



Polybutadiene Rubber (Asia-Pacific)

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[Overview](#) | [Outlook](#) | [Prices](#) | [Upstream](#) | [Production](#)

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

OVERVIEW

- **Offers climb higher with fresh upstream gains**
- **Regional output capped by plant turnaround**
- **Buyers' resistance builds**

Asia spot import offers for polybutadiene rubber (PBR) rose with fresh upstream gains. Spot supply limitations provided additional support, but substantive discussions and transactions were curbed amid growing buy-side resistance.

Feedstock [butadiene](#) (BD) prices have surged recently with protracted production constraints, prompting PBR makers to raise selling targets in order to recoup costs and rescue compressed margins.

Sellers' sentiment was buoyed on two additional fronts. For one, natural rubber prices have also risen recently to levels substantially higher than in Q4 2023, and PBR makers believe that this will push more end-users into procuring PBR as a cheaper substitute product.

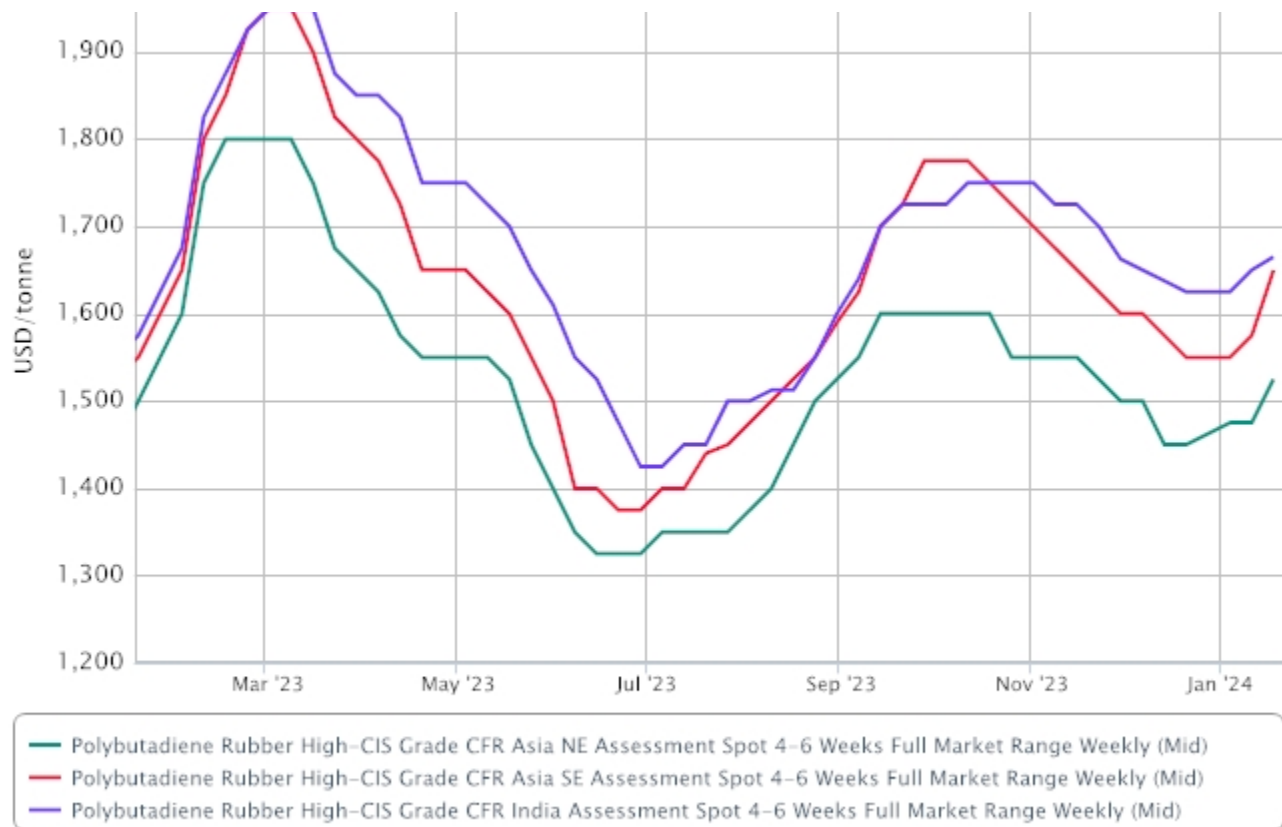
Furthermore, spot availabilities are tight amid both [planned](#) and [unplanned](#) plant outages in northeast Asia.

However, buy-side resistance to the higher asking prices continue to build, as apprehension mounts about downstream affordability.

Potential buyers said that there are, as yet, no clear signs that end-use consumption will pick up this year, in view of [cloudy outlook](#) for China's 2024 growth prospects.

Also, should the tensions in Red Sea escalate, the ensuing [freight-related challenges](#) may disrupt planned exports of finished products from Asia to Europe, a scenario which could further weigh down regional requirements for raw materials like PBR, market players said.

2,000



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OUTLOOK

- Offers to tap upstream strength for support
- Buy-sell gap may continue to weigh down on spot trade liquidity
- [Macroeconomic headwinds](#) to weigh down on demand

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
Polybutadiene Rubber Low-CIS Grade						
CFR Asia NE	USD/tonne	+50	1900.00-2050.00	+50	1800.00-2000.00	86.18-92.99
			0			
CFR Asia SE	USD/tonne	+50	1950.00-2050.00	+50	1900.00-2000.00	88.45-92.99
			0			
Polybutadiene Rubber High-CIS Grade						
CFR Asia NE	USD/tonne	+50	1500.00-1550.00	+50	1400.00-1500.00	68.04-70.31
			0			

CFR Asia SE	USD/tonne	+50	1600.00-1700.00	+100	1500.00-1600.00	72.57-77.11
			0			
CFR India	USD/tonne	+30	1630.00-1700.00	n/c	1575.00-1675.00	73.94-77.11
			0			

Northeast Asia

High-cis

CFR NE Asia assessment edged up with firmer offers at the high-end of the range against buying indications capped at the low-end.

In China, domestic prices rebounded this week, alongside an uptrend in yuan-denominated value for feedstock BD.

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	12,000-12,400	11,800-12,300

Low-cis

CFR NE Asia assessment for the low-cis grade were up at the high-end of the range with a firmer offer heard.

The low-end was notionally adjusted up with changes in the high-end, in the absence of concrete buy-side indications.

Southeast Asia

High-cis

CFR SE Asia assessment rose, tracking more upbeat buy-sell discussions heard.

Sellers hiked offers to the \$1,700-1,750/tonne CFR SE Asia range, and the high-end of the assessment range was up in line with the lowest asking level.

Buying indications, captured at the low-end of the range, were also higher on-week, but lagged behind the quantum of increases for offers, curtailing meaningful and conclusive negotiation for fresh spot deals.

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

Jan 2024	(1-18) Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023	Jul 2023
154.16	146.31	148.42	145.26	142.65	130.22	131.31

Source: Malaysian Rubber Board

Low-cis

CFR SE Asia assessment was up at the high-end of the range with a firmer offer heard, and the low-end was adjusted notionally up in-line, in the absence of concrete buy-side indications.

India

There were no concrete offers as most regional suppliers pulled back to review and redeliberate, but notional selling indications were heard at no less than \$1,700/tonne CFR India. The high-end of CFR India assessment held steady as such.

The low-end reflects buying indications, which tracked the highest deal-done levels for spot parcels in the prior weeks, market sources said.

Otherwise, with the financial year closing approaching in March, most local end-users were cautious not to over-build raw material stocks and also mindful not to take in additional stocks at higher prices.

UPSTREAM

BD

- Buying interest pick up on short covering requirements
- Export offers [firmer](#) from China
- Buy-sell gap persists, weighs down on liquidity of fixed-price basis trades

The chart below shows the spread between butadiene and PBR, which sank deeper into the unhealthy zone.

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



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PRODUCTION

In wider Asia, a 50,000 tonnes/year line in NE Asia has [shut](#) in early January for a month-long maintenance.

In China, a total of 150,000 tonnes/year of production capacity in Beijing also [went off-stream](#) from 5 January, alongside a parallel [shutdown](#) of related upstream BD units.

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