



## 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 feedstock strengths**
- **But buyers mostly still cautious in approach**
- **Sentiment mixed about post-holiday prospects in China**

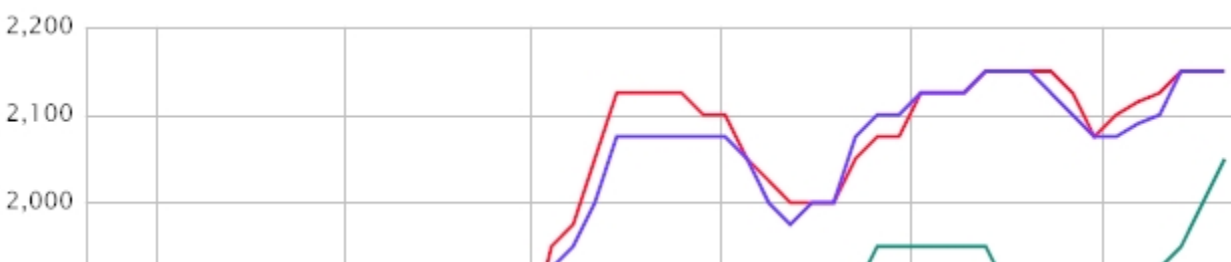
Spot assessments for Asian polybutadiene rubber (PBR) imports mostly held steady as players pulled back to wait for clarity on the post-holiday market situation in China before they finalise their next procurement decision.

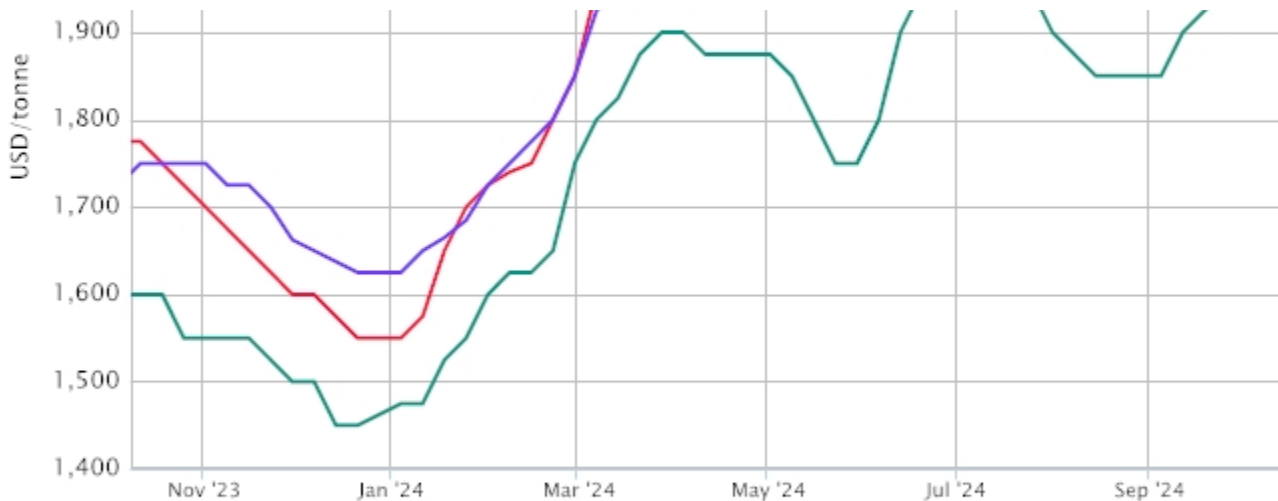
Feedstock butadiene (BD) prices have been driven up of late by [buoyant](#) yuan-denominated values for natural and synthetic rubbers, and this is a key factor supporting PBR spot offers.

Sellers of US dollar denominated PBR cargoes said that they would have to price up, or minimally hold fast to current targets, to mitigate cost pressures, and furthermore as spot availabilities are tightened by an ongoing heavy wave of regional PBR plant maintenance, sellers are firmly confident that they are in a stronger bargaining position vis-à-vis buyers.

But buyers' outlook is less rosy, with many discernibly [disappointed](#) that the equity rally seen on the first day China return from holidays did not sustain well thereafter. This also heightened doubts if the latest slew of Chinese [stimulus measures](#) may be sufficient to arrest the country's economic slowdown.

Many did not want to commit on fresh spot purchases as yet therefore, even if they acknowledged the reality that the spot supply pool is quite dry and dwindling.





— Polybutadiene Rubber High-CIS Grade CFR Asia NE Assessment Spot 4-6 Weeks Full Market Range Weekly (Mid)  
— Polybutadiene Rubber High-CIS Grade CFR Asia SE Assessment Spot 4-6 Weeks Full Market Range Weekly (Mid)  
— Polybutadiene Rubber High-CIS Grade CFR India Assessment Spot 4-6 Weeks Full Market Range Weekly (Mid)

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## OUTLOOK

- Upstream market movements to drive spot offers
- Supply to stay snug for rest of year amid plant turnarounds
- Demand to hinge on how China shapes up from here

## 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	2350.00-2500.00	n/c	2300.00-2450.00	106.59-113.40
<b>CFR Asia SE</b>	USD/tonne	n/c	2350.00-2500.00	n/c	2300.00-2450.00	106.59-113.40
<b>Polybutadiene Rubber High-CIS Grade</b>						
<b>CFR Asia NE</b>	USD/tonne	+50	2000.00-2100.00	+50	1850.00-1950.00	90.72-95.25
<b>CFR Asia SE</b>	USD/tonne	n/c	2100.00-2200.00	n/c	2080.00-2150.00	95.25-99.79
<b>CFR India</b>	USD/tonne	n/c	2100.00-2200.00	n/c	2030.00-2150.00	95.25-99.79

### Northeast Asia

**High-cis**

CFR NE Asia prices were assessed higher, tracking more upbeat selling indications for China-bound cargoes.

But concrete trade discussions and transactions were scant, as the major China market was shut much of the week for the extended National Day celebrations.

Domestic prices in China ended unchanged week-on-week, with some pulling back to monitor volatility in natural and synthetic futures on local exchanges. These counters plummeted on the last day of the trading week, following a bullish start in the same week.

Price (CNY/tonne)	This week's close *	Previous week's close
E China Ex-Warehouse	16,200-16,500	16,200-16,500

\* As at 30 September as China is shut for holidays from 1-7 October.

**Low-cis**

CFR NE Asia assessments for low-cis PBR were rolled over in a thinly-discussed week, as many major markets, from China to South Korea, were shut on holidays much of the week.

**Southeast Asia****High-cis**

CFR SE Asia prices held steady on rangebound buy-sell talks.

Buying interest is subdued, with many players unwilling to take up fresh buying positions until after there is more clarity about how downstream demand conditions may trend going forward.

Sellers were initially confident that as long as natural rubber prices continued to trend up, demand for cheaper substitution products like PBR will only strengthen too.

But such sentiment was weighed down towards the end of week, after natural rubber prices, for both physical cargoes and for futures, started to correct down, market sources said.

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

Oct (1-10) 2024	Sep 2024	Aug 2024	Jul 2024	Jun 2024	May 2024	Apr 2024
214.19	196.02	179.89	168.65	176.00	170.03	162.99

Source: Malaysian Rubber Board

**Low-cis**

The high-end of the CFR SE Asia assessments for low-cis PBR were kept unchanged, tracking stable selling indications.

The low-end is also rolled over in tandem.

**India**

Like southeast Asia, the CFR India assessments for high-cis PBR were rolled over, amid broadly range-bound talk.

Downstream operations are still not fully normalised as the rainy monsoon season ended later than expected this year, market sources said. Most players expected downstream operations to return to fuller normalcy only after the extended Diwali celebrations are over in early November.

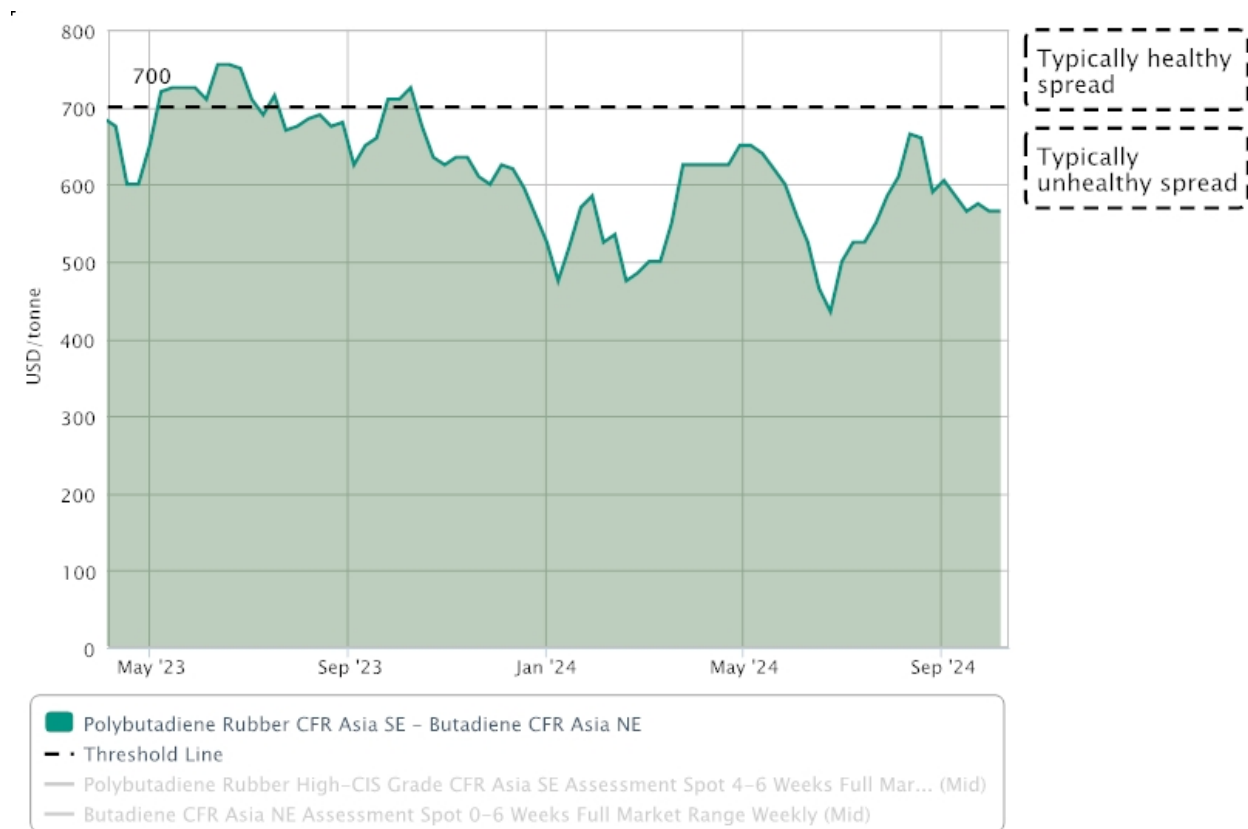
**UPSTREAM**

**Butadiene**

- Import discussions quieter with China market shut
- Wider Asian sellers upbeat about post-holiday prospects in China
- Most end-users pull back to wait and see

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

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



## PRODUCTION

There is a heavy wave of PBR maintenance in northeast Asia for Q4.

Company	Location	Status	Capacity (MT/year)	Start	End
<a href="#">Yangzi</a>	Nanjing, China	Commercial	100,000	Early June	TBC
<a href="#">Lotte Ube</a>	Tanjung Langsat, Malaysia	Technical	72,000	H2 June	TBC
<a href="#">Zhenhua</a>	Dongying, China	Commercial	100,000	H2 August	TBC
<a href="#">Zeon</a>	Tokuyama, Japan	Planned Maintenance	65,000	Mid-September	Late November
<a href="#">Chi Mei</a>	Tainan, Taiwan	Planned Maintenance	50,000	Late September	Late October
<a href="#">Kumho</a>	Yeosu, South Korea	Planned Maintenance	170,000	Early October	Late October

## ANALYTICS

### ICIS crude outlook

Crude prices are forecast to remain under pressure until the end of 2024, largely due to weak demand from China and other key regions. Though interest rate cuts in the US and stimulus in China may boost demand, supply-demand imbalances will persist. OPEC+ has extended its 2.2 million barrels/day in cuts until December 2024, with current production at just under 41 million barrels/day. Saudi Arabia and Russia produce around 9 million barrels/day each, while the US maintains steady output at 13.3 million barrels/day. Geopolitical risks and potential disruptions from hurricanes also threaten supply stability. OPEC-12 crude oil production averaged 26.6 million barrels/day for September, with non-OPEC (Decree of Cooperation) output just over 14 million barrels/day.

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

## ICIS naphtha outlook

Naphtha prices globally remain highly volatile, reflecting fluctuations in crude oil values and shifting gasoline demand. European open-spec naphtha (OSN) spot prices continue to rally, supported by improved blending activity and restocking by petrochemical units ahead of the autumn refinery maintenance season. The Eurobob gasoline crack spread has strengthened to around \$9.50/bbl, driven by export opportunities, while premiums for lighter naphtha grades have risen to the mid-\$20s/tonne. However, bearish demand from Asia and weaker margins for heavier naphtha grades are limiting the upside. Arbitrage opportunities to Asia from Europe remain limited, and high freight rates continue to dampen export flows. Despite this, domestic European demand for naphtha from steam crackers and a narrowing propane-naphtha spread, now at -\$60/tonne, are expected to support consumption. Reduced refinery runs in Europe and Asia and inflows from the US and Algeria are helping to balance availability, though market volatility will likely persist as the crude market continues to fluctuate.

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

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