



Polybutadiene Rubber (Asia-Pacific)

By Ai Teng Lim
07-Dec-2023

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

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

The weekly pricing analysis will not be published on 28 December 2023. Please click [here](#) for the ICIS publishing schedule.

OVERVIEW

- **Demand lukewarm**
- **Buyers keep up push for discounts**
- **Offers tap supply limitations for support**

Discussions in Asian spot import market for polybutadiene rubber (PBR) were subdued by wide buy-sell gaps.

For sellers, many held fast to their existing offers, even if they acknowledge that downstream market conditions, such as in key outlets like [China](#), remains far from rosy.

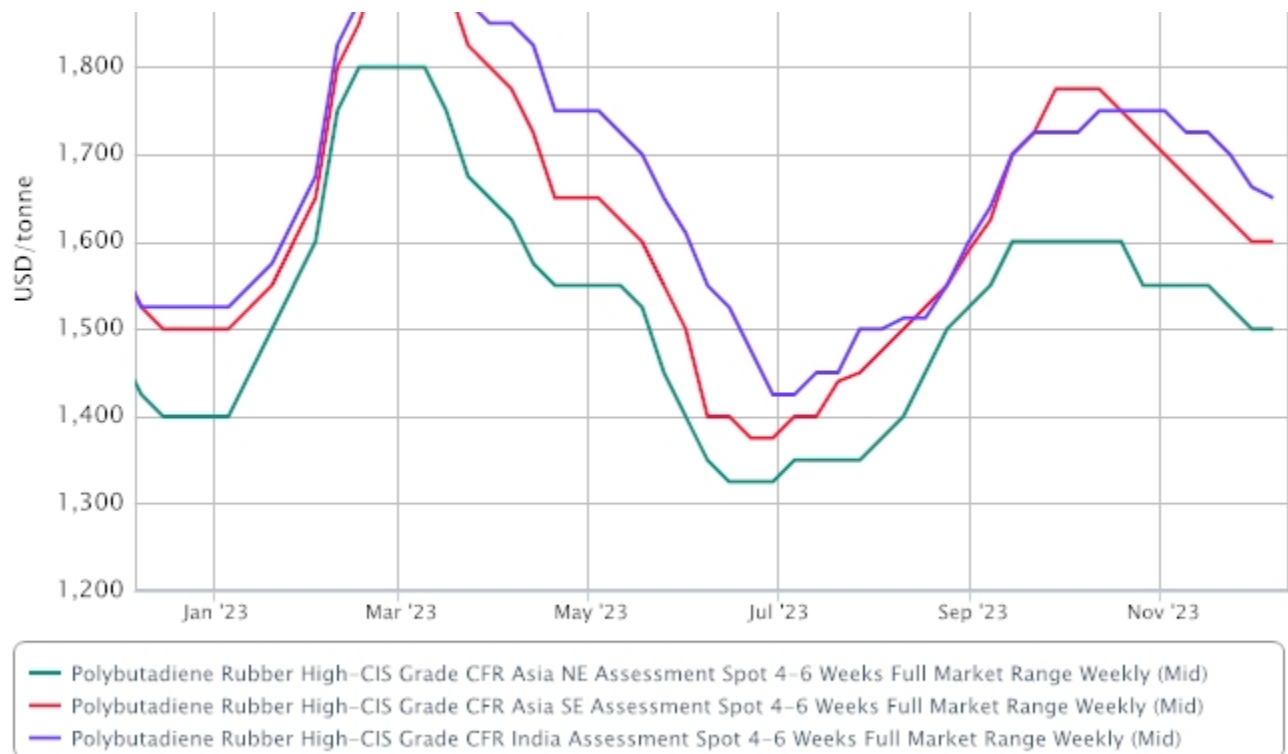
However, they deem off-take still sufficiently healthy as long as end-users kept up with their regular consumption, and given that spot supplies were not abundant to begin with, amid ongoing and upcoming regional turnarounds, sellers believed that those who needed to buy will secure the volumes.

Furthermore, even though feedstock butadiene (BD) prices have softened recently, PBR makers said that the savings were insufficient to cover losses they suffered previously.

Buy-side resistance against existing offers remain strong, with end-users still keenly mindful of difficulties involved in transferring cost downstream. As such, many continued with a push for deeper sellers' discounts, and were heard prepared to defer their next purchase till when offers have softened.

Many highlighted too that substantive downstream requirements are lower currently as well, in the run-up to the year-end holiday season, and they could afford to wait and see.





© 2023 ICIS

OUTLOOK

- Year-end lull may curb spot trade liquidity for the near term
- Demand outlook cloudy for the longer term as well
- Players to monitor upstream market movements closely

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
Polybutadiene Rubber Low-CIS Grade						
CFR Asia NE	USD/tonne	n/c	1900.00-2100.00	n/c	1900.00-2100.00	86.18-95.25
			0			
CFR Asia SE	USD/tonne	n/c	2000.00-2100.00	n/c	2000.00-2100.00	90.72-95.25
			0			
Polybutadiene Rubber High-CIS Grade						
CFR Asia NE	USD/tonne	n/c	1450.00-1550.00	n/c	1500.00-1600.00	65.77-70.31
			0			
CFR Asia SE	USD/tonne	n/c	1550.00-1650.00	n/c	1650.00-1700.00	70.31-74.84
			0			
CFR India	USD/tonne	n/c	1600.00-1700.00	-25	1700.00-1750.00	72.57-77.11
			0			

Northeast Asia**High-cis**

CFR NE Asia assessment held steady, amid muted, albeit rangebound, indicated for import cargoes.

Local end-users in China continued to tap on the domestic supply pool for cargoes, and steered away from import purchases.

Domestic PBR prices in east China were lower, tracking losses seen in the week prior in the upstream BD market.

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	11,500-12,000	11,700-12,300

Low-cis

Market was flat and discussions were muted. Assessments held steady as such.

Southeast Asia**High-cis**

CFR SE Asia assessment was kept unchanged, taking into consideration rangebound offers from various mainstream northeast Asian suppliers.

Transactions have taken place at around the mid-point of the range, market sources said.

Overall buying tempo was weak, and as natural rubber prices have softened lately, some traders said this may also dilute demand support for substitute products like PBR.

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

Dec 2023	(1-7) Nov 2023	Oct 2023	Sep 2023	Aug 2023	Jul 2023	Jun 2023
143.67	148.42	145.26	142.65	130.22	131.31	133.48

Source: Malaysian Rubber Board

Low-cis

Discussions were rangebound, and transactions limited as market players remained mostly in a wait-and-see stance.

India

Spot trade discussions stalled as some downstream operations were disrupted by heavy flooding caused by the [cyclone](#).

No fresh import offers were heard in the week, and the high-end of the CFR India assessment was adjusted down with lower selling indications from some traders seeking to keep pace with pricing of locally produced materials.

UPSTREAM

BD

- Domestic China fall as buying fizzles out
- Import market sentiment dented
- Limited regional supplies, but no lack of arbitrage volumes

The chart below shows the spread between butadiene and PBR, which sunk deeper into the unhealthy zone.

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



© 2023 ICIS

PRODUCTION

Ongoing turnarounds in [China](#), as well as in [SE Asia](#), have tightened PBR availabilities in December.

In January, a 50,000 tonnes/year line in NE Asia will also [shut](#) for a month-long maintenance.

ANALYTICS

ICIS crude outlook

The outlook for crude oil weakened over November amid plentiful supplies and a darkening economic backdrop. The ongoing growth in non-OPEC supply remains a key driver for oil supply expansion this year, loosening the supply and demand balance. Oil prices reacted with a limited uptrend to the November 30 OPEC Ministerial Monitoring Committee (JMMC) meeting, delving into complex talks over 2024 production cuts. The group's members reached a preliminary agreement to make 1m bbl/day of additional oil supply cuts alongside Saudi Arabi's extension of voluntary reduction of the same size. A deeper collective reduction combined with the extension of Saudi voluntary cuts is anticipated to balance out the oil surplus projected for early 2024. Crude oil flows into China are anticipated to decrease for the balance of Q4 amid declining refinery operating rates, limitations on distillates export quotas and diminished export margins. Forward prices for 2024 are influenced by the combined dynamics of non-OPEC and OPEC+ supply, global and Chinese oil demand, as well as broader global economic developments and levels of geopolitical tension.

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

ICIS naphtha outlook

Fluctuations in crude prices have impacted pricing dynamics along the downstream segment of the value chain. Anticipated fluctuations in crude prices in December are expected to influence volatility in naphtha values in all regions. The flow of Russian oil products remained steady in November and is expected to edge up in December. Naphtha demand from the petrochemicals sector in December remains bearish as the propane-naphtha spread is forecast to remain wide in Europe, suggesting that naphtha will not easily find its way into the steam cracker units, which are expected to operate at reduced rates. The expectation is that Chinese gasoline and gasoil exports in December will continue to decline due to restricted export quotas and reduced export margins. However, forward-looking indicators remain positive as road mobility in China continues to increase.

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

Polybutadiene Rubber (Asia-Pacific) | 07-Dec-2023. 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

 RELX™