



Polybutadiene Rubber (Asia-Pacific)

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

OVERVIEW

- **Offers well supported on cost push**
- **Supplies tight on production cuts**
- **Some need-based procurement materialise**

Spot discussions for Asian imports of polybutadiene rubber (PBR) remained under upside pressure as sellers chased higher targets to defray rising feedstock costs.

Feedstock [butadiene](#) (BD) prices have gone up by nearly 20% since mid-February.

PBR makers are also mindful of the possibility that this BD uptrend may extend further if BD supplies tighten more, once a slew of fresh [turnaround closures](#) in China kick in later in March.

Sellers were also of the consensus that structurally, downstream requirements for SBR are healthy, as most end-users are themselves low on inventories of raw materials like SBR and would need to keep up with spot procurement to ensure they have sufficient materials to cover ongoing production needs.

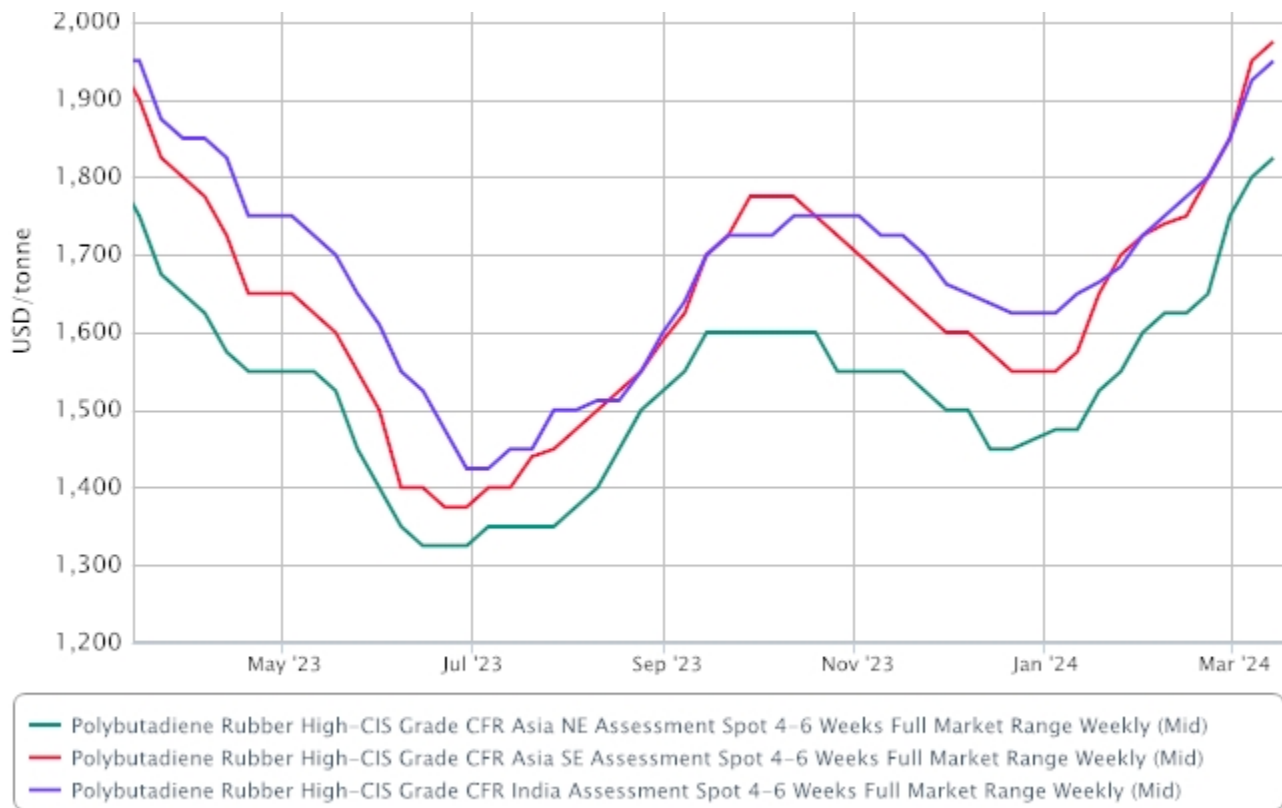
On the buy side, many end-users have also come to acknowledge and accept that upstream cost gains could continue to drive up the synthetic rubber markets.

However, they were unwilling to bid up as fast as sellers expected, on concerns of not being able to promptly transfer the increased costs to their own downstream markets.

Many downstream markets, such as the automotive sector, are still struggling to maintain a steady growth trajectory. The outlook is also murky for the auto sector, considering latest data showing a significant year-on-year dip in China's [February car sales](#).

2,100





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OUTLOOK

- Upstream cost pressures on PBR sellers may not ease anytime soon
- Spot availabilities to tighten with plant closures
- Market players eye [China's economic recovery](#) as main demand driver

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
Polybutadiene Rubber Low-CIS Grade						
CFR Asia NE	USD/tonne	n/c	2100.00-2300.00	n/c	2000.00-2150.00	95.25-104.33
CFR Asia SE	USD/tonne	n/c	2150.00-2350.00	n/c	2000.00-2150.00	97.52-106.59
Polybutadiene Rubber High-CIS Grade						
CFR Asia NE	USD/tonne	+50	1800.00-1850.00	n/c	1600.00-1650.00	81.65-83.91
CFR Asia SE	USD/tonne	+50	1950.00-2000.00	n/c	1700.00-1800.00	88.45-90.72

CFR India	USD/tonne	+50	1900.00-2000.00	n/c	1750.00-1800.00	86.18-90.72
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Northeast Asia

High-cis

CFR NE Asia assessment was in a narrower range, with the low-end lifted to reflect firmer buy-sell discussions this week.

Spot trade liquidity remained undermined, as buyers and sellers could not fully bridge the gap in pricing ideas to facilitate trade closure.

Domestic prices of PBR in east China rebounded, as local traders raised offers to recoup costs.

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	13,100-13,300	13,000-13,200

Low-cis

CFR NE Asia prices were kept unchanged in a thinly-discussed week.

Southeast Asia

High-cis

CFR SE Asian assessment was stable-to-firm, with the low-end up, taking into consideration firmer buy-sell discussions and indications.

Offers were heard at the high end and up, and buyers also bid higher, reflected at the low end.

As natural rubber prices remained firm, PBR sellers were hopeful too that this could enhance demand support for PBR, as end-users may switch to using more of synthetic rubbers like PBR as cheaper substitution product to natural rubber.

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

Mar (1-14) 2024	Feb 2024	Jan 2024	Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023
162.36	156.66	154.20	146.31	148.42	145.26	142.65	130.22

Source: Malaysian Rubber Board

Low-cis

CFR SE Asia prices were maintained in a thinly-discussed week.

India

CFR India prices were assessed in a narrower range, with the low-end up on firmed bids for northeast

Asian materials.

Offers were at the high-end and up.

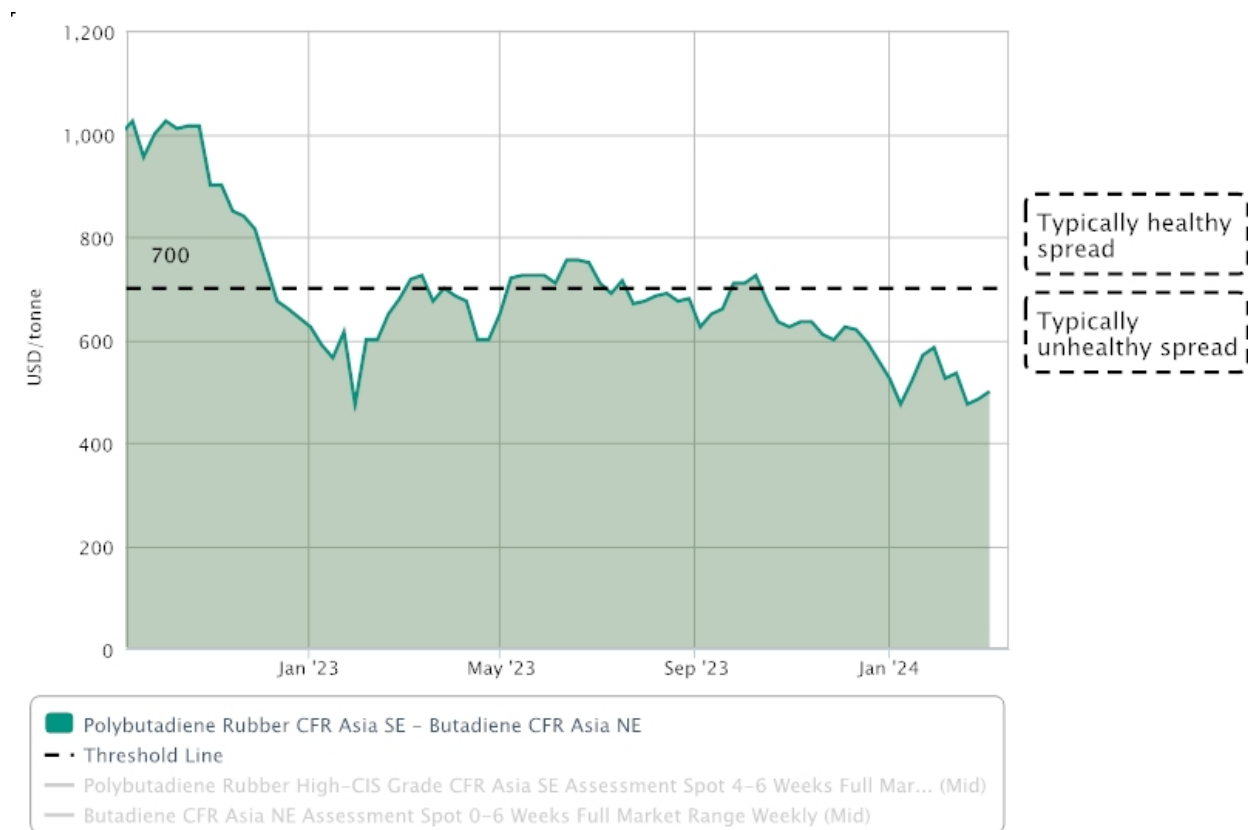
UPSTREAM

BD

- Fresh production issues weigh down on regional output
- Sellers hike import offers
- Some firmer bids surface

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

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



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PRODUCTION

Several PBR plants in China’s Shandong province have gone off-line lately, possibly due to economic considerations, market sources said. These include a 80,000 tonnes/year [unit](#), and another 100,000 tonnes/year [plant](#), both of which were shut since mid-February.

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