



Polybutadiene Rubber (Asia-Pacific)

By Ai Teng Lim

18-Apr-2024

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

The CNY prices in the weekly analysis on 2 May will be based on information collated up to 30 April. Please click [here](#) for the ICIS publishing schedule.

OVERVIEW

- **Buy-sell gulf stays wide**
- **Offers supported on cost**
- **But demand picture cloudy**

Discussions and transactions are limited in the Asian spot import market for polybutadiene rubber (PBR), with buyers and sellers still widely divided in their respective pricing outlook.

Sellers mostly held firm to their existing offers, if not strived to achieve higher targets, in an effort to recoup high feedstock butadiene costs.

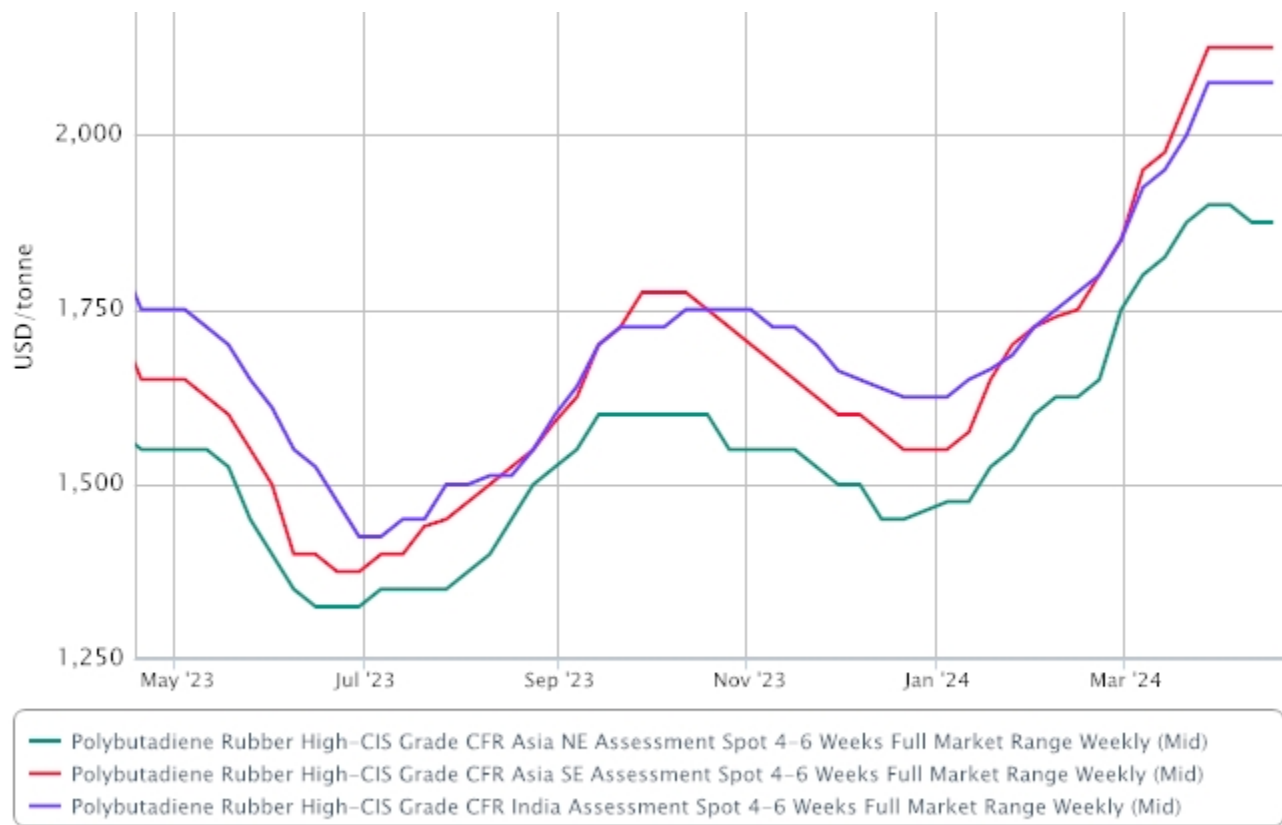
Spot availabilities are also limited among wider Asian suppliers, with many already nearly fully sold out on the back of buoyant contractual sales to customers even further afield such as Europe.

But the demand picture remains murky amid a mixed bag of uplifting manufacturing indices vis-à-vis persistent external economic headwinds.

Taking the major China outlet as a case in point, the country's [PMI](#) rose in March, signalling potentially vibrant downstream operations, but its [ratings outlook](#) was downgraded as debts piled up and this dented consumer sentiment.

As such, end-users said that they would confine themselves only to procuring strictly on a need-to basis, and that they would defer all other purchases, including for stock-building purposes, until there is more clarity or certainty on the broader macroeconomic growth trends.

2,250



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OUTLOOK

- Demand to hinge on [economic growth prospects](#)
- Uncertainty may deepen with [volatility](#) in the crude market
- Players likely to remain cautious for the near term

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
Polybutadiene Rubber Low-CIS Grade						
CFR Asia NE	USD/tonne	n/c	2200.00-2400.00	n/c	2150.00-2350.00	99.79-108.86
CFR Asia SE	USD/tonne	n/c	2250.00-2450.00	n/c	2200.00-2400.00	102.06-111.13
Polybutadiene Rubber High-CIS Grade						
CFR Asia NE	USD/tonne	n/c	1800.00-1950.00	n/c	1850.00-1900.00	81.65-88.45
CFR Asia SE	USD/tonne	n/c	2050.00-2200.00	n/c	2000.00-2100.00	92.99-99.79

CFR India	USD/tonne	n/c	2000.00-2150.0 0	n/c	1950.00-2050.00	90.72-97.52
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Northeast Asia

High-cis

CFR NE Asia assessments were rolled with rangebound indications in a thinly discussed trading week.

Buying interest for US dollar-denominated imports was low in China too as end-users there were amply covered with more competitively priced products from the domestic supply pool.

Domestic prices in east China for PBR softened as buying tempo eased with downstream margin worries.

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	13,200-13,400	13,450-13,600

Low-cis

CFR NE Asia discussions were limited and assessments held steady on rangebound buy-sell indications.

Southeast Asia

High-cis

CFR SE Asia assessments were also unchanged, in line with stable offers heard.

Concrete requirements were scant this week as not all players have returned from extensive holidays in the week prior, such as the Eid celebrations in Indonesia/Malaysia and the Songkran festival in Thailand.

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

Apr (1-18) 2024	Mar 2024	Feb 2024	Jan 2024	Dec 2023	Nov 2023	Oct 2023
163.91	165.36	156.66	154.20	146.31	148.42	145.26

Source: Malaysian Rubber Board

Low-cis

CFR SE Asian assessments were flat, taking into account offers heard at the high-end and up.

India

Substantive discussions were muted in India, with many end-users retreating to the sidelines until after the national elections are over in late April.

There were no concrete offers too, with regular northeast Asian suppliers mostly in a wait-and-see mode, pending clearer directions on how upstream costs may trend for themselves.

CFR India assessment was rolled over as such in the absence of fresh transactions and/or negotiations

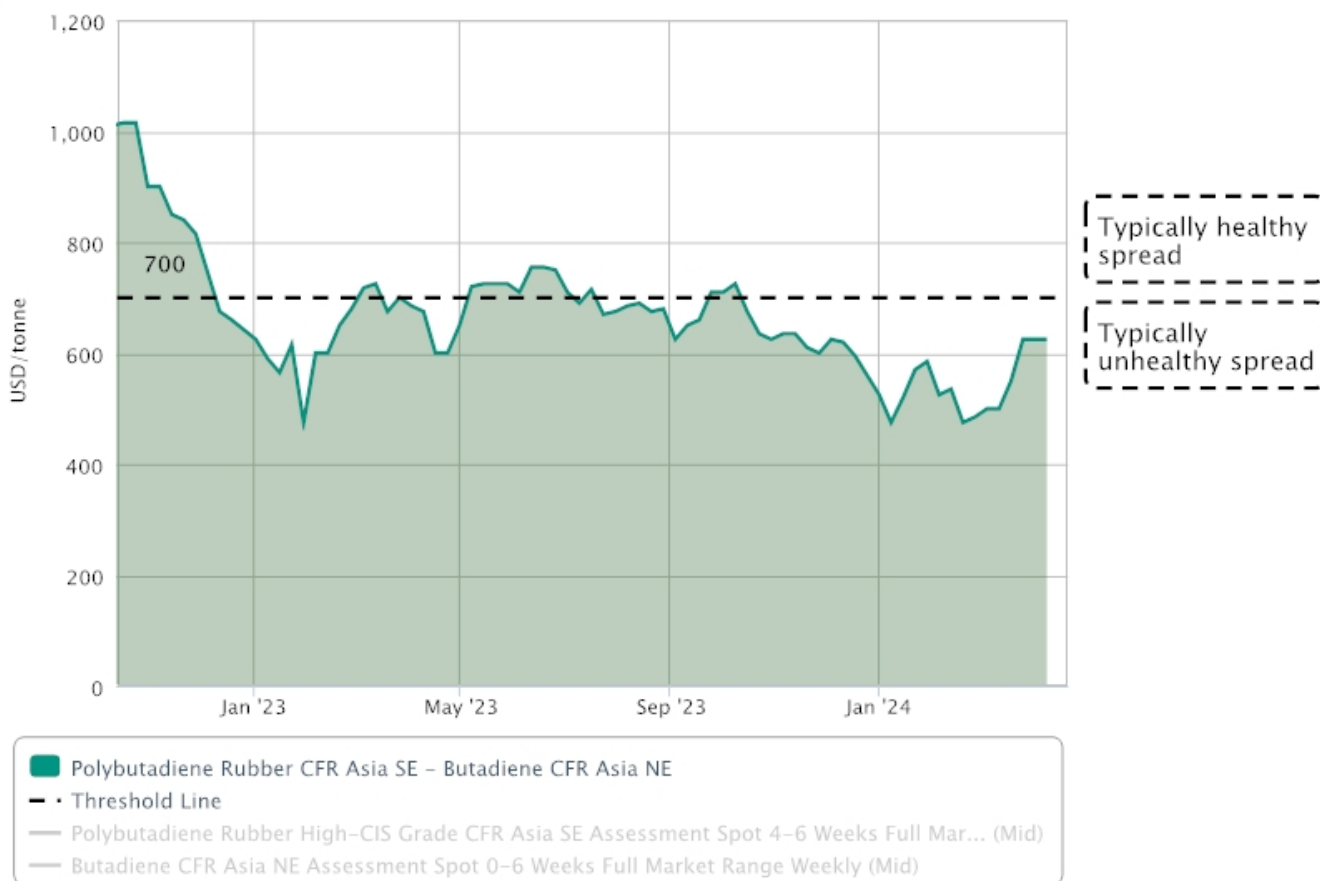
UPSTREAM

Butadiene

- Discussions slower with holiday market closures
- Sellers hold firm onto expectations
- Buy-side sentiment uneven

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

In wider Asia, a 60,000 tonnes/year plant in [Taiwan](#) will undergo maintenance in July.

Several plants in China are shut for maintenance in the March to April window, including a 100,000 tonnes/year [unit](#) in Dongying, a 60,000 tonnes/year [unit](#) in Yantai, and a 150,000 tonnes/year [line](#) in Zhejiang, as well as possibly a 80,000 tonnes/year [unit](#) in Shandong, market sources said.

ANALYTICS

ICIS downstream outlook on the domestic appliances sector

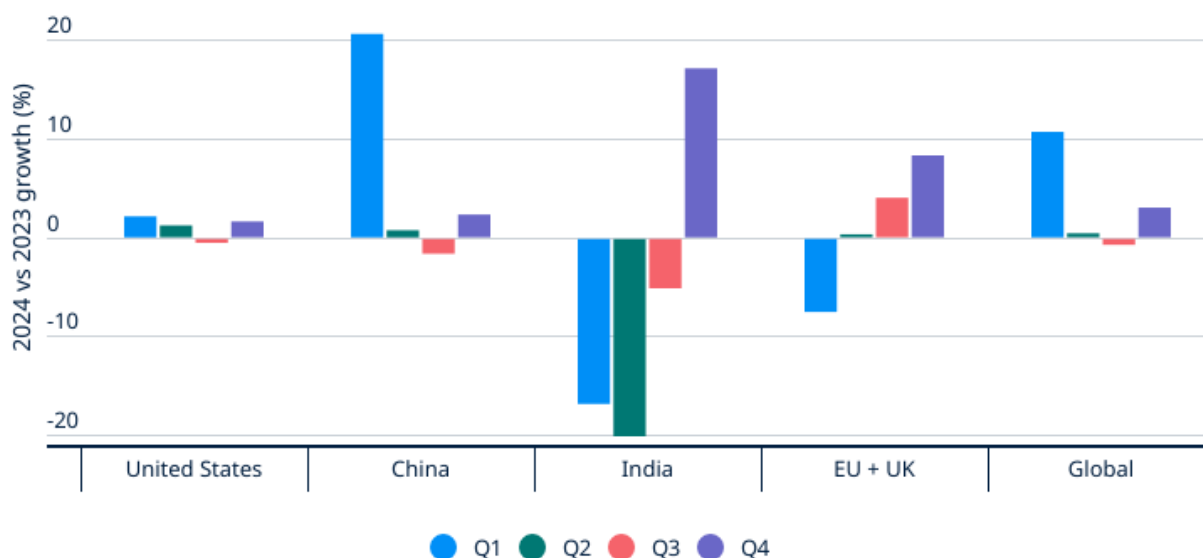
Global domestic appliances in 2024 are expected to grow 3.2% compared with 2023; Q2 2024 is forecast to grow marginally by 0.4% compared with Q2 2023, according to Oxford Economics. We anticipate increased demand for cold food storage appliances, as the world economy continues to battle with the elevated cost of living.

China outperformed most of its peers. It is also a key market for appliances, as it is responsible for more than half of global domestic appliances production. China domestic appliances in 2024 are expected to grow 4.8% compared with 2023; Q2 2024 is forecast to grow by 0.7% compared with Q2 2023, according to Oxford Economics. The medium-term outlook for India is bearish as India domestic appliances in 2024 are expected to shrink compared with 2023; Q2 2024 is forecast to shrink compared with Q2 2023, according to Oxford Economics.

By **Jincy Varghese**, ICIS demand analyst, jincy.varghese@icis.com

Domestic appliances sector growth by region

2024 vs 2023



SOURCE: Oxford Economics

*India's growth numbers based on local currency

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