



## 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.

The Chinese domestic yuan (CNY) prices in the weekly analysis on 4 April will be based on information collated up to 3 April. Please click [here](#) for the ICIS publishing schedule.

### OVERVIEW

- **Sellers bullish on upstream strengths**
- **Buying tempo more positive in SE Asia than other outlets**
- **Need-based procurement dominates for now**

Spot import offers in Asia for polybutadiene rubber (PBR) remain well supported, amid unrelenting price surges in the last few weeks in the feedstock butadiene (BD) market.

Most producers are already sold out of April shipment materials, and considering that many are also committed to heavy contractual obligations, market players said that spot availabilities have been, and will likely remain for the near term, constrained.

This invariably boosted sellers' confidence that they still wield the upper hand in negotiations with buyers, and as such, those with any surplus volumes to market for spot sales said they were in no rush, and could afford to wait for buyers with concrete and pressing needs to bid up.

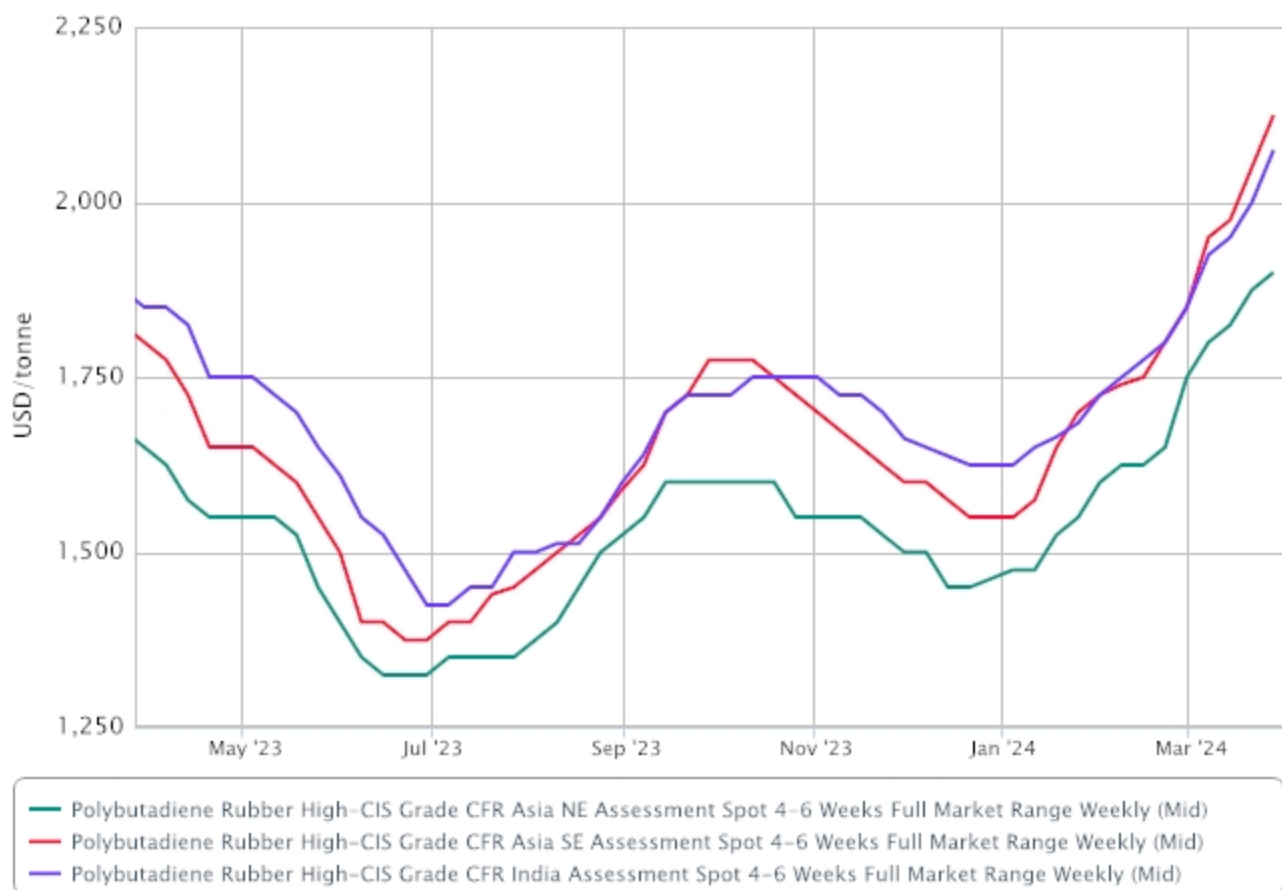
In the import reliant southeast Asia market, some buyers did pay to secure some volumes, although these were confined to smaller lots sufficient to keep ongoing operations going but not to stockpile.

However, some potential buyers in other markets, like India and China, slipped deeper into the sidelines.

In China, domestic yuan-denominated prices for PBR corrected substantially downwards this week, after a massive upsurge in the week prior. This also dampened buying interest for China-bound shipment of US dollar denominated imports.

In India, some end-users were heard looking to defer on fresh import purchases until after the new fiscal year commence in April, and others were also contemplating a switch to more competitively priced materials from non-

Asia, albeit less mainstream, origins like Russia and east Europe, market sources said.



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## OUTLOOK

- Demand to see more support if China stays on [economic growth trajectory](#)
- Supply may stay snug with ongoing and upcoming regional turnarounds
- Upstream gains, if extended, may [drive](#) offers higher

## 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	+50	2200.00-2400.00	+50	2050.00-2250.00	99.79-108.86
			0			
<b>CFR Asia SE</b>	USD/tonne	+50	2250.00-2450.00	+50	2050.00-2250.00	102.06-111.13
			0			
<b>Polybutadiene Rubber High-CIS Grade</b>						

<b>CFR Asia NE</b>	USD/tonne	n/c	1850.00-1950.0 0	+50	1700.00-1800.00	83.91-88.45
<b>CFR Asia SE</b>	USD/tonne	+50	2050.00-2200.0 0	+100	1800.00-1900.00	92.99-99.79
<b>CFR India</b>	USD/tonne	+50	2000.00-2150.0 0	+100	1800.00-1900.00	90.72-97.52

## Northeast Asia

### High-cis

CFR NE Asian assessments are stable-to-firm with higher offers tracked at the high end, against broadly unchanged buying indications reflected at the low-end.

In the major China outlet, local end-users pulled back on procurement of imports, especially after domestic yuan-denominated prices softened substantially on-week.

Local PBR makers moderated their yuan-denominated offers to boost domestic sales, but this also served to dilute China's buying interest for US dollar denominated import materials.

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	13,250-13,500	13,650-13,800

### Low-cis

CFR NE Asian prices trended up with firmer selling indications at the high-end. The low-end is also adjusted up in line with changes at the high-end.

## Southeast Asia

### High-cis

CFR SE Asian offers, tracked at the high-end, continued to climb as producers sought to keep pace with increases in feedstock BD prices.

Some cargoes were heard changing hands at the lower end.

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

Mar (1-27) 2024	Feb 2024	Jan 2024	Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023
165.36	156.66	154.20	146.31	148.42	145.26	142.65	130.22

Source: Malaysian Rubber Board

### Low-cis

CFR SE Asian assessments are lifted at the high-end with firmer offers, against buying indications heard at the low-end.

However, no transactions materialized in the week, market sources said.

## India

In India, discussions for NE Asia-origin imports were muted, with many end-users heard looking to buy from either the domestic supply pool or tap on the availabilities of cheaper alternatives from non-Asia origin materials.

However, CFR India prices were assessed up, taking into consideration firmer offers for NE Asia origin materials at the high-end, against buying indications at the low-end.

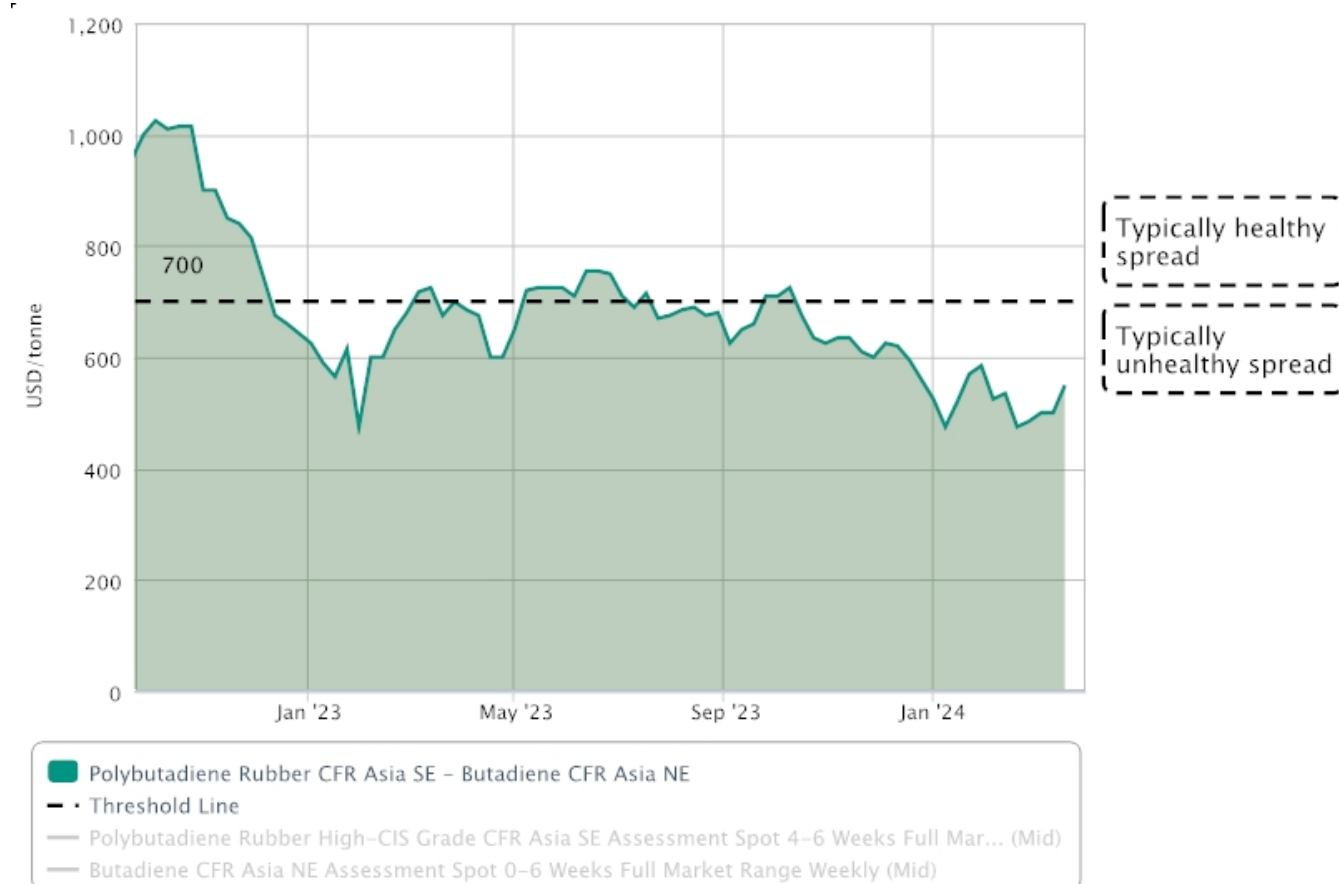
## UPSTREAM

### Butadiene

- Regional supply tight, supporting bullish selling expectations
- Some signs of fresh deep-sea import availabilities
- But downstream margin worries weigh on buying appetite

The chart below shows the spread between BD and PBR, which remains deep in the unhealthy zone.

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



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## PRODUCTION

Regional supplies are poised to tighten in Q3 as a 60,000 tonnes/year plant in [Taiwan](#) has scheduled maintenance for July.

Three plants in China, including an 100,000 tonnes/year [unit](#) in Dongying, a 60,000 tonnes/year [unit](#) in Yantai, and a 150,000 tonnes/year [line](#), have also shut from H2 March for month-long maintenances.

## ANALYTICS

### ICIS crude outlook

The market appears to have broken out of the narrow trading range observed since the start of the year. Geopolitical tensions, including drone strikes on Russian refineries, have added a significant risk premium to oil prices along the entire supply value chain, although macroeconomic concerns have tempered any gains. Higher shipping costs due to logistics disruptions in the Middle East will also put some upward pressure on oil prices. An OPEC+ production cut of 2.2 million barrels/day has been extended until July. Russia has committed to slash output by an additional 471,000 barrels/day in Q2 as part of the latest OPEC+ agreement. This could potentially bolster prices if fully implemented. Non-OPEC oil supply growth is set to marginally outpace demand expansion through the year. China's demand for crude oil will remain a significant factor in 2024, albeit with an expected deceleration in growth in 2024 compared with previous years.

By **David Jorbenaze**, senior analyst, [david.jorbenaze@icis.com](mailto:david.jorbenaze@icis.com)

### ICIS naphtha outlook

The European naphtha spot market in March saw steady supportive demand-side fundamentals and tighter availability, with prices reflecting fluctuations in Brent crude values. Europe aims to retain as much naphtha as possible in April, preparing for a potentially tighter market in Q2. However, it will also compete with other regions for exports to Asia. Backwardation for April-May is anticipated to last for now and potentially flatten out later in Q2, with increased European refinery runs and a possible decrease in gasoline-naphtha spreads. With Taiwanese and South Korean crackers exiting turnaround season and Chinese runs rising post-Lunar New Year, demand is expected to continue to rise. This upward trend in demand is likely to persist throughout Q2, pushing naphtha and LPG prices higher. The Asian market, with its robust cracks and spreads, is anticipated to lead gains over Europe, driven by increased petrochemical production and subsequent naphtha demand.

By **David Jorbenaze**, senior analyst, [david.jorbenaze@icis.com](mailto:david.jorbenaze@icis.com)

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