



Polybutadiene Rubber (Asia-Pacific)

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26-Jan-2023

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

OVERVIEW

- **Offers rise with upstream gains**
- **Tighter supply also lends support**
- **Buy-side sentiment improves**

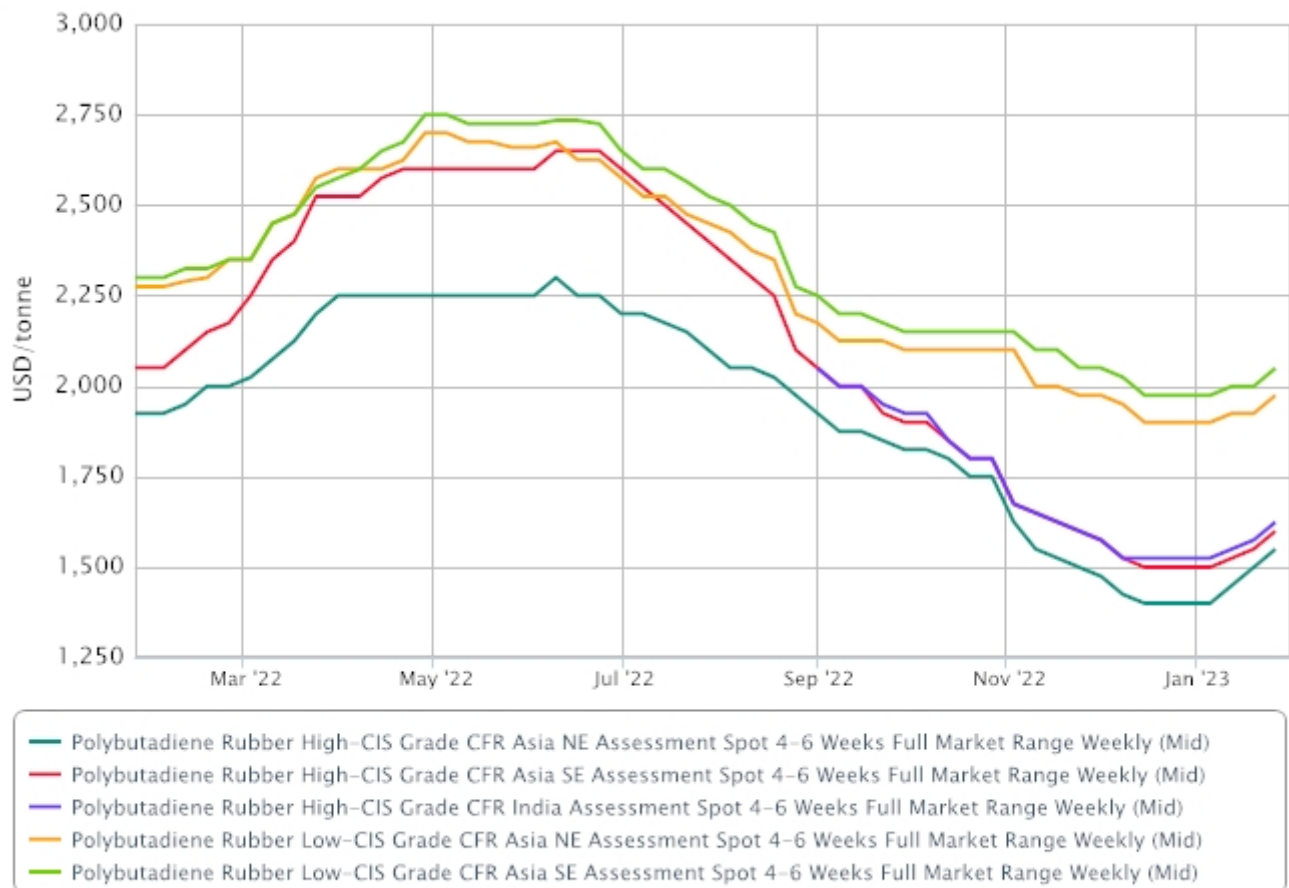
Discussions in Asia's spot market for polybutadiene rubber (PBR) were limited due to extended holiday market closures across the region. However, available pricing indications were firmer, supported by upstream gains.

Sellers elevated targets to recoup costs. A recent price hike for feedstock [butadiene](#) (BD) has eaten into already frail production margins for PBR makers, players said.

In addition, spot availability is expected to tighten in the next few weeks due to several regional plant closures. This will support spot pricing discussions, they noted.

The demand outlook is also more upbeat, with regional end-users increasingly optimistic that the downstream markets will pick up pace once the Chinese economy recovers post-holiday.

However, uncertainty about an anticipated Chinese recovery lingers. Some downstream factories may delay restarts to H1 February, when the Lunar New Year festivities are complete, sources said.



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OUTLOOK

- **Cost pressures to continue in near term**
- **Tight supply may extend to late Q1**
- **All eyes on China's post-holiday recovery**

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 | 1850.00-1950.00 | 86.18-92.99 |
| CFR Asia SE | USD/tonne | +50 | 2000.00-2100.00 | +50 | 1950.00-2000.00 | 90.72-95.25 |
| Polybutadiene Rubber High-CIS Grade | | | | | | |
| CFR Asia NE | USD/tonne | +50 | 1500.00-1600.00 | +50 | 1350.00-1450.00 | 68.04-72.57 |
| CFR Asia SE | USD/tonne | +50 | 1550.00-1650.00 | +50 | 1450.00-1550.00 | 70.31-74.84 |
| CFR India | USD/tonne | +50 | 1550.00-1700.00 | +50 | 1450.00-1600.00 | 70.31-77.11 |

Northeast Asia

High-cis

The CFR NE Asia assessment was raised to reflect firmer offers for deliveries in NE Asia, although substantive discussions and transactions were limited during the holiday-shortened trading week.

In China, domestic yuan-denominated prices for PBR were unchanged as trade ground to a halt on market closures.

| Price (CNY/tonne) | 20 Jan* | 19 Jan |
|----------------------|---------------|---------------|
| E China Ex-Warehouse | 11,000-11,100 | 11,000-11,100 |

*China markets shut for extended Lunar New Year holiday from 21-27 January.

Low-cis

As with high-cis, the CFR NE Asia assessment for low-cis was raised with firmer offers for deliveries across NE Asia, although discussions were subdued by holiday closures.

Southeast Asia

High-cis

The CFR SE Asia assessment was up at the high end tracking firmer offers, while buying indications were heard capped at the low end.

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

| Jan (1-26) 2023 | Dec 2022 | Nov 2022 | Oct 2022 | Sep 2022 | Aug 2022 | Jul 2022 |
|-----------------|----------|----------|----------|----------|----------|----------|
| 138.68 | 135.03 | 127.32 | 130.52 | 134.12 | 149.74 | 158.83 |

Low-cis

The CFR SE Asia assessment also rose with firmer offers and discussions. Some limited volumes were sold at the high end, sources said.

India

The CFR India assessment was up on the high end with firmer offers for northeast Asia-origin material.

Buying appetite varied between different buyer profiles. Many end-users said they were willing to pay no more than the published low end for Asia-origin cargoes. However, some traders were heard receptive to offers reflected at the high end.

UPSTREAM

Butadiene (BD)

- Bids firmer across Asia
- Bullish domestic China lends support
- Demand sentiment improves but uncertainty remains

The chart below shows the spread between BD and PBR.

Downstream spread – butadiene NE Asia and PBR SE Asia

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PRODUCTION

Spot availabilities is expected to tighten in Asia due to several planned plant [closures](#).

A southeast Asian plant which was shut in early 2022 after a fire is looking to [resume](#) operations in late March/April, sources said.

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