



## Polybutadiene Rubber (Asia-Pacific)

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

### OVERVIEW

- **Sellers elevated targets to keep pace with recent upstream gains**
- **Spot availabilities tighter too on maintenance closures**
- **Buy-side response muted**

Discussions for spot Asian imports of polybutadiene-rubber (PBR) imports saw upside support from firmer offers, particularly for the high-cis PBR grade.

Sellers elevated their targets citing several considerations. Firstly, feedstock [butadiene](#) (BD) prices have rebounded of late, and this has heightened cost pressures on PBR makers.

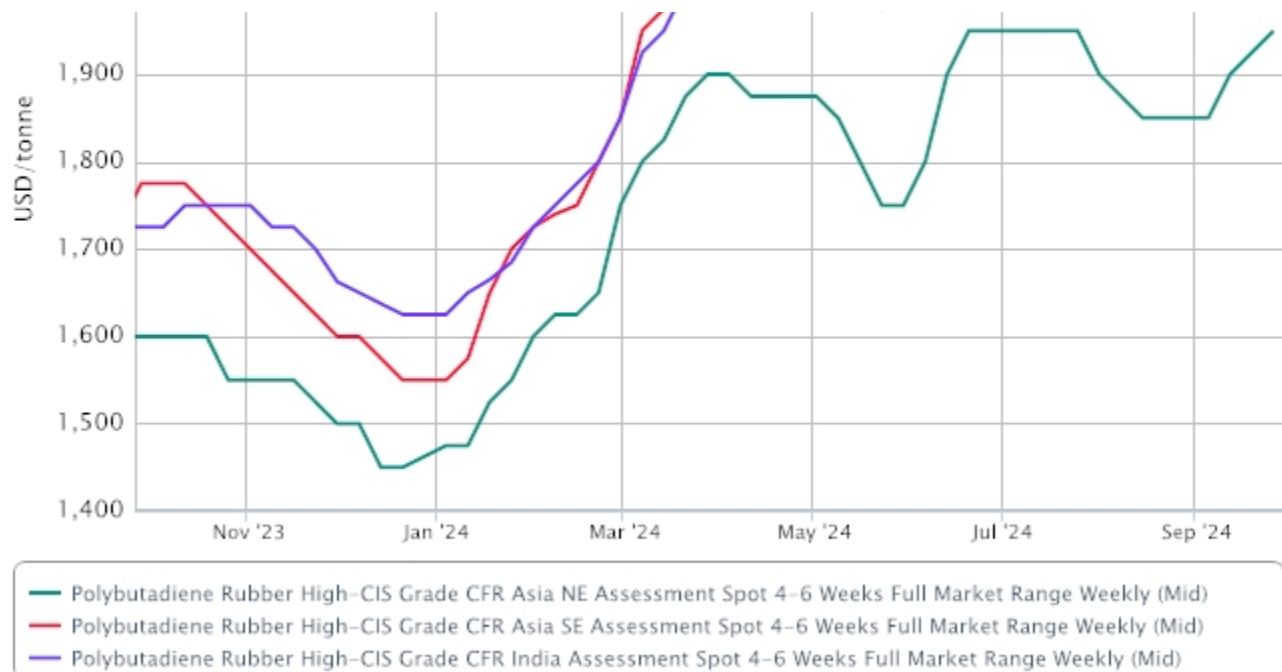
Secondly, spot availabilities are tighter amid several ongoing and upcoming closures of regional plants for scheduled maintenance.

Also, with natural rubber prices still at high points, PBR sellers are expecting that this would continue to boost requirements for PBR as a cheaper substitution product.

But on the demand front, sentiment is relatively less upbeat. Although some did bid up to secure limited spot volumes to avoid any undue disruption to their own production plans, most end-users were reluctant to commit at this point, preferring instead to wait and see how the broader macro-economic landscape would pan out later.

Prior anticipations of more robust pre-holiday buying in India and China also did not take place, and this underscored the reality that downstream market conditions are [structurally weak](#) and worrisome, market sources said.





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## OUTLOOK

- Players to wait and see how new China’s [stimulus measures](#) may impact on demand
- Spot supplies to stay snug until late Q4
- Feedstock BD costs to drive spot offers

## PRICES

### SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
<b>Polybutadiene Rubber Low-CIS Grade</b>						
<b>CFR Asia NE</b>	USD/tonne	n/c	2300.00-2500.00	n/c	2300.00-2400.00	104.33-113.40
<b>CFR Asia SE</b>	USD/tonne	n/c	2300.00-2500.00	n/c	2300.00-2400.00	104.33-113.40
<b>Polybutadiene Rubber High-CIS Grade</b>						
<b>CFR Asia NE</b>	USD/tonne	n/c	1900.00-2000.00	+50	1800.00-1900.00	86.18-90.72
<b>CFR Asia SE</b>	USD/tonne	n/c	2100.00-2200.00	+50	2050.00-2100.00	95.25-99.79
<b>CFR India</b>	USD/tonne	+50	2100.00-2200.00	+50	2000.00-2150.00	95.25-99.79

### Northeast Asia

**High-cis**

CFR NE Asian prices were assessed in a wider range to capture the full spectrum of discussions for cargoes to be delivered to diverse directions.

Sellers' asking prices for deliveries to China were heard higher, which formed the high-end. Discussions for cargoes to other outlets hovered at the lower half of the published range, market sources said.

Domestic prices in China fluctuated with movements in the local futures market.

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	15,900-16,100	16,000-16,100

**Low-cis**

CFR NE Asian assessments for low-cis PBR were kept unchanged in a thinly-discussed trading week.

**Southeast Asia****High-cis**

CFR SE Asian prices are up at the high-end with firmer offers heard.

The low-end is rolled with rangebound buying indications heard.

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

Sep (1-26) 2024	Aug 2024	Jul 2024	Jun 2024	May 2024	Apr 2024	Mar 2024
194.21	179.89	168.65	176.00	170.03	162.99	165.36

Source: Malaysian Rubber Board

**Low-cis**

CFR SE Asian assessments for low-cis PBR are kept unchanged at the high-end with a stable selling indication heard.

The low end is also kept unchanged in the absence of concrete buy-side indications.

**India**

CFR India prices for high-cis PBR are firmer, with offers on NE Asia-origin materials tracked at the high-end, against buying indications at the low-end.

But buying interest for NE Asia-origin cargoes are weighed down by the continued availabilities of cheaper alternatives from other non-conventional, non-Asia origins.

**UPSTREAM**

### Butadiene

- Sentiment stays upbeat on domestic China buoyancy
- Supply picture mixed between NE and SE Asia
- Downstream buying momentum varies too across the region

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

There is a heavy wave of PBR plant closures in H2 2024.

Company	Location	Status	Capacity (MT/ year)	Start	End
<a href="#">Yangzi</a>	Nanjing, China	Commercial	100,000	Early June	TBC
<a href="#">Lotte Ube</a>	Tanjung Langsat, Malaysia	Technical	72,000	H2 June	TBC

<a href="#">Zhenhua</a>	Dongying, China	Commercial	100,000	H2 August	TBC
<a href="#">Zhejiang</a>	Zhoushan, China	Maintenance	100,000	Early September	Late September
<a href="#">Zeon</a>	Tokuyama, Japan	Planned Maintenance	65,000	Mid-September	Late November
<a href="#">Chi Mei</a>	Tainan, Taiwan	Planned Maintenance	50,000	Early October	End October
<a href="#">Kumho</a>	Yeosu, South Korea	Planned Maintenance	170,000	Early October	Late October

## ANALYTICS

### ICIS outlook on downstream domestic appliances sector

Global domestic appliances output in 2024 is expected to grow 10.3% compared with 2023, while Q4 2024 is forecast to increase by 6.4% compared with Q4 2023 (Oxford Economics). Overall global output is expected to be higher than earlier estimates, primarily due to an upgrade of expected growth in Asia-Pacific. Growth projections are further downgraded for the US and Europe. Another factor impacting demand is a weak outlook for the construction sector. Furthermore, global construction has been hit by a lack of skilled workers and input materials, which is leading to project delays and cancellations.

US domestic appliances output in 2024 is expected to shrink by 2.5% compared with 2023; Q4 2024 is forecast to contract by 4.0% compared with Q4 2023 (Oxford Economics). US household appliances is a mature market, and a longer appliance replacement cycle is expected to adversely affect sales in the short- to medium-term.

EU+UK domestic appliances output in 2024 is expected to contract by 3.7% compared with 2023 (Oxford Economics). Q4 2024 is forecast to shrink by 0.8% compared with Q4 2023 (Oxford Economics). Tough macroeconomic conditions continue to challenge the industry. With the onset of the cost-of-living crisis, consumers are holding back on non-essential spending. As a result, overall demand for domestic appliances is slowing down across geographies.

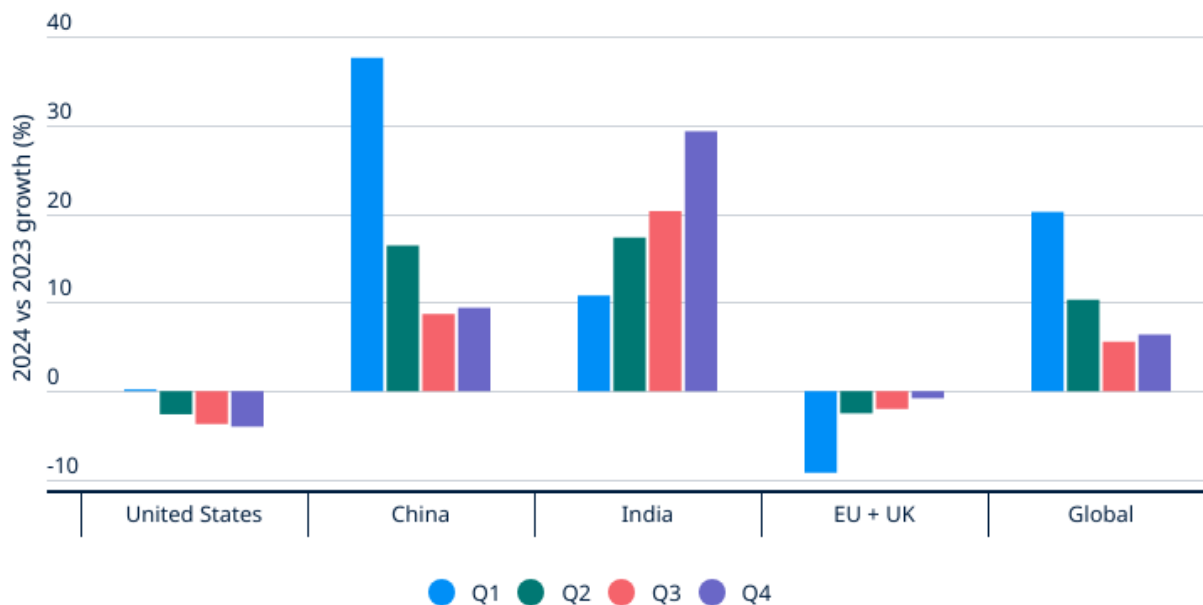
Urbanization continues to be the leading megatrend, which is expected to drive the growth of domestic appliances in Asia. However, the challenges for real estate of over-leveraged developers poses a downside risk to the forecast. China domestic appliances output in 2024 is expected to grow 17.0% compared with 2023; Q4 2024 is forecast to increase by 9.4% compared with Q4 2023 (Oxford Economics). India domestic appliances output in 2024 is expected to rise by 19.2% compared with 2023; Q4 2024 is forecast to surge by 29.3% compared with Q4 2023 (Oxford Economics). The upcoming festive season in India is forecast to give a much-needed boost to the industry.

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Domestic appliances sector growth by region

**Domestic appliances sector growth by region**

**2024 vs 2023**



**SOURCE:** Oxford Economics

\*India's growth numbers based on local currency

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