



## 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 separately hike offers to recoup costs**
- **Spot supplies limited too**
- **Buying interest picks up**

Discussions in this week's Asian spot market for polybutadiene rubber (PBR) imports were driven by bullish offers, which came in the wake of big gains seen for feedstock butadiene (BD).

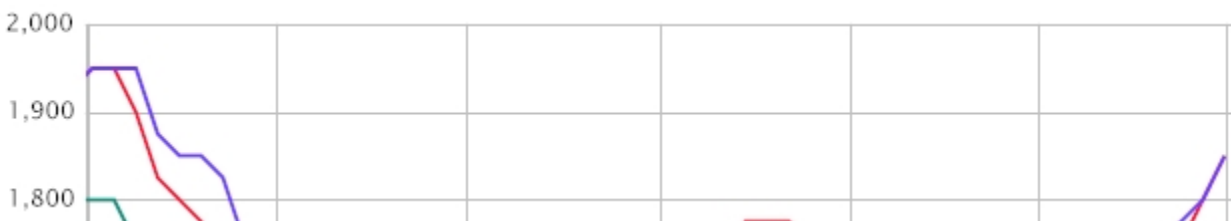
The [bull-run](#) in BD market may continue for the near term, or as long as regional BD output stays squeezed by lower-than-usual cracker operating rates in the region, market players said.

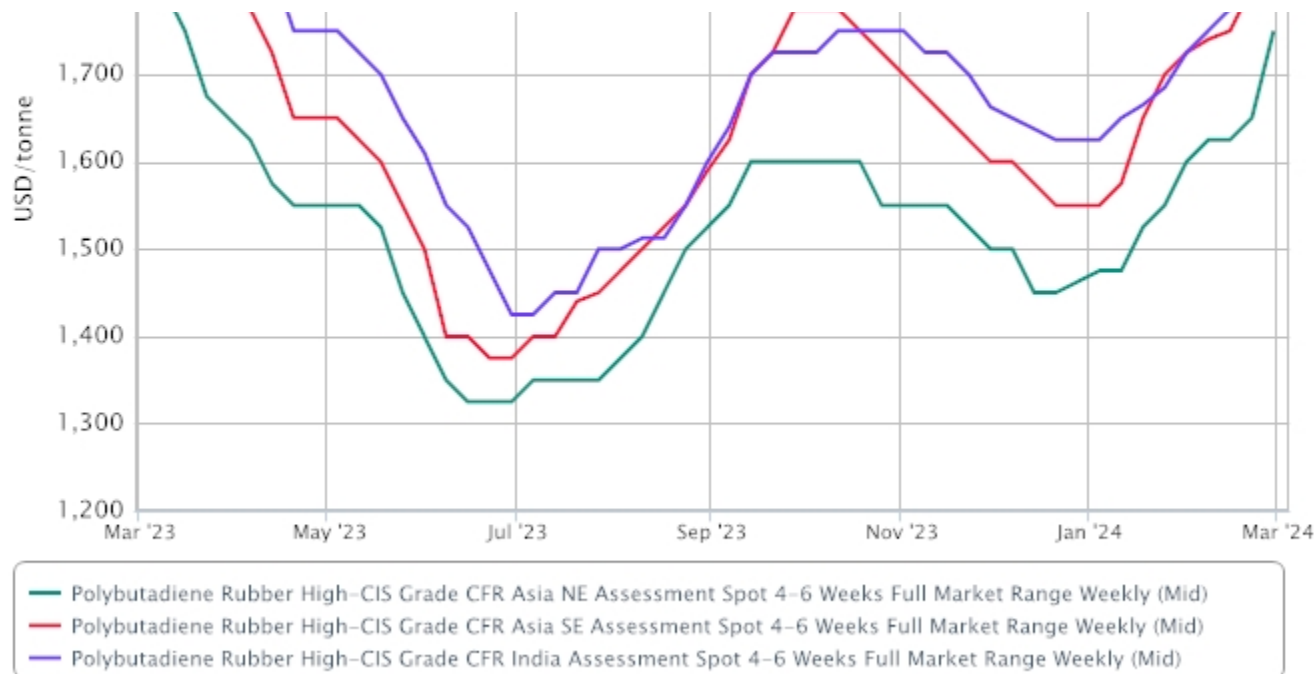
This, in turn, fuelled PBR makers' concerns that their cost pressures would not cede anytime soon, which also strengthened their resolve to keep pursuing higher selling targets for their finished products in order to protect and preserve bottom lines.

They are also confident that they have the upper hand in negotiations with buyers as spot supplies are limited and end users with concrete and pressing requirements may have few options but to bid up in time to secure cargoes.

Buying interest has indeed picked up too with sellers reporting receiving a steady stream of enquiries, and some higher deals have also been concluded.

However, buyers were heard generally still mindful not to over-commit, both in terms of procurement volumes and pricing, as unresolved issues like the Mideast conflicts continue to [weigh](#) on global economic growth prospects.





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## OUTLOOK

- Upstream market performance to drive PBR offers
- Demand growth will hinge on auto sector recovery pace
- Heavy contractual sales to weigh on spot availabilities

## 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	2050.00-2250.00	+50	2000.00-2100.00	92.99-102.06
			0			
<b>CFR Asia SE</b>	USD/tonne	+50	2050.00-2250.00	+50	2000.00-2100.00	92.99-102.06
			0			
<b>Polybutadiene Rubber High-CIS Grade</b>						
<b>CFR Asia NE</b>	USD/tonne	+100	1700.00-1800.00	+100	1550.00-1650.00	77.11-81.65
			0			
<b>CFR Asia SE</b>	USD/tonne	+50	1800.00-1900.00	+50	1700.00-1750.00	81.65-86.18
			0			
<b>CFR India</b>	USD/tonne	+50	1800.00-1900.00	+50	1700.00-1750.00	81.65-86.18
			0			

**Northeast Asia****High-cis**

CFR NE Asian assessments rose with higher buy-sell pricing indications.

Sellers separately raised import offers to keep in pace with recent increases in regional prices of feedstock BD.

Sellers were also confident that China has stronger buying power for US dollar denominated imports now that the domestic yuan-denominated market has picked up significantly, after the yuan market for BD registered massive gains.

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	13,100-13,400	12,800-13,000

**Low-cis**

CFR NE Asian prices were assessed higher, tracking firmer selling indications on the high end against buying indications capped at the low-end. But there were no spot transactions, as major suppliers are more preoccupied with fulfilling contractual obligations.

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

CFR SE Asian assessments are also up, with higher deals and discussions.

Cargoes have changed hands for March shipment at the lower end of the published range, while fresh offers are at the high end and up, market sources said.

With natural rubber prices still holding firm, sellers are also confident that this will give additional demand support for substitution products like PBR.

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

Feb 2024	Jan 2024	Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023
156.66	154.20	146.31	148.42	145.26	142.65	130.22

Source: Malaysian Rubber Board

**Low-cis**

CFR NE Asian prices are also assessed higher with firmer offers heard at the high end and up. The low-end is lifted notionally in line with the high-end changes, in the absence of concrete discussions.

**India**

CFR Indian prices also went up with firmer offers reflected at the high-end, and buying indications are at the low-end. Some NE Asia-origin materials did change hands within the range, market sources said.

Domestic requirements for synthetic rubbers are deemed to be quite positive, riding on healthy [economic growth projections](#) for India.

But many end-users are hesitant to commit too heavily yet on forward import shipment, as they want to monitor how effective latest government plans for ambitious [infrastructure projects](#) may be implemented.

Also, cargoes from non-Asia origins were heard still available, and some of these were indicated at levels much lower than Asia-origin materials, market sources said.

Some Indian end-users therefore wanted to wait and compare between Asian and non-Asian imports supplies, as well as vis-a-vis domestic products, before they finalise their next spot procurement decisions.

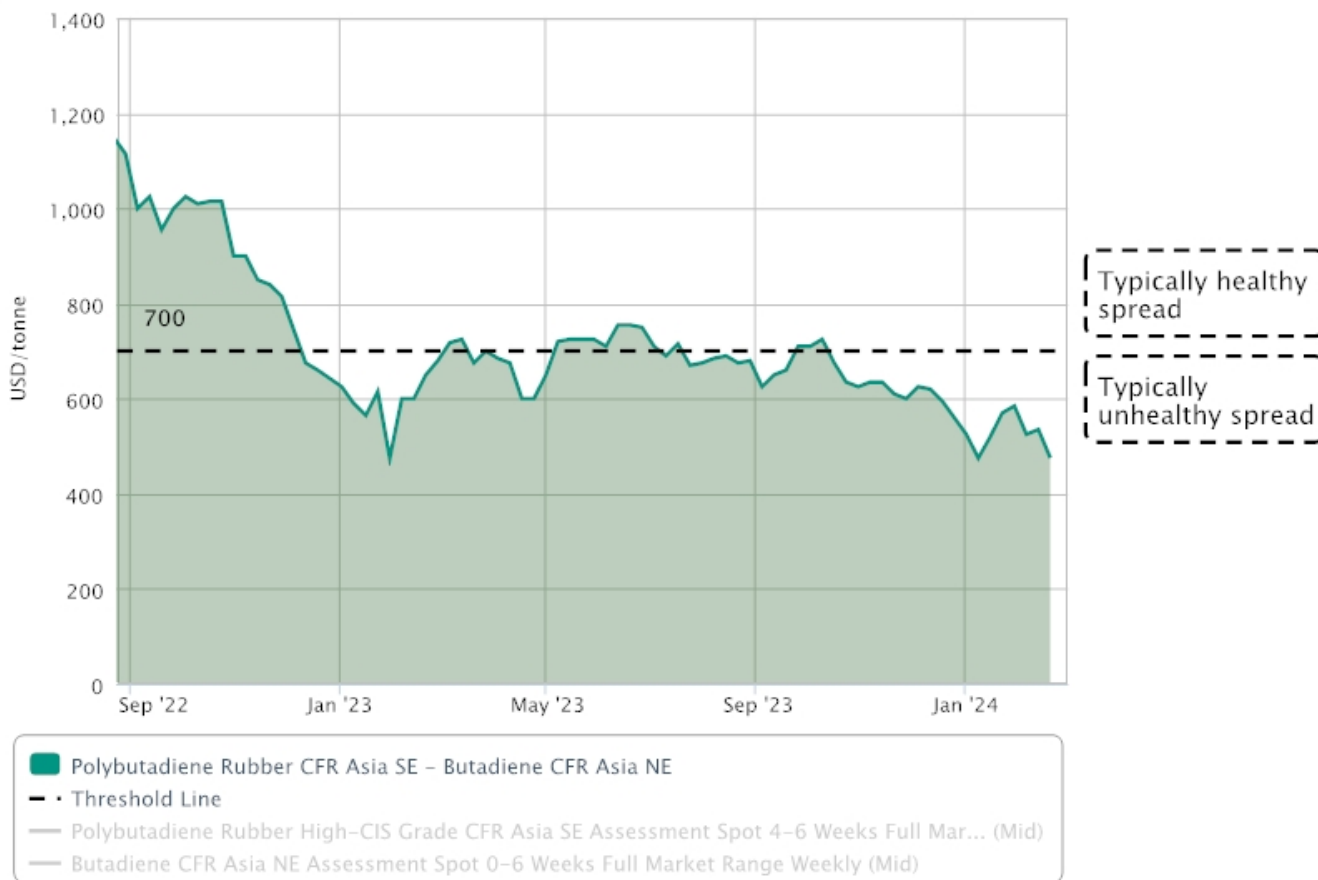
## UPSTREAM

### Butadiene

- Active export sales by China
- Buying spree to cover shortfall
- Regional supplies snug

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](#)



## PRODUCTION

Several PBR plants in China's Shandong province have gone off-line lately, possibly due to economic considerations, market sources said. These include a 80,000 tonne/year [unit](#), and another 100,000 tonne/year [plant](#), both of which were shut since mid-February.

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