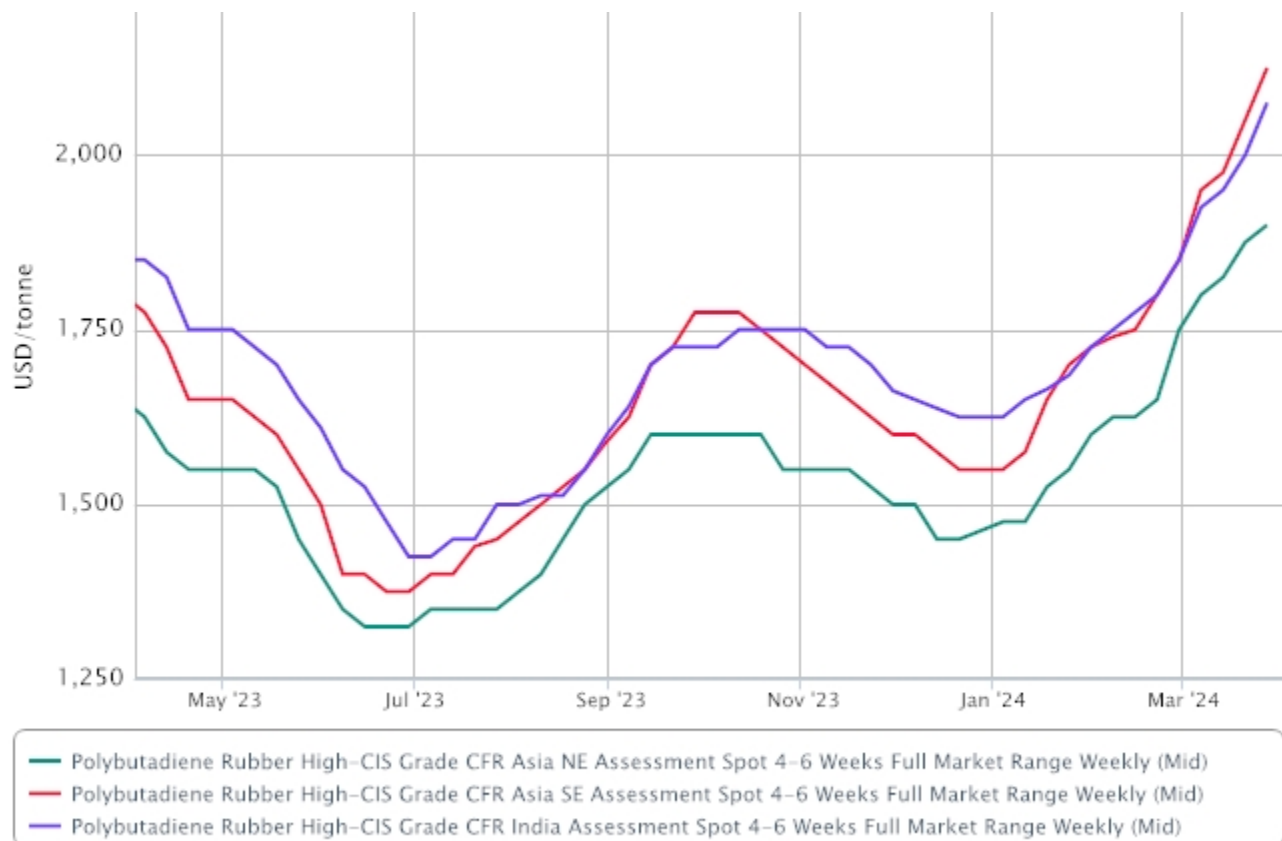
Meanwhile, sellers mostly held firm to their existing offers, or chased higher targets, in their bids to recover high feedstock butadiene (BD) costs and protect frail margins.

Buyers are resistant to these firmer offers, citing potential downstream affordability difficulties.

Yet, the outlook is generally rather upbeat that downstream requirements for raw materials, including PBR, will stay healthy if recovery in the auto industries in China and India remains on track, especially because of growing sales of electric vehicles ([EV](#)).

News about a year-high [official PMI](#) for China in March also buoyed sentiment among sellers further, with many increasingly confident that they need not negotiate with buyers but could hold and wait until the latter come closer to their terms, market sources said.

2,250



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## OUTLOOK

- Demand could see support with anticipated recovery of [auto sector](#)
- But uncertainties linger about end-use consumer spending power
- Buy-sell pricing tussle may amplify

## 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	2200.00-2400.00	n/c	2100.00-2300.00	99.79-108.86
			0			
<b>CFR Asia SE</b>	USD/tonne	n/c	2250.00-2450.00	n/c	2150.00-2350.00	102.06-111.13
			0			
<b>Polybutadiene Rubber High-CIS Grade</b>						
<b>CFR Asia NE</b>	USD/tonne	n/c	1850.00-1950.00	n/c	1750.00-1850.00	83.91-88.45
			0			

<b>CFR Asia SE</b>	USD/tonne	n/c	2050.00-2200.00	n/c	1900.00-2000.00	92.99-99.79
			0			
<b>CFR India</b>	USD/tonne	n/c	2000.00-2150.00	n/c	1850.00-2000.00	90.72-97.52
			0			

## Northeast Asia

### High-cis

CFR NE Asian assessments were unchanged, taking into account offers heard at the high-end and up, against buying indications capped at the low-end.

Yuan-denominated trades in east China started on a softer note at the beginning of the trading week, but recovered some lost grounds late in the week. Domestic prices in east China settled stable-to-firm week-on-week.

Price (CNY/tonne)	This week's close*	Previous week's close
E China Ex-Warehouse	13,300-13,500	13,250-13,500

\* As at 3 April as China is shut for holidays from 4-5 April.

### Low-cis

CFR NE Asian prices were kept unchanged in a thinly-discussed week. Offers were heard at the high-end.

## Southeast Asia

### High-cis

CFR SE Asian assessments held steady on range-bound buy-sell pricing indications.

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

Apr (1-4) 2024	Mar 2024	Feb 2024	Jan 2024	Dec 2023	Nov 2023
163.81	165.36	156.66	154.20	146.31	148.42

Source: Malaysian Rubber Board

### Low-cis

CFR SE Asian offers were heard at the high-end, while buying indications hovered around the low-end.

## India

In India, materials from NE Asia origins were heard indicated at the high-end and up.

But these offers continued to meet with much buy-side resistance, many end-users of whom looked more actively into the pool of non-Asia origin materials for alternative, and competitively priced, supplies.

CFR India assessments were kept unchanged as such.

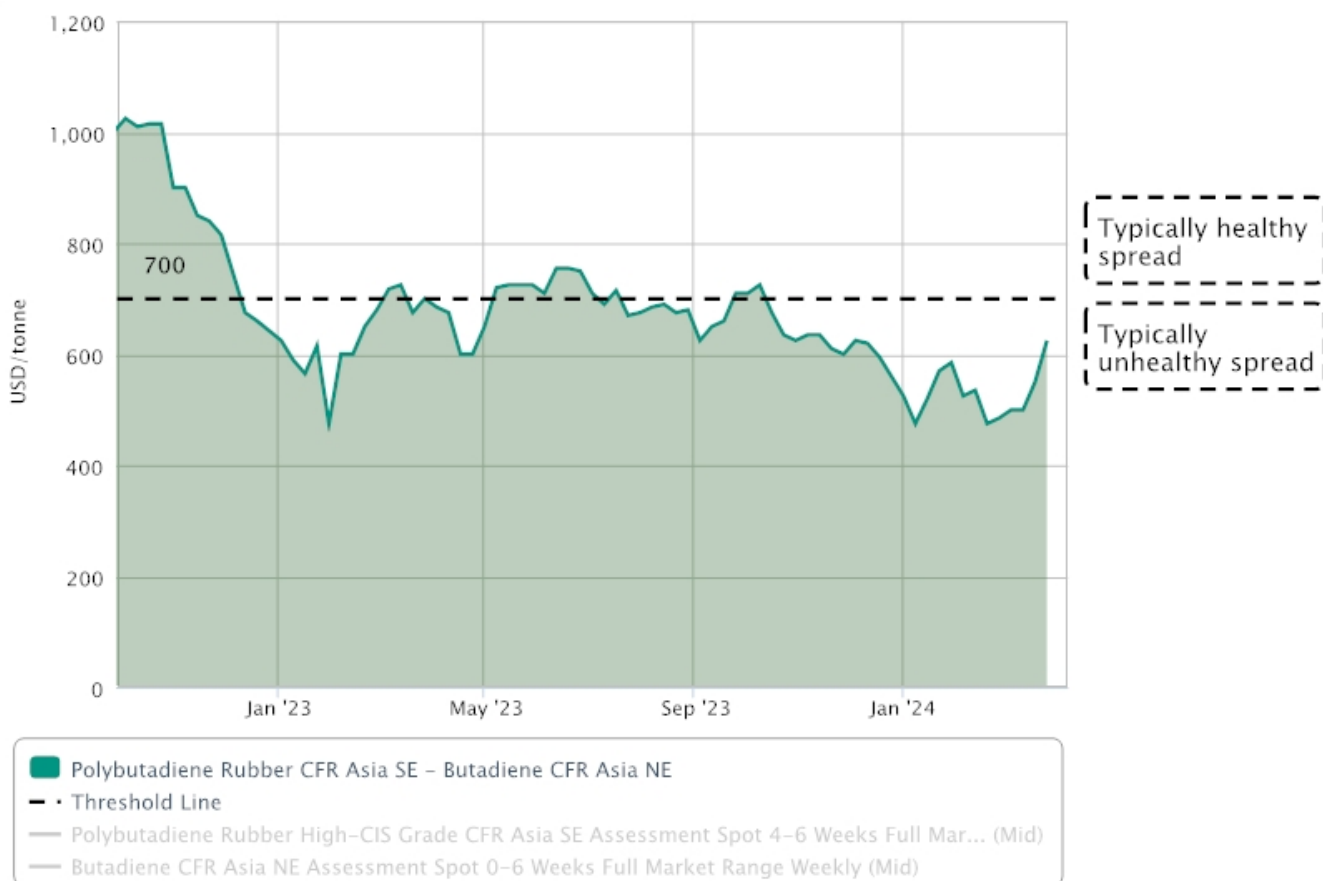
## UPSTREAM

### Butadiene

- Production losses widen in the region
- Import offers well supported as such
- But trade liquidity subdued amid growing buy-side resistance

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

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



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## PRODUCTION

Regional supplies to tighten in Q3 as a 60,000 tonne/year plant in [Taiwan](#) has scheduled maintenance for July.

Three plants in China, including an 100,000 tonne/year [unit](#) in Dongying, a 60,000 tonne/year [unit](#) in Yantai, and a 150,000 tonne/year [line](#), have also shut from H2 March for month-long maintenances.

## ANALYTICS

### ICIS outlook on downstream automotive sector

Impending layoffs, affordability and a slower electrification process are some of the key challenges for the automotive sector this year. Medium-term fundamentals remain strong, with rising income and low car ownership. This is particularly true for electrified and other new energy vehicles (NEVs) as government incentives push this market. China automotive demand in 2024 is expected to grow by 4.3% compared with 2023; Q2 2024 is forecast to grow by 2.3% compared with Q2 2023 (Oxford Economics).

India automotive demand in 2024 is expected to grow by 3.0% compared with 2023; Q2 2024 is forecast to grow by 6.0% compared with Q2 2023 (Oxford Economics). According to the Federation of Automobile Dealers Associations (FADA), there is cautious optimism in the market, but election-related purchase deferrals could be a challenge.

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