



## Polybutadiene Rubber (Asia-Pacific)

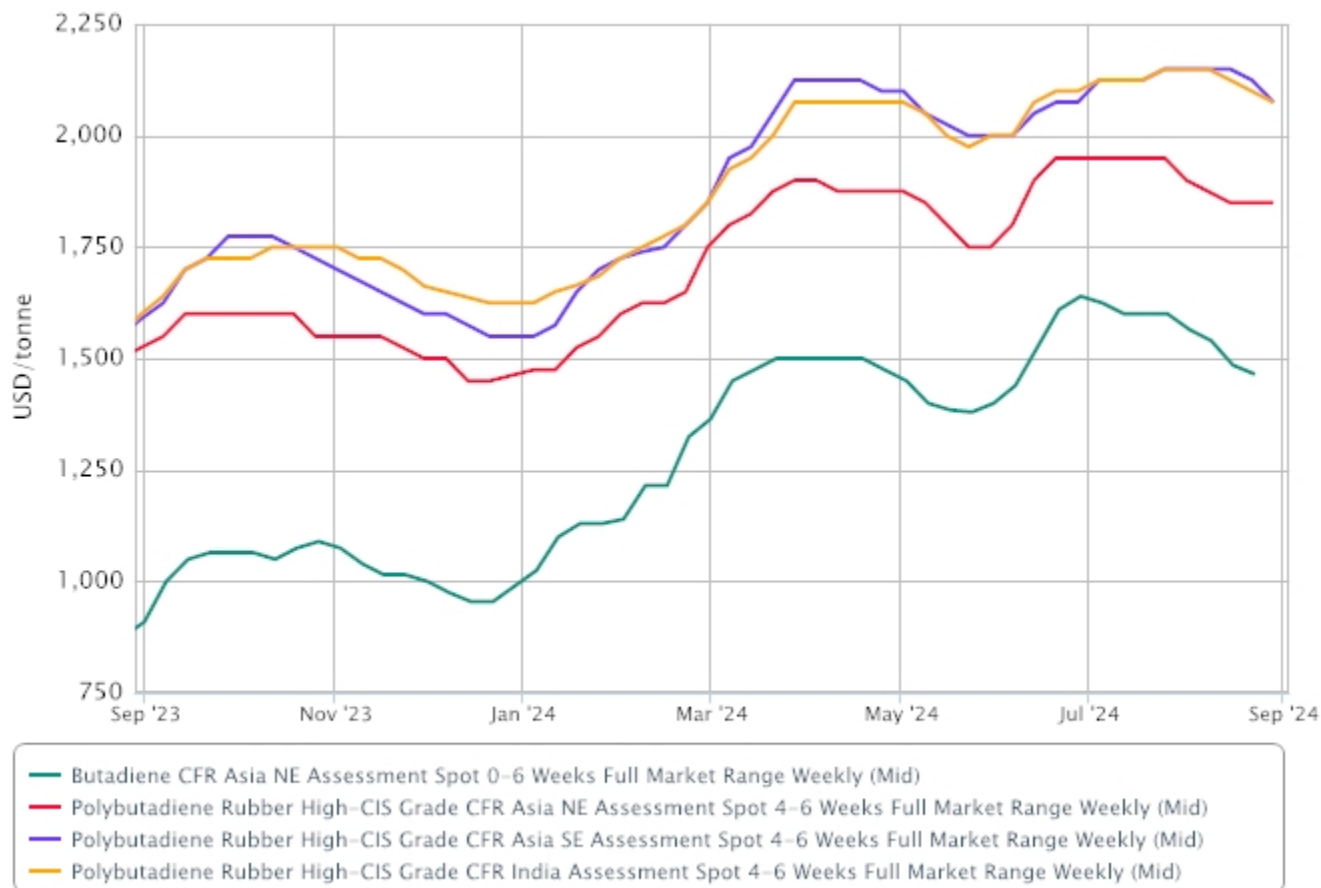
By Ai Teng Lim  
29-Aug-2024

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

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

### OVERVIEW

- Some softness in Asian offers emerge amid largely subdued regional demand
- Ongoing, upcoming outages in Asia restrict spot supplies
- Indian demand to pick up from September with onset of festive season



Spot trades in Asia's polybutadiene rubber (PBR) market were limited this week, due to curtailed demand support from major markets in the region and limited spot availability.

The majority of Asian sellers had constrained spot volumes amid ongoing and upcoming shutdowns at major units in the region, and thus had little inventory or selling pressure. Spot export offers to regional markets saw some softness emerge against a backdrop of slow downstream uptake, despite a recent recovery in butadiene (BD) and PBR prices in China's domestic market.

The recovery in local upstream BD and PBR prices will be closely watched by sellers in Asia in the weeks ahead for a clearer picture on its impact on US dollar-denominated prices, especially as spot volumes are set to dip further going into Q4 on plant outages.

Demand in India is expected to emerge stronger ahead of the festive season that begins next month. Selling sentiment for local product consequently firmed this week, with some higher-priced deals said to have emerged for deep-sea material, although this was pending broader market confirmation.

Some price softness emerged on the Indian high-cis front, tracking workable buyer acceptance among tyre manufacturers who held sufficient stocks and were waiting for a downstream lift before initiating fresh import discussions. Lower CFR India values among buyers also resulted from a decline in intra-Asian freight rates.

## OUTLOOK

- **Absence of inventory pressure, recovery in China BD may prop up selling sentiment in near-term**
- **Demand in India to pick up with start of festive season in September**
- **Spot supply may be cut back going into Q4 on plant shutdowns**
- **High natural rubber prices may prop up PBR demand**

## 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	2300.00-2400.0 0	-50	2400.00-2500.00	104.33-108.86
<b>CFR Asia SE</b>	USD/tonne	-50	2300.00-2400.0 0	-50	2400.00-2500.00	104.33-108.86
<b>Polybutadiene Rubber High-CIS Grade</b>						
<b>CFR Asia NE</b>	USD/tonne	n/c	1800.00-1900.0 0	n/c	1850.00-1950.00	81.65-86.18
<b>CFR Asia SE</b>	USD/tonne	-50	2050.00-2100.0 0	-50	2100.00-2200.00	92.99-95.25
<b>CFR India</b>	USD/tonne	-50	2000.00-2150.0 0	n/c	2100.00-2200.00	90.72-97.52

**Northeast Asia***High-cis*

The CFR NE Asia assessment was kept flat this week, taking into account broadly range-bound indications for shipment to various destinations in NE Asia.

Increases seen in the yuan-denominated market in China lifted sentiment in discussions for China-bound PBR parcels, but dollar-denominated prices have yet to reflect a similar trend.

In China, yuan-denominated prices in east China rose, tracking gains in the domestic PBR futures market.

<b>Price (CNY/tonne)</b>	<b>This week's close</b>	<b>Previous week's close</b>
E China Ex-Warehouse	15,150-15,400	14,600-14,800

*Low-cis*

CFR NE Asia prices fell at the high end, tracking softer selling indications heard.

The low end was adjusted down in tandem with the high end, in the absence of concrete buy-side indications.

**Southeast Asia***High-cis*

The CFR SE Asia assessment was down, with lower offers reflected at the high end and buying indications assessed at the low end.

Some transactions materialized within the published range.

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

Aug (1-29) 2024	Jul 2024	Jun 2024	May 2024	Apr 2024	Mar 2024	Feb 2024
179.47	168.65	176.00	170.03	162.99	165.36	156.66

*Source: Malaysian Rubber Board*

*Low-cis*

The high end of the CFR SE Asia assessment fell, tracking softer selling indications.

The low end was adjusted down in line with the high end in the absence of concrete buy-side indications.

**India**

CFR India prices widened this week. The low end was softer tracking buying indications from major tyre producers who held sufficient stocks and were thus waiting to monitor the near-term pricing trend in Asia, and its impact on India.

The high end held stable tracking the full range in Asian offers at \$2,100-2,150/tonne CFR India this week.

Prices were also assessed steady at the high end to reflect largely firmer selling sentiment that emerged on expectations of an uptick in Indian demand with the start of the festive season and tracking a recent recovery in

China's domestic PBR and BD markets.

Sporadic deals for Russian cargoes were heard at \$2,250/tonne CFR India this week, but were pending wider confirmation. The deep-sea cargoes were excluded from assessment considerations as per [methodology](#).

## UPSTREAM

### Butadiene

- Import market still deemed to be amply supplied
- This continues to weigh on buying appetite for imports
- But derivative futures gains keep domestic China supported

The chart below shows the spread between butadiene and PBR, which, despite recent improvements to the favor of PBR makers, remains under healthy levels.

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



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## PRODUCTION

In Malaysia, a 72,000 tonne/year PBR unit at Tanjung Langsat remains [shut](#) for maintenance which commenced in H2 June, market sources said.

In South Korea, a 170,000 tonne/year PBR unit in Yeosu will [shut](#) for a month-long maintenance in October.

In Taiwan, a 60,000 tonne/year unit at Kaohsiung [commenced](#) a month-long maintenance in late July.

In Japan, a 65,000 tonne/year unit at Tokuyama will undergo [maintenance](#) in the mid-Sept to end-Nov period.

*Covering editor: Veena Pathare*

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