



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

- Offers see support from slight upstream recovery in the week prior
- Spot availabilities limited too with upcoming turnarounds
- But buying appetite suppressed by bearish macroeconomic news

Sellers' sentiment in this week's Asian spot import market for polybutadiene rubber (PBR) were bolstered by some slight recovery seen in the week prior of feedstock butadiene (BD) prices.

Some sellers leveraged on this to raise PBR offers, notwithstanding patchy buy-side response.

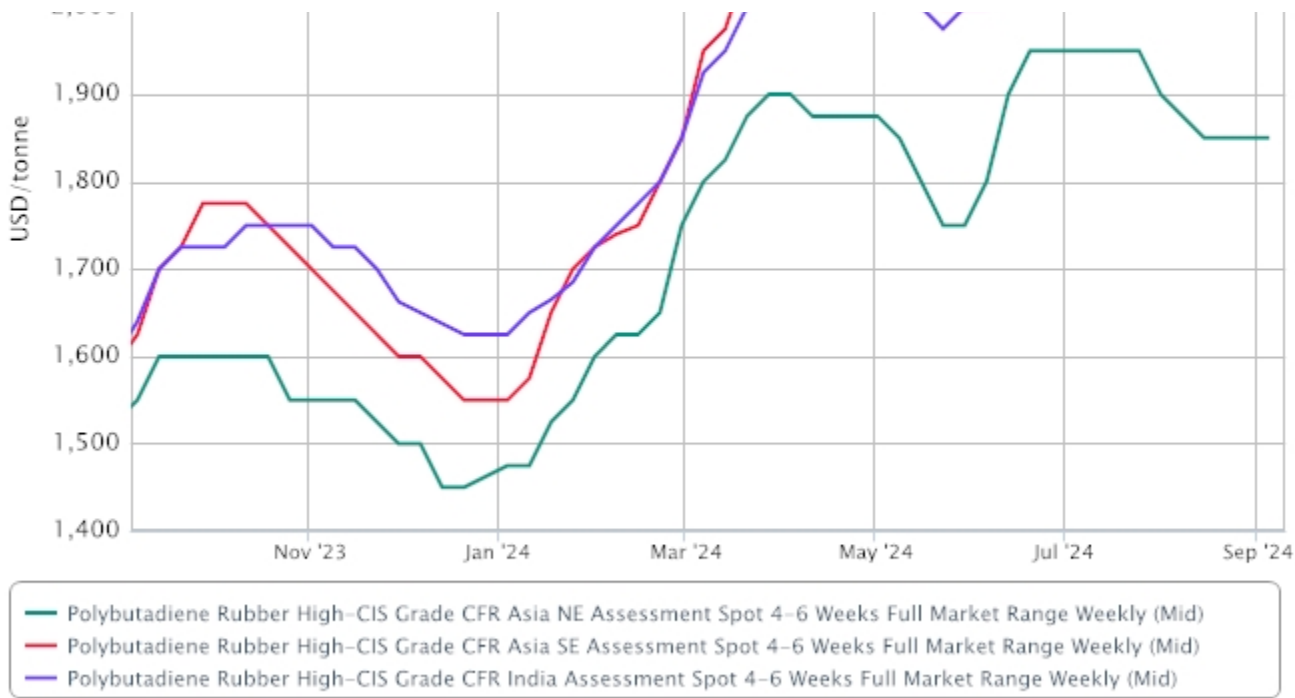
Spot availabilities are limited too, ahead of a heavy wave of plant maintenance expected in the late September to November window, and sellers said that this should provide some upside support to prevailing spot offers.

But buyers were not that forthcoming, and many of them retreated deeper into the sidelines this week, following a slew of bearish macroeconomic news, including that of China's official manufacturing purchasing manager index ([PMI](#)) slipping in August to a six-month-low.

Volatility in the crude oil market, which triggered an early week rout in the [Asian equity markets](#), also did little to shore up confidence about the prospects of sustained recovery and growth of the key downstream automotive industry.

Most end-users wanted to hold back on fresh import bookings until there is more clarity on how the broader macroeconomic landscape will pan up in the coming weeks.





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OUTLOOK

- Players to keep a close monitor on how China market will trend
- But offers to draw support from tight spot supply situation for rest of year
- Buy-sell tussle may intensify and widen

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
Polybutadiene Rubber Low-CIS Grade						
CFR Asia NE	USD/tonne	n/c	2300.00-2400.00	n/c	2400.00-2500.00	104.33-108.86
			0			
CFR Asia SE	USD/tonne	n/c	2300.00-2400.00	n/c	2400.00-2500.00	104.33-108.86
			0			
Polybutadiene Rubber High-CIS Grade						
CFR Asia NE	USD/tonne	n/c	1800.00-1900.00	n/c	1850.00-1900.00	81.65-86.18
			0			
CFR Asia SE	USD/tonne	n/c	2050.00-2150.00	+50	2100.00-2200.00	92.99-97.52
			0			
CFR India	USD/tonne	n/c	2000.00-2150.00	n/c	2100.00-2200.00	90.72-97.52
			0			

Northeast Asia**High-cis**

CFR NE Asian assessments held steady, supported by rangebound buy-sell indications for shipment to different NE Asian destinations.

Domestic China prices eased week on week, alongside softer performance in the domestic PBR futures.

But as domestic production of PBR will trend down with maintenance closure of some local plants, market players said that this may be the downside potential of yuan-denominated values for PBR.

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	14,900-15,300	15,100-15,400

Low-cis

CFR NE Asian assessments for low-cis PBR rolled over in the absence of concrete and fresh discussions.

Southeast Asia**High-cis**

CFR SE Asian prices for high-cis PBR were stable to firm, tracking elevated selling targets heard, against buying indications capped at the low-end.

NE Asia-origin materials were heard available for H2 September shipment at the high-end and up.

Recent spikes in natural rubber futures also boosted sellers' sentiment, as they believed more buyers may turn to buying PBR as a cheaper alternative to natural rubber.

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

Sep (1-5) 2024	Aug 2024	Jul 2024	Jun 2024	May 2024	Apr 2024	Mar 2024	Feb 2024
183.49	179.89	168.65	176.00	170.03	162.99	165.36	156.66

Source: Malaysian Rubber Board

Low-cis

CFR SE Asian assessments for low-cis PBR were kept unchanged, on stable offers heard.

India

CFR Indian prices for high-cis PBR held steady, on rangebound buy-sell indications for NE Asia-origin materials.

Downstream requirements were expected to pick up soon, now that the rainy monsoon weather is expected to subside and ease.

But buyers were heard not in a hurry to commit on fresh import bookings as they deemed the market amply supplied, not just of NE Asia-origin materials, but also of domestic products and cargoes from non-Asia origins.

UPSTREAM

Butadiene

- Bullish sentiment in China fuels higher export offers
- Asia demand remains largely tepid with buyers sidelined
- Asia spot sellers focus on the Chinese market

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

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



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PRODUCTION

In Malaysia, a 72,000 tonne/year PBR unit at Tanjung Langsat remains [shut](#) for maintenance which commenced in H2 June, market sources said.

In South Korea, a 170,000 tonne/year PBR unit in Yeosu will [shut](#) for a month-long maintenance in October.

In Japan, a 65,000 tonne/year unit at Tokuyama will undergo [maintenance](#) in the mid-Sept to end-Nov period.

And in China, a 100,000 tonne/year plant in Zhoushan is [shut](#) for a month-long maintenance in September, and another 100,000 tonne/year unit in Dongying has also gone [offline](#) since H2 August on commercial reasons.

But in Taiwan, a 60,000 tonne/year unit at Kaohsiung [resumed](#) in late August, after a month-long maintenance.

ANALYTICS

ICIS crude outlook

Global crude oil supply is projected to remain ample through 2024 and into 2025. OPEC+ members, such as Iraq, Russia, and Kazakhstan, continue to overproduce, contributing to a surplus of supply, despite pledges to cut output. OPEC's crude production averaged 41 million barrels/day in recent months, and global oil demand growth is now forecast at 1.1 million barrels/day in 2024 and 1.4 million barrels/day in 2025. However, demand growth, particularly in key regions like China, is expected to slow due to economic challenges and shifts toward cleaner energy sources. The abundance of non-OPEC supply, particularly from the US and Canada, adds to the oversupply. With continued economic headwinds and ample supply, oil prices are expected to remain under pressure, with ICIS projecting \$77/barrel for 2025. Additionally, increased refining capacity in Asia, despite boosting naphtha demand, is unlikely to offset the overall market surplus, keeping prices subdued.

By **David Jorbenaze**, senior analyst, david.jorbenaze@icis.com

ICIS naphtha outlook

In September, the naphtha market is expected to experience significant volatility, driven by fluctuations in the upstream crude market, macroeconomic uncertainties, and geopolitical tensions. In Europe, the ample supply of gasoline is limiting naphtha's support from the gasoline blending pool, contributing to weaker gasoline prices and a declining Eurobob gasoline crack spread. High freight rates and low demand from the US and Asia further strain the market, although steady inflows from the US and Algeria help balance availability. In Asia, seasonal demand may support naphtha prices despite economic slowdowns in major economies such as China. Russian naphtha exports to Asia are expected to hit record levels, driven by increased mobility needs and shifting global trade routes as a result of sanctions. Overall, the market outlook is mixed, with challenges from weak regional demand and high freight costs, but some support from increased cracker run rates and steady feedstock demand as the maintenance season approaches.

By **David Jorbenaze**, senior analyst, david.jorbenaze@icis.com

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