



# 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

- **Holiday trade lull**
- **[Demand](#) fundamentals remain weak**
- **Sellers wait and see**

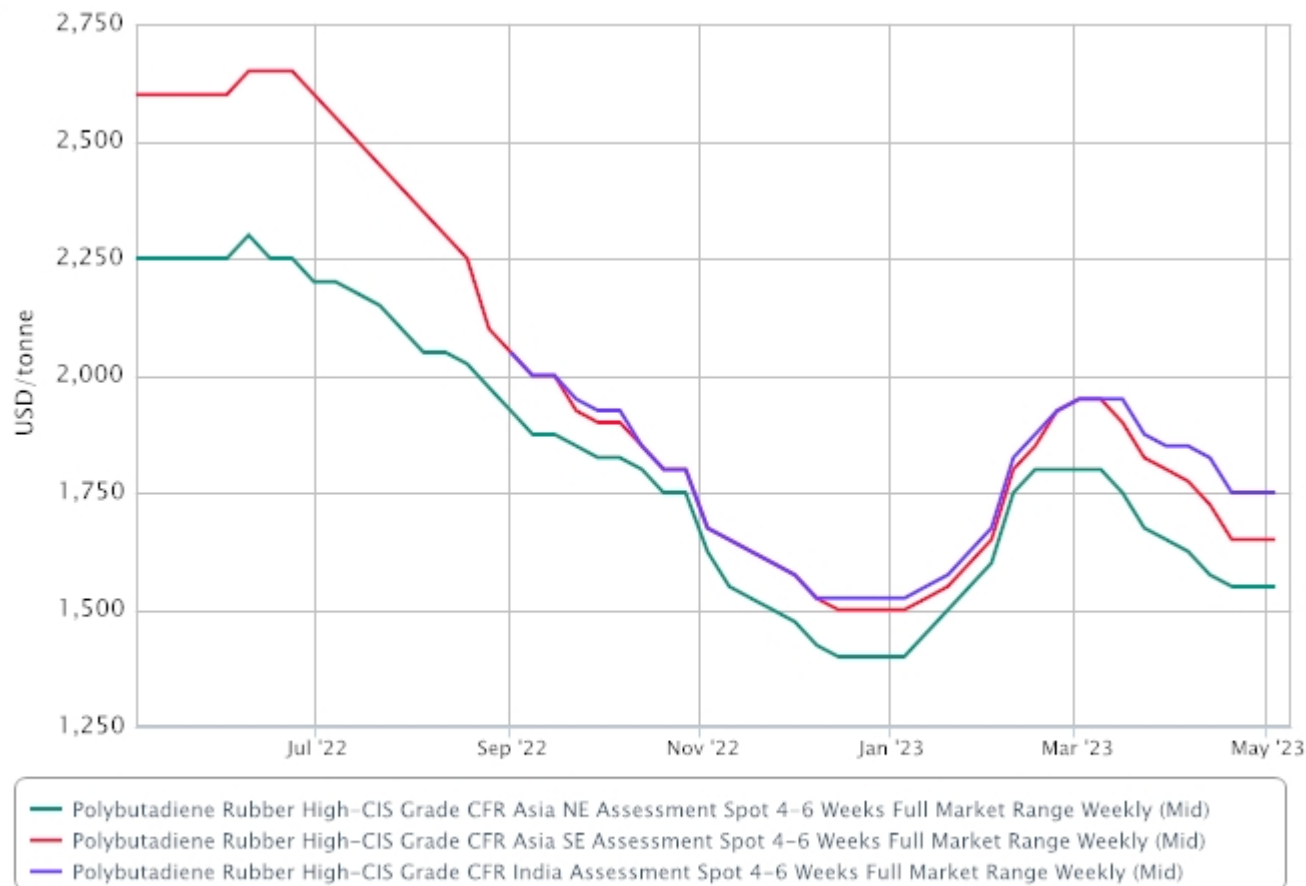
Spot discussions for Asian polybutadiene rubber (PBR) imports are thin, as many players were absent on holidays across northeast Asia.

There were no fresh buy-sell indications and buyers and sellers all retreated into a wait-and-see stance, saying that they would monitor how upstream markets may trend post-holiday before they re-evaluate and finalise their next positions.

Meanwhile, sentiment about downstream demand conditions took a hit with latest data showing that China's [April PMI](#) slipped back into the contraction mode.

This dented confidence about China's ability to push through with sustained and steady growth of its COVID-hit economy, and heightened concerns that efforts to boost downstream markets in wider Asia may be derailed next. Buyers thus do not want to rush into more import bookings at this stage, market players said.

Sellers on the other hand held back to wait for more clarity on how upstream markets may trend next, as well as how this could affect PBR's production margins. Otherwise, given currently poor margins, sellers said that they were unable to dish out deeper discounts.



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## OUTLOOK

- **Players to monitor post-holiday market developments**
- **Global economic headwinds to continue to weigh on demand**
- **Producers may extend [output cuts](#)**

## 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	1950.00-2100.00	n/c	2000.00-2150.00	88.45-95.25
<b>CFR Asia SE</b>	USD/tonne	n/c	2100.00-2200.00	n/c	2150.00-2250.00	95.25-99.79
<b>Polybutadiene Rubber High-CIS Grade</b>						
<b>CFR Asia NE</b>	USD/tonne	n/c	1500.00-1600.00	n/c	1600.00-1650.00	68.04-72.57
<b>CFR Asia SE</b>	USD/tonne	n/c	1600.00-1700.00	n/c	1750.00-1800.00	72.57-77.11

<b>CFR India</b>	USD/tonne	n/c	1700.00- 1800.00	n/c	1800.00-1900.00	77.11-81.65
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## Northeast Asia

### High-cis

CFR NE Asian prices are unchanged amid muted discussions in a holiday-shortened trading week.

Domestic China prices were also flat, with China shut from 29 April to 3 May for extended Labour Day holidays.

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	11,300-11,400	11,300-11,400

### Low-cis

Assessments were kept unchanged in a thinly-discussed week.

## Southeast Asia

### High-cis

CFR SE Asian prices were flat amid broadly unchanged buy-sell indications.

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

May (1-4) 2023	Apr 2023	Mar 2023	Feb 2023	Jan 2023	Dec 2022	Nov 2022	Oct 2022	Sep 2022
135.88	136.27	135.03	140.11	140.11	135.03	127.32	130.52	134.12

### Low-cis

CFR SE Asian assessments were kept unchanged on muted discussions.

## India

CFR India assessments were also kept unchanged, tracking stable offers at the high-end for duty free northeast-Asia origin materials.

But buying interest remains tepid and local end-users' buying appetite for US dollar denominated imports was also weighed down after a domestic producer moderated its prices in local currency terms, market sources said.

## UPSTREAM

### Butadiene (BD)

- End-user demand structurally bearish
- Some buying for contractual short-covering purposes

- Buy-sell standoff still pronounced

The chart below shows the spread between butadiene and PBR.

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



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## ANALYTICS

### ICIS Crude Outlook

In early April, OPEC+ surprised the oil markets with the announcement that it will reduce output by a further 1.16m bbl/day from May. With Russian output down by just over 500,000 bbl/day in April, a substantial volume of Russian crude is held on water or discharged into temporary storage facilities. The volume of US crude exported to Europe remained high in March and April. India and China are still seen as the biggest contributors to global oil demand growth and are expected to drive world oil consumption to a record level in 2023.

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### ICIS Naphtha Outlook

NWE naphtha cracks remain under pressure and saw increased volatility in March and April, following crude price volatility in the wake of turbulence in the US financial sector in March and the surprise announcement in early April about additional cuts from OPEC+. Limited European demand from both the middle distillate and petrochemical sectors has weighed on naphtha refining margins this year, with March and April no exception.

Russian flows continue to look for new willing buyers with global reach. Naphtha demand in Asia, as in Europe, saw limited gains in Q1, with partial support from the petrochemical sector.

By David Jorbenaze, senior analyst, [david.jorbenaze@icis.com](mailto:david.jorbenaze@icis.com)

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