



## 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

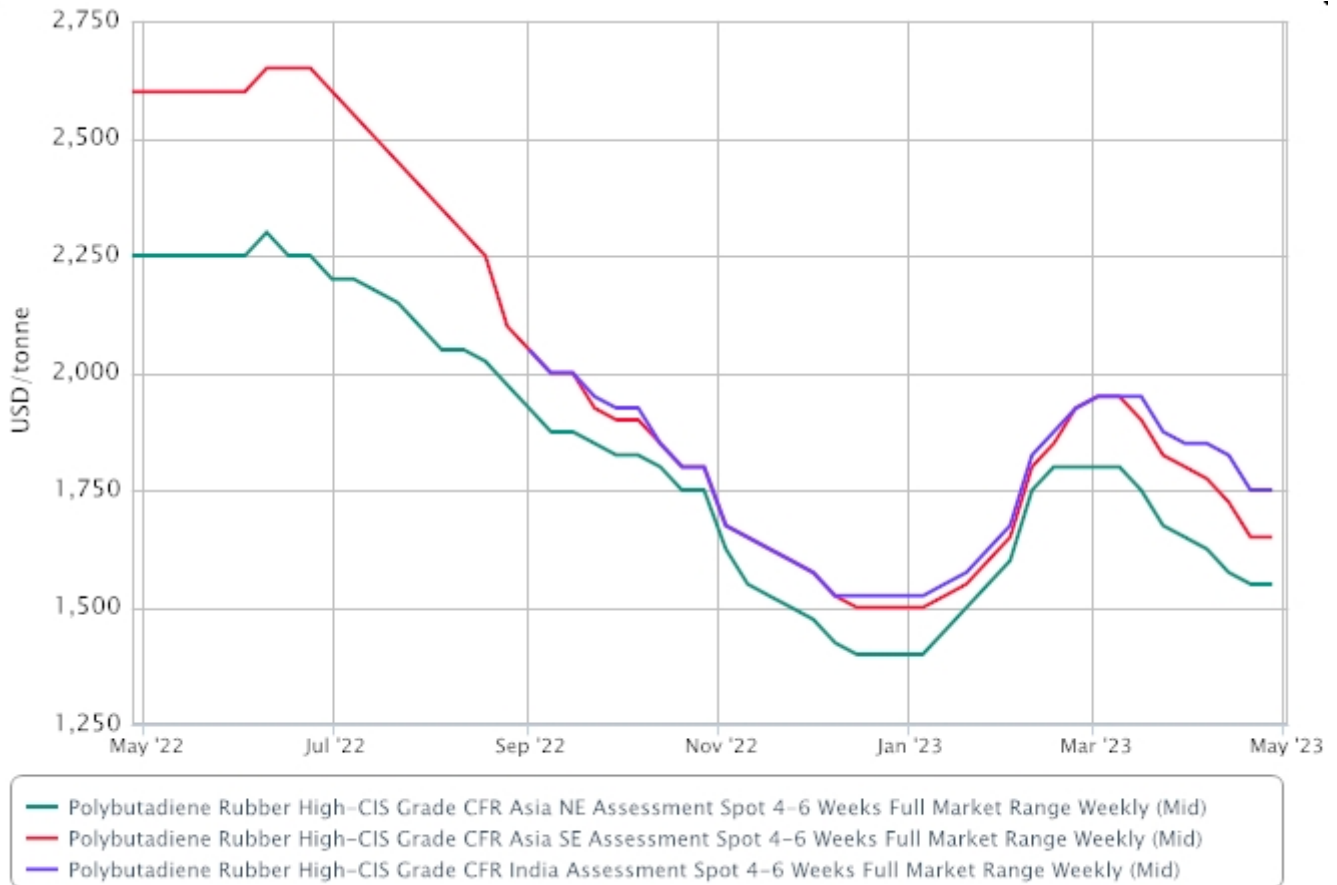
- Trade thin on regional holidays
- Demand [lacklustre](#) in nature
- Sellers in wait-and-see mode

### OUTLOOK

- Global economic headwinds to weigh on sentiment
- Buyers likely to keep to cautious procurement stance
- Sellers may calibrate output to balance supply with demand

While concerns loom over a muted global [economic outlook](#), some sellers remaining hopeful that downstream markets in China may pick up pace once the Labour Day holidays are over.

If demand still remains limp, it is likely producers may adjust output to trim surplus and minimise losses, market players said.



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## 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 | 1950.00-2100.00 | -50 | 2000.00-2150.00 | 88.45-95.25 |
| <b>CFR Asia SE</b>                         | USD/tonne | n/c | 2100.00-2200.00 | -50 | 2150.00-2250.00 | 95.25-99.79 |
| <b>Polybutadiene Rubber High-CIS Grade</b> |           |     |                 |     |                 |             |
| <b>CFR Asia NE</b>                         | USD/tonne | n/c | 1500.00-1600.00 | n/c | 1600.00-1700.00 | 68.04-72.57 |
| <b>CFR Asia SE</b>                         | USD/tonne | n/c | 1600.00-1700.00 | n/c | 1750.00-1850.00 | 72.57-77.11 |
| <b>CFR India</b>                           | USD/tonne | n/c | 1700.00-1800.00 | n/c | 1800.00-1900.00 | 77.11-81.65 |

Discussions in this week's Asian spot import market for polybutadiene rubber (PBR) are thin amid various ongoing and upcoming holidays.

Many traders are away this week in southeast Asia for extended Eid ul-Fitr celebrations, while those in China are winding down ahead of extended Labour Day holidays in the coming week.

In India, end-users also kept to the sidelines, firstly because they perceive the spot market to be amply supplied amid a constant inflow of non-Asian origin cargoes, and saw no imperatives to rush to buy Asia-origin materials unless prices are to their advantage.

Concrete high-cis PBR offers were scant in the week, as sellers retreated to monitor upstream price trends before they reconsider their selling positions.

## Northeast Asia

### High-cis

CFR NE Asian prices were kept unchanged in the absence of fresh pricing indications.

Domestic China prices were also flat, with trading momentum easing ahead of extended holiday from 29 April to 3 May.

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

### Low-cis

There was no meaningful discussions amid a wide buy-sell gap, and CFR NE Asia assessments were adjusted in line with changes for CFR SE Asia prices.

## Southeast Asia

### High-cis

CFR SE Asian prices were stable on rangebound indications. Discussions were muted with several regional outlets shut for extended Eid ul-Fitr celebrations.

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

| Apr (1-27) 2023 | Mar 2023 | Feb 2023 | Jan 2023 | Dec 2022 | Nov 2022 | Oct 2022 | Sep 2022 |
|-----------------|----------|----------|----------|----------|----------|----------|----------|
| 136.22          | 135.03   | 140.11   | 140.11   | 135.03   | 127.32   | 130.52   | 134.12   |

### Low-cis

CFR SE Asian assessments were adjusted down at the high end, with lower selling indications heard. Limited volumes were sold at around midpoint of the range, market sources said.

## India

CFR Indian assessments were unchanged, tracking stable selling indications for NE Asia-origin cargoes, against broadly flat buying indications.

## UPSTREAM

### Butadiene (BD)

- Domestic China up with restocking
- China's export offers boosted in line
- But no improvement in wider Asian demand

The chart below shows the spread between butadiene and PBR.

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



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## ANALYTICS

### ICIS Butadiene Outlook

According to the ICIS Live Disruptions Tracker, US BD capacity lost in May is likely to be around 41,000 tonnes/month or 23% of total nameplate capacity. The market will remain covered due to soft demand and possible imports from Europe. There are expectations for a slight improvement in demand for synthetic rubber and the polymer sectors on an annual basis. Automotive production in North America should increase to about 15.6m units in 2023, up by 5% from 2022, according to AutoForecast Solutions, although it will remain below the 16.8m vehicles recorded in 2019. A lack of components and consumer caution are likely to be the main factors limiting production capacity.

The European BD contract may increase in May and June, given expectations of higher naphtha costs month on month. That said, producers will not have trouble meeting low contractual offtakes. Some buying interest from Asia and the US could support sentiment in Europe. In early April, the European Commission reimposed definitive anti-dumping and countervailing duties on Chinese imports of certain tyres, new or retreaded, for buses and trucks. Although these markets are not comparable with the passenger car market in terms of sales, disruptions down the supply chain could loom. European tyre manufacturers may increase prices and thus depress demand to an extent.

The northeast Asia BD market will be affected by capacity loss due to a planned turnaround over the next few weeks. Based on the ICIS Live Disruptions Tracker, the region will see available production capacity reduced by about 50,000 tonnes/month and 70,000 tonnes/month in April and May respectively. South Korea's export capability, in particular, will be limited. The outlook for China has improved, but a demand recovery will take longer than expected. BD prices in northeast Asia are likely to trend lower from H2 2023. Supply will be enough to meet domestic demand. Downstream SBR margins could be compressed compared with 2022. Total BD capacity will increase by about 900,000 tonnes/year to 9.8m tonnes/year in 2023. That said, BD prices remain exposed to volatility in the crude oil market.

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