



## 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

- **Domestic China surges**
- **Discussions upbeat for China-bound shipment**
- **Sentiment also brighter in wider Asia**

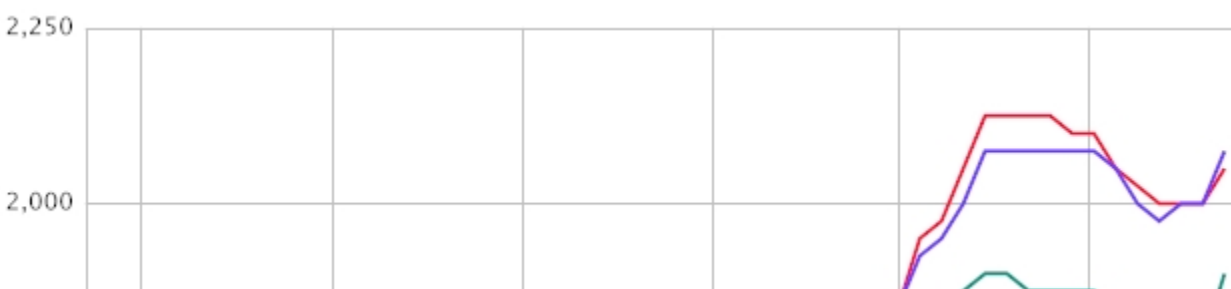
Discussions for spot imports into China of polybutadiene rubber (PBR) spiked, tracking robust gains in the yuan-denominated values of the product in the domestic China market.

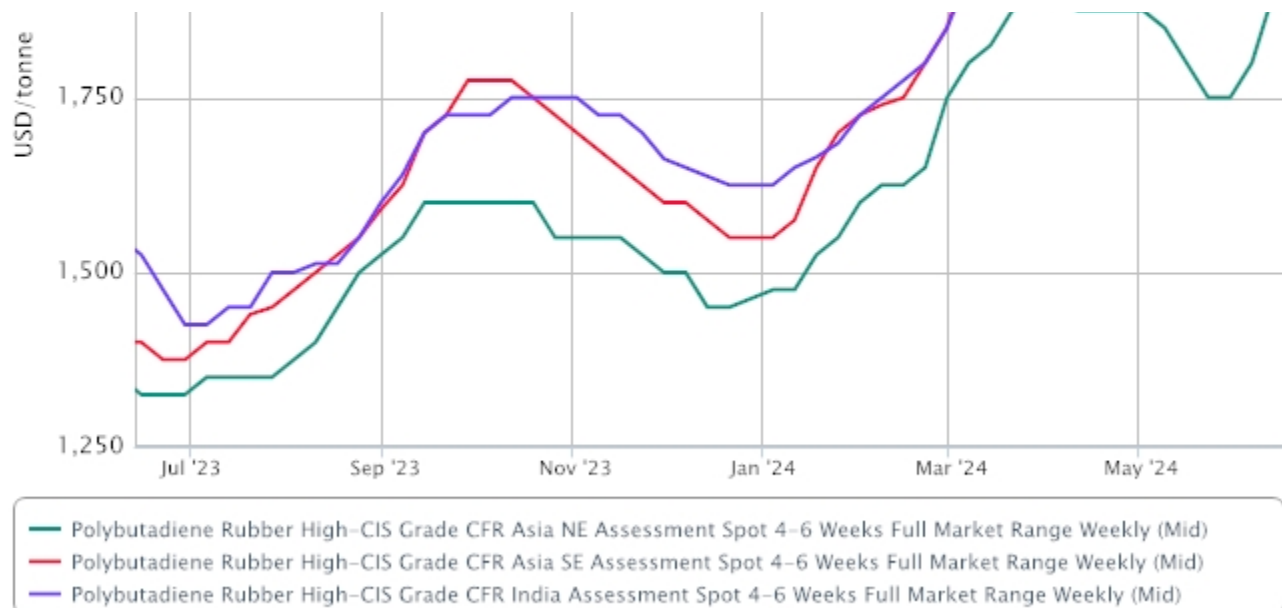
Domestic China prices rose with support from sustained buoyancy in local futures market, both for PBR and natural rubber. The bullish yuan atmosphere in turn boosted sentiment for US dollar-denominated imports into China.

In wider Asia, discussions were more upbeat too, essentially on support from elevated offers. Sellers raised their targets, citing factors from recent increases in feedstock [butadiene](#) (BD) as well as for [freight](#).

But substantive spot transactions are limited, curbed by a persistent buy-sell gap, especially for the low-cis PBR grade. End-users are cautious amid lingering uncertainties in the broader macroeconomic landscape, and many were unwilling to bid up as much for forward import deliveries.

Several buyers also said that they would wait for the volatile China market to stabilize first before they deliberate and decide on next import booking.





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## OUTLOOK

- Slower [GDP growth projections](#) in Asia may weigh on demand sentiment
- But upstream strengths, if sustained, could drive offers further
- Buy-sell pricing disparity may deepen

## 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	+100	2300.00-2450.00	n/c	2200.00-2400.00	104.33-111.13
			0			
<b>CFR Asia SE</b>	USD/tonne	+100	2400.00-2450.00	n/c	2250.00-2400.00	108.86-111.13
			0			
<b>Polybutadiene Rubber High-CIS Grade</b>						
<b>CFR Asia NE</b>	USD/tonne	+100	1850.00-1950.00	+100	1750.00-1850.00	83.91-88.45
			0			
<b>CFR Asia SE</b>	USD/tonne	+50	2000.00-2100.00	+50	2000.00-2050.00	90.72-95.25
			0			
<b>CFR India</b>	USD/tonne	+50	2000.00-2150.00	+100	1950.00-2050.00	90.72-97.52
			0			

### Northeast Asia

#### High-cis

CFR NE Asia prices are up, with firmer offers reflected at the high end against buying indications heard capped at the low end.

Domestic China prices spiked alongside sustained gains in related futures market, as well as on the back of bullish yuan-denominated prices for feedstock BD.

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	15,600-15,900	14,300-14,700

**Low-cis**

CFR NE Asia assessments for low-cis PBR are lifted at the low end, tracking firmer buy-side price indications.

But no transactions materialized as the buy-sell gap still failed to bridge despite broadly stable offers tracked at the high end.

**Southeast Asia**

**High-cis**

CFR SE Asia prices were up, with firmer offers and discussions heard for cargoes from a range of regular suppliers.

Sustained uptrend in natural rubber prices also served to support bullish sentiment among PBR sellers, as many expected that more end-users will turn to procuring PBR as a cheaper substitution product for natural rubbers.

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

Jun (1-13) 2024	May 2024	Apr 2024	Mar 2024	Feb 2024	Jan 2024	Dec 2023
180.14	170.03	162.99	165.36	156.66	154.20	146.31

Source: Malaysian Rubber Board

**Low-cis**

CFR SE Asia assessments were up on the low end with a higher buy-side indication heard.

The high end is unchanged, tracking a stable offer heard.

**India**

CFR India prices were up on the high end with firmer offers on northeast Asia-origin material.

Local buyers mostly pulled out of the market, focusing instead on domestic product, which many said was competitively priced versus higher-priced imports.

Increases in buying indications for imports meanwhile rose more moderately at the low end, tracking transactions for domestic cargoes.

## UPSTREAM

### Butadiene

- [Domestic China](#) rallies further
- China's buying interest in imports piqued
- Regional supplies still structurally tight

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](#)



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## PRODUCTION

There were a number of PBR plant closures in the domestic China market, and collectively, around 130,000 tonnes/year worth of nameplate capacity in the country has shut since early June, for an undecided duration, due to commercial reasons.

But a plant in Shandong, China, with a total nameplate capacity of 90,000 tonnes/year, [restarted](#) in late May after shutting down for a month due to commercial considerations.

## ANALYTICS

### ICIS outlook for downstream automotive sector

Widespread staff reductions and companies scaling back procurement are some of the key headwinds for the automotive sector this year, while the impact of election uncertainty on consumer sentiment presents another challenge.

According to the US Census Bureau, US light vehicle sales increased by 1.1% month on month in April, with total sales of 15.7 million units (up by 0.4% year on year and 3.4% down from 2019). Macroeconomic stressors continue to weigh heavy on automotive demand.

According to the European Automobile Manufacturers' Association (ACEA), new EU vehicle registrations increased by 13.7% in April year on year after falling in March. Registrations were lifted by a strong increase in all the major markets, with Spain rising the most at 23.1%, followed by Germany (19.8%), France (10.9%) and Italy (7.7%).

Asia's sector outlook for the medium to long term remains strong, however, with rising income and low car ownership in the region. This is particularly true for electrified and other New Energy Vehicles (NEVs) as government incentives push this market.

According to India's Federation of Automobile Dealers Associations (FADA) survey, 33% of members believe growth is going to be flat for the rest of the year, while some 16% expect the industry to contract.

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