



Polybutadiene Rubber (Asia-Pacific)

By Ai Teng Lim
22-Feb-2024

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

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

OVERVIEW

- **Offers climb with upstream cost push**
- **Healthy need-based procurement**
- **Sellers bullish**

Polybutadiene rubber (PBR) sentiment was buoyant, with sellers mostly chasing bullish offers to recoup rising feedstock costs and protect frail margins.

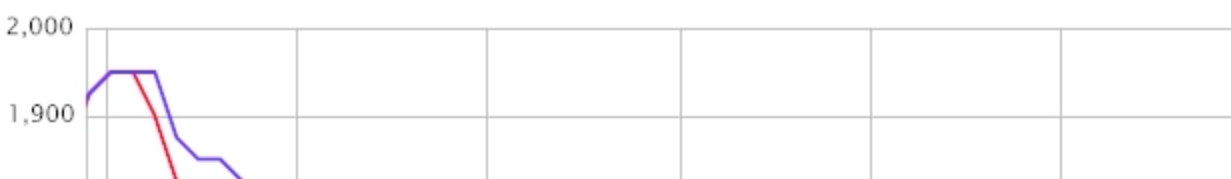
Their confidence was also bolstered by what they perceived as healthy demand, as end-users are mostly low in stocks and would have to continue to engage in some level of need-based procurement to keep their ongoing operations sustained.

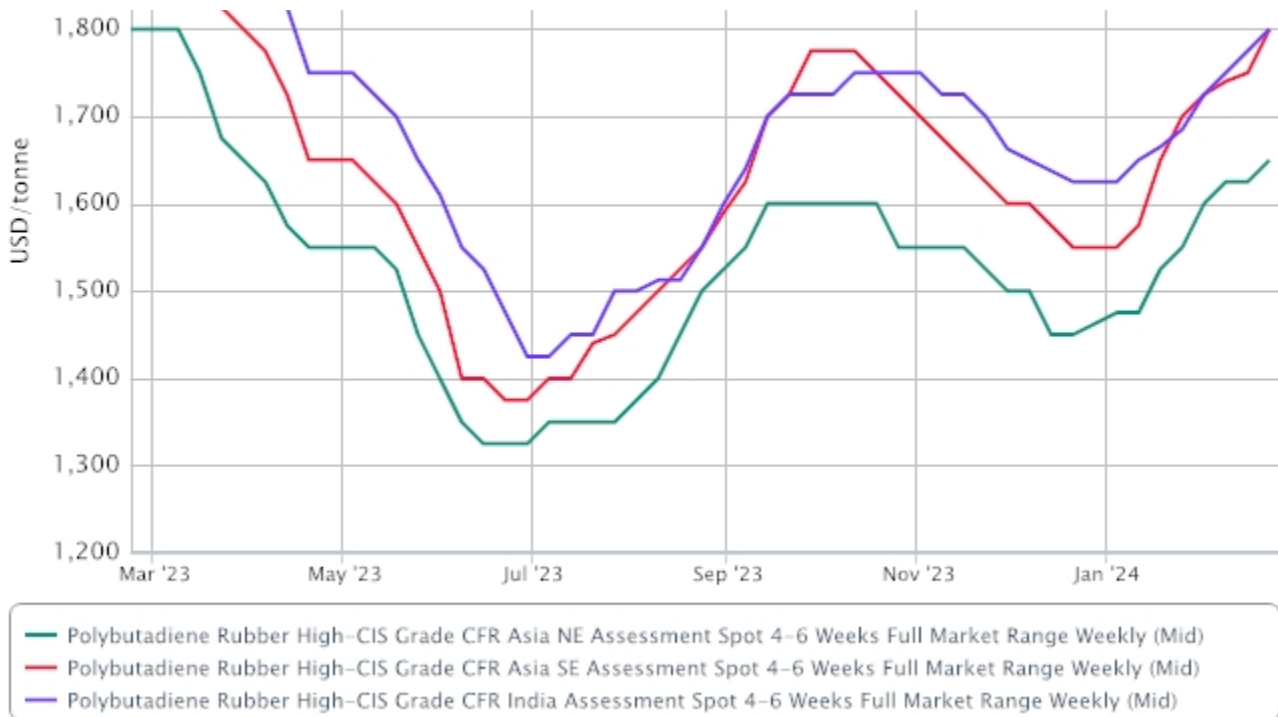
Spot availabilities are not abundant either, as major regional suppliers have already heavily committed previously to contractual obligations, and do not have much surplus volumes to divert to spot sales.

PBR prices in the yuan-denominated domestic China market also spiked in the post-holiday market, bolstering further sellers' expectations for robust trade momentum too in the US dollar-denominated import market.

That said, while end-users do keep up with some spot procurement and have started to negotiate at levels closer to sellers' terms, market players said that their purchases were confined to smaller lots, sufficient for prevailing production needs but not really for stockpiling purposes.

Some end-users highlighted that there were still [uncertainties](#) about China's economic growth trajectory and they are cautious therefore not to over-commit too soon, lest they be unable to transfer costs in time to their own downstream markets.





© 2024 ICIS

OUTLOOK

- Buy-sell gap could widen
- Completion of China plant turnarounds may lengthen spot supplies
- But some units in wider Asia may cut operating rates to protect margins

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
Polybutadiene Rubber Low-CIS Grade						
CFR Asia NE	USD/tonne	n/c	2000.00-2200.00	+50	1950.00-2050.00	90.72-99.79
CFR Asia SE	USD/tonne	n/c	2000.00-2200.00	+50	1950.00-2050.00	90.72-99.79
Polybutadiene Rubber High-CIS Grade						
CFR Asia NE	USD/tonne	n/c	1600.00-1700.00	+50	1500.00-1600.00	72.57-77.11
CFR Asia SE	USD/tonne	+50	1750.00-1850.00	+50	1650.00-1750.00	79.38-83.91
CFR India	USD/tonne	n/c	1750.00-1850.00	+50	1650.00-1720.00	79.38-83.91

Northeast Asia**High-cis**

CFR NE Asia assessments were stable-to-firm, with the high-end up on firmer offers.

Transactions were limited, with import trade talks in the major China outlet off to a slow start after a prolonged holiday market closure.

But as domestic PBR prices in China gained significantly post-holiday, this helped to keep sentiment generally upbeat in nature.

Price (CNY/tonne)	This week's close	Previous week's close*
E China Ex-Warehouse	12,800-13,000	12,500-12,900

*As at 9 February as China was shut from 10-17 February.

Low-cis

CFR NE Asia prices were stable-to-firm, tracking higher selling indications at the high-end.

Southeast Asia**High-cis**

CFR SE Asia assessments were up, taking into consideration firmer deals and discussions.

Some trades materialised at the lower end, while offers hovered at the higher end.

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

Feb 2024	(1-22) Jan 2024	Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023
154.53	154.20	146.31	148.42	145.26	142.65	130.22

Source: Malaysian Rubber Board

Low-cis

CFR NE Asian prices were stable-to-firm, with the high-end up on higher selling indications heard.

India

CFR India prices were also lifted at the high-end, with firmer selling indications heard for northeast Asia-origin import materials.

But concrete discussions were curtailed, with buyers still holding back on concerns about how nagging geopolitical tensions in the Middle East and the Red Sea area may impact on downstream demand conditions, especially for exports of their own finished products.

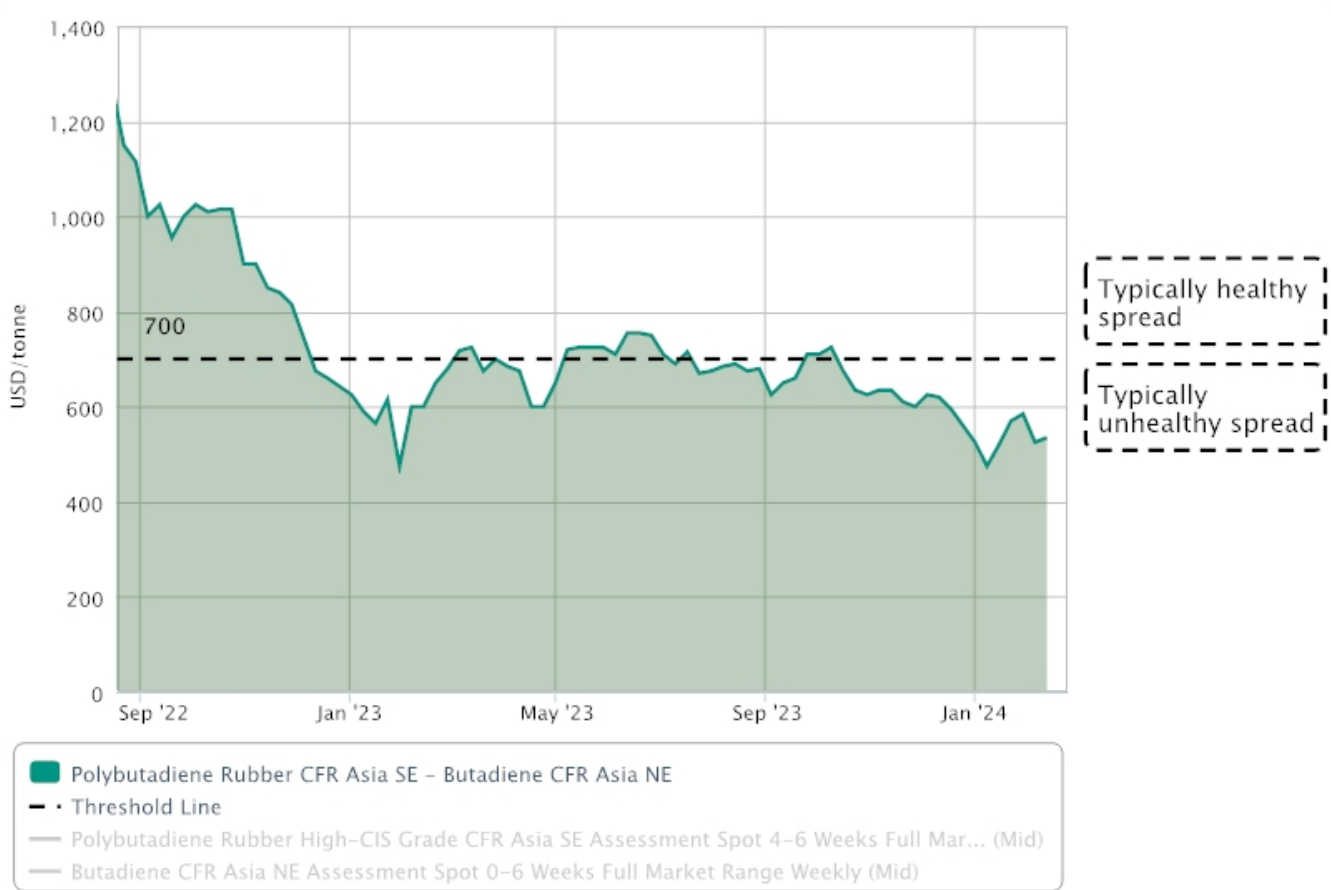
UPSTREAM

Butadiene

- Trade in hiatus amid extensive holiday closures
- Sell-side sentiment sees support from supply constraints
- Buyers await directions from post-holiday market movements

The chart below shows the spread between butadiene and PBR, which is still in the unhealthy zone.

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



© 2024 ICIS

PRODUCTION

Regional supply is poised to rise as several plants, from a 50,000 tonnes/year [line](#) in NE Asia to a handful of others in [China](#) - which account in total for over 300,000 tonnes/year worth of production capacity - are back from maintenance.

ANALYTICS

ICIS downstream outlook for automotive sector

The global automotive industry was one of the first and hardest hit by the pandemic and has yet to make a full recovery. But the last year has been the most puzzling in terms of the outlook for stakeholders in the global automotive industry. The level of uncertainty has been unprecedented, challenging for both decision-making and risk management. Supply and logistics shocks continue to impact production.

According to the US Census Bureau, US light vehicle sales decreased by 6.9% month on month in November 2023 with total sales of 14.9 million units. The finished inventory to sales ratio (calculated by dividing inventory by sales) decreased to 1.280 in December from 1.308 in November. High inflation, slumping consumer confidence and tighter monetary policy will weigh upon consumer demand for automotives.

According to the European Automobile Manufacturers' Association (ACEA), EU passenger car registration decreased by 3.3% in December 2023 compared with same month in 2022. The fall is primarily attributed to the high baseline performance in December 2022. However, for 2023, it reported an increase of 13.9%. Italy, Spain and France are the best performing countries with registering growth of 18.9%, 16.7% and 16.1% respectively. The outlook for 2024 remains challenging because of reduced industrial activity.

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

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

Polybutadiene Rubber (Asia-Pacific) | 22-Feb-2024. ICIS accepts no liability for commercial decisions based on the content of this report. Unauthorised reproduction, onward transmission or copying of the Polybutadiene Rubber (Asia-Pacific) Report in either its electronic or hard copy format is illegal. Should you require a licence or an additional copy of the Polybutadiene Rubber (Asia-Pacific) Report, please contact ICIS at sales.uk@icis.com

ICIS, Quadrant House, The Quadrant, Sutton, Surrey, SM2 5AS. United Kingdom. ICIS accept no liability for commercial decisions based on the content of this report. Copyright violation is a serious offence. Any distribution or forwarding of information that is not expressly permitted by your subscription agreement is a copyright violation. ICIS uses software to monitor unauthorised electronic redistribution of reports.

© 2024 Reed Business Information Limited. ICIS is a member of RELX Group. www.icis.com

 RELX™