



# 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

- **Demand still soft**
- **Buyers cautious**
- **Sellers grapple with rising cost pressures**

Sentiment was mixed in the Asian polybutadiene rubber (PBR) import market.

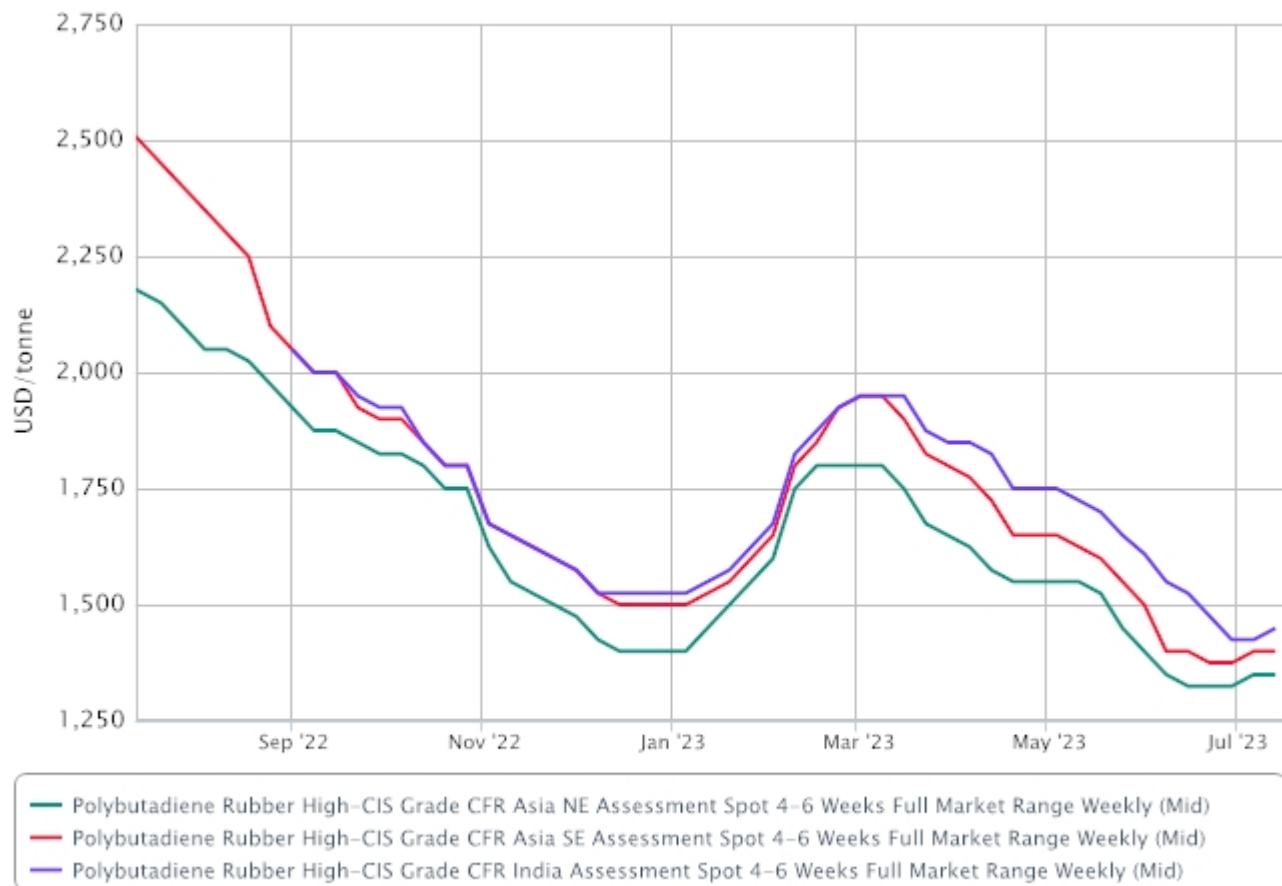
On the one hand, downstream demand was lacklustre across all PBR grades. For high-cis materials, off-take is typically weaker during summer, given the seasonally slower operations in the key downstream automotive sector.

Low-cis requirements are also weighed down by under-performing markets for key derivative products like electronic appliances.

In this backdrop, end-users were not keen to hold inventories of raw materials like PBR, preferring to rely only on procuring on a need-to basis.

But among sellers, cost concerns sharpened after feedstock [butadiene](#) prices hiked at least 10% in the week prior. Most PBR makers therefore held fast to their existing offers even if these drew tepid responses from buyers.

Some were also hopeful that demand fundamentals could improve in due course, if China's latest trench of [fiscal stimulus packages](#) were effective enough to spur consumer spending on automobiles or other related downstream products.



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## OUTLOOK

- Feedstock pricing direction to impact on how offers will trend
- Demand recovery may hinge on impact of China’s fiscal incentives
- Overall slow global economic growth will continue to weigh on sentiment

## 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	1750.00-1900.00	-70	1770.00-1970.00	79.38-86.18
<b>CFR Asia SE</b>	USD/tonne	n/c	1850.00-2000.00	n/c	1850.00-2000.00	83.91-90.72
<b>Polybutadiene Rubber High-CIS Grade</b>						
<b>CFR Asia NE</b>	USD/tonne	n/c	1300.00-1400.00	n/c	1300.00-1350.00	58.97-63.50
<b>CFR Asia SE</b>	USD/tonne	n/c	1350.00-1450.00	n/c	1350.00-1450.00	61.24-65.77
<b>CFR India</b>	USD/tonne	n/c	1400.00-1500.00	+50	1500.00-1550.00	63.50-68.04

### Northeast Asia

**High-cis**

CFR NE Asia prices were kept unchanged on stable offers at the high end, against buying indications at the low end.

But domestic prices in east China climbed higher to keep pace with recent increases in yuan prices for feedstock butadiene.

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	10,700-10,900	10,600-10,800

**Low-cis**

The high end is down with a transaction heard for limited volumes.

The low end is kept unchanged in the absence of other buying interest. End-users were already covered mostly with prior purchases, or still held sufficient inventories and therefore not looking to procure additional spot volumes.

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

CFR SE Asia assessments were kept unchanged on rangebound discussions. Some cargoes changed hands within the range, market sources said.

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

Jul 2023	(1-13) Jun 2023	May 2023	Apr 2023	Mar 2023	Feb 2023	Jan 2023
132.25	133.48	136.34	136.27	135.03	140.11	140.11

**Low-cis**

CFR SE Asia prices are rolled in the absence of fresh buy-sell indications for the week.

**India**

CFR India assessments were stable to firm, with offers hovering at the high end, against buy-side indications capped at the low end.

Substantive requirements are typically slower during the monsoon period, and buying appetite for Asia-origin material is also dampened by the constant availability of cheaper cargoes from non-Asia origins, market sources said.

**UPSTREAM****Butadiene**

- Better buying appetite in China for imports
- Outlook unclear following late-week domestic losses
- Demand muted elsewhere in Asia

The chart below shows the spread between butadiene and PBR.

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



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## PRODUCTION

In Taiwan, a [50,000 tonne/year](#) PBR plant has shut for maintenance in early July, and another [60,000 tonne/year](#) unit will also go off-line in mid-July for a month-long turnaround.

## ANALYTICS

### ICIS Downstream Domestic Appliance Sector Outlook

The global outlook for domestic appliances doesn't look too promising for the next two quarters. Even though growth rates have bounced back for countries such as China and India, that is largely a base effect. Inflation is the leading cause of demand destruction. In addition, a slowing real estate market, an erosion of real household incomes and a longer appliance replacement cycle are expected to adversely affect sales in the short to medium term. Demand from advanced economies is also projected to be subdued, with the exception of the US. The domestic appliance market had a great run from mid 2020 to mid to late 2021. As a result, expectations for 2022 and 2023 were already limited.

The US is expected to outperform its peers, even though it is a mature market. One possible reason is a relatively higher willingness to spend amassed credit.

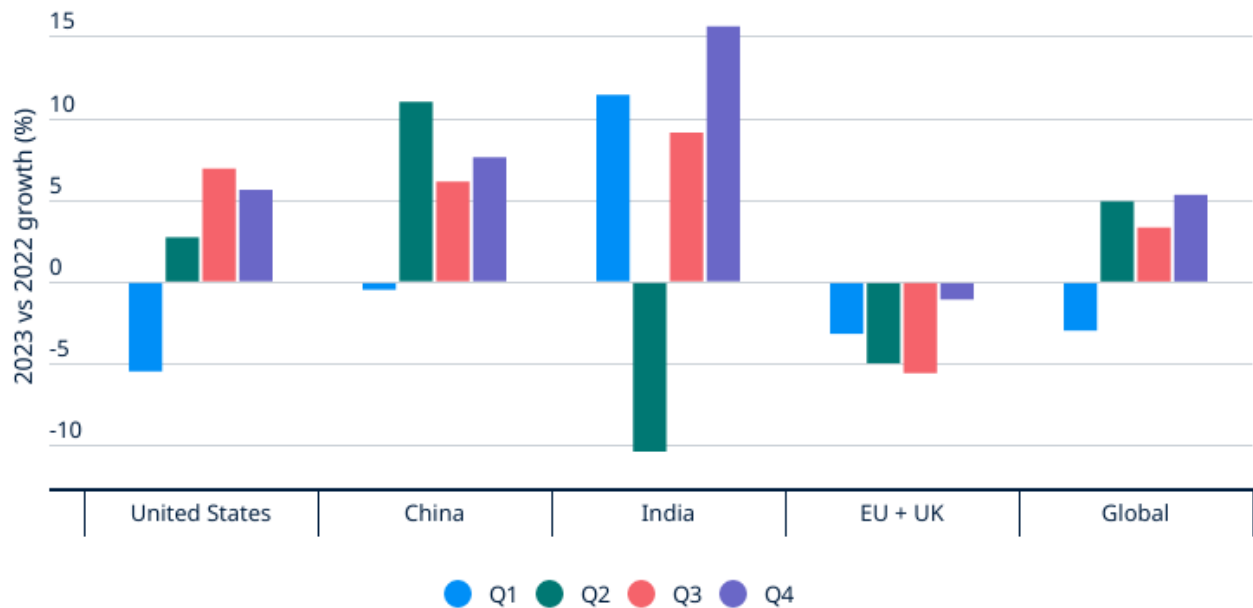
Like the US, Europe is a mature market. 2023 is one of the most challenging years for European domestic appliances and is forecast to shrink in the next two quarters. The seasonal uptick in demand for cooling appliances has not yet materialised.

With the real estate downturn in China, demand for domestic appliances is forecast to be constrained. However, the long-term outlook is positive, driven by megatrends such as urbanisation, a growing middle class and digitalisation. Earlier expectations that India would outperform its global peers have been downgraded. However, there is substantial growth potential in southeast Asia because of its low market share

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## Domestic appliances sector growth by region

2023 vs 2022



**SOURCE:** Oxford Economics

\*India's growth numbers based on local currency

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