



Styrene Butadiene 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

- **Discussions muted as demand tapers**
- **Some sellers moderated offers**
- **But discounts capped amid margins concerns**

Buying interest for Asia's spot imports of styrene-butadiene-rubber (SBR) waned with growing concerns about China's economic growth trajectory.

Many regional end-users retreated to await more clarity on how the Chinese government's latest [fiscal spending plans](#) may help lift downstream operations.

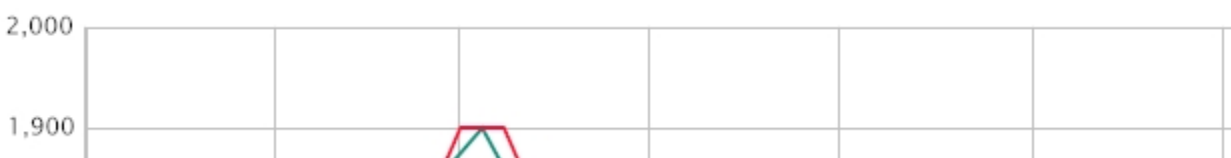
Otherwise, many were turning pessimistic if regional economies could really recover within the year, especially after latest data shows that China's [official PMI](#) has rolled back into the contraction zone for October.

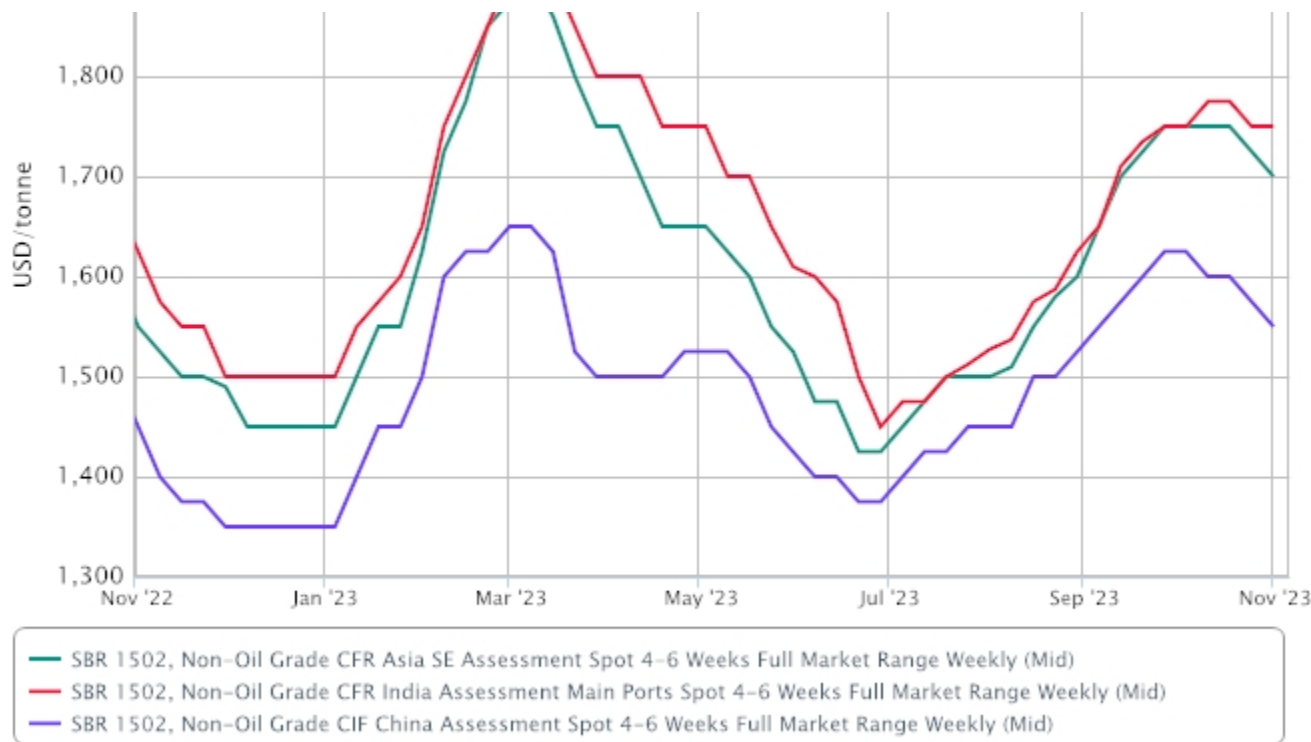
While some end-users still bought to keep ongoing production going, they confined purchases to smaller top-up parcels and bargained harder too, market players said.

Some rejected current offers on mainstream Asian-origin material, citing availability of other competitively-priced alternatives from non-conventional, non-Asian supply sources, market sources said.

Some sellers had moderate expectations about moving some volumes, but majority held back from dishing out bigger discounts, as margins have been compressed by strong upstream costs.

Spot availability was not abundant, mitigating selling pressures on regional producers. Some may also consider trimming SBR operations to control stock-build, market sources said.





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OUTLOOK

- Feedstock BD supplies to stay tight per ICIS' [forecast](#)
- Cost pressures on SBR producers may not ease as such
- Demand outlook downcast on economic headwinds

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	n/c	1500-1600	-50	1600-1650	68.04-72.57
CFR Asia SE	USD/tonne	-50	1650.00-1750.00	n/c	1700.00-1800.00	74.84-79.38
			0			
CFR India Main Ports	USD/tonne	n/c	1700.00-1800.00	n/c	1700.00-1800.00	77.11-81.65
			0			
SBR 1712, Oil-Extended						
CIF China	USD/tonne	n/c	1450-1550	-50	1550-1600	65.77-70.31
CFR Asia SE	USD/tonne	-50	1620.00-1720.00	n/c	1670.00-1770.00	73.48-78.02
			0			

CFR India Main Ports	USD/tonne	n/c	1670.00-1770.00	n/c	1670.00-1770.00	75.75-80.29
			0			

China

CIF China assessments for the non-oil 1502 grade fell at the high-end, tracking lower offers heard.

But trade discussions were subdued, with end-users amply supplied by domestically produced products.

That said, domestic yuan-denominated SBR 1502 prices in east China rose in the week, tracking higher feedstock BD values.

CIF China assessments for the oil-extended 1712 grade were adjusted in line with changes for the 1502 grade assessment.

East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	12,400-12,600	12,300-12,400

Southeast Asia

CFR SE Asian assessments for the non-oil 1502 grade widened, with low-end down alongside more subdued buying indications heard.

Trade liquidity is curtailed not just by the buy-sell gap, but also because concrete offers were limited. Regional producers said the bulk of their output has been committed to prior contractual sales.

And with natural rubber prices still holding up, some market players said that this could help bolster SBR's requirements, as end-users may switch to using more SBR to substitute natural rubber.

Assessments for the oil-extended 1712 grade were adjusted in line with changes for the 1502 grade assessments.

Natural Rubber SMR 20 Reference Price - US cents/kg FOB Malaysia

Nov 2023	(1) Oct 2023	Sep 2023	Aug 2023	Jul 2023	Jun 2023	May 2023
144.25	145.26	142.65	130.22	131.31	133.48	136.34

Source: Malaysian Rubber Board

India

CFR Indian prices for SBR 1502 were kept unchanged on rangebound offers for Asia-origin materials.

But concrete discussions were limited with many local players already winding down for the upcoming Diwali holidays. Trade talks may resume more actively only in H2 November, market sources said.

Assessments for the oil-extended 1712 grade is also unchanged with stable 1502 grade assessments.

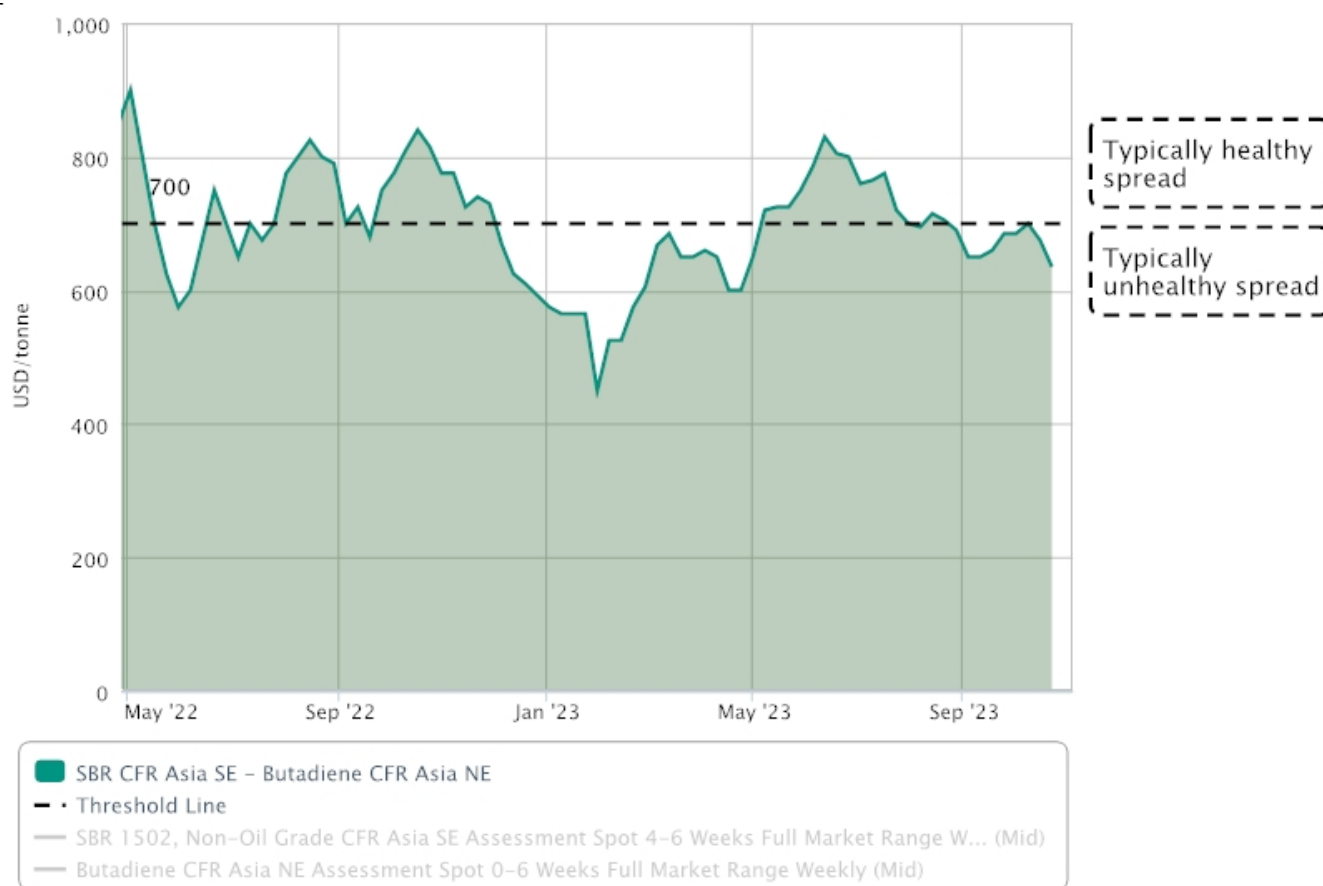
UPSTREAM

Butadiene

- Domestic China uptrend continues
- Buying interest for imports supported as such
- But liquidity curbed by persistent constraints in regional supply

The chart below shows the spread between butadiene and SBR, which has slipped back into the unhealthy zone recently.

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

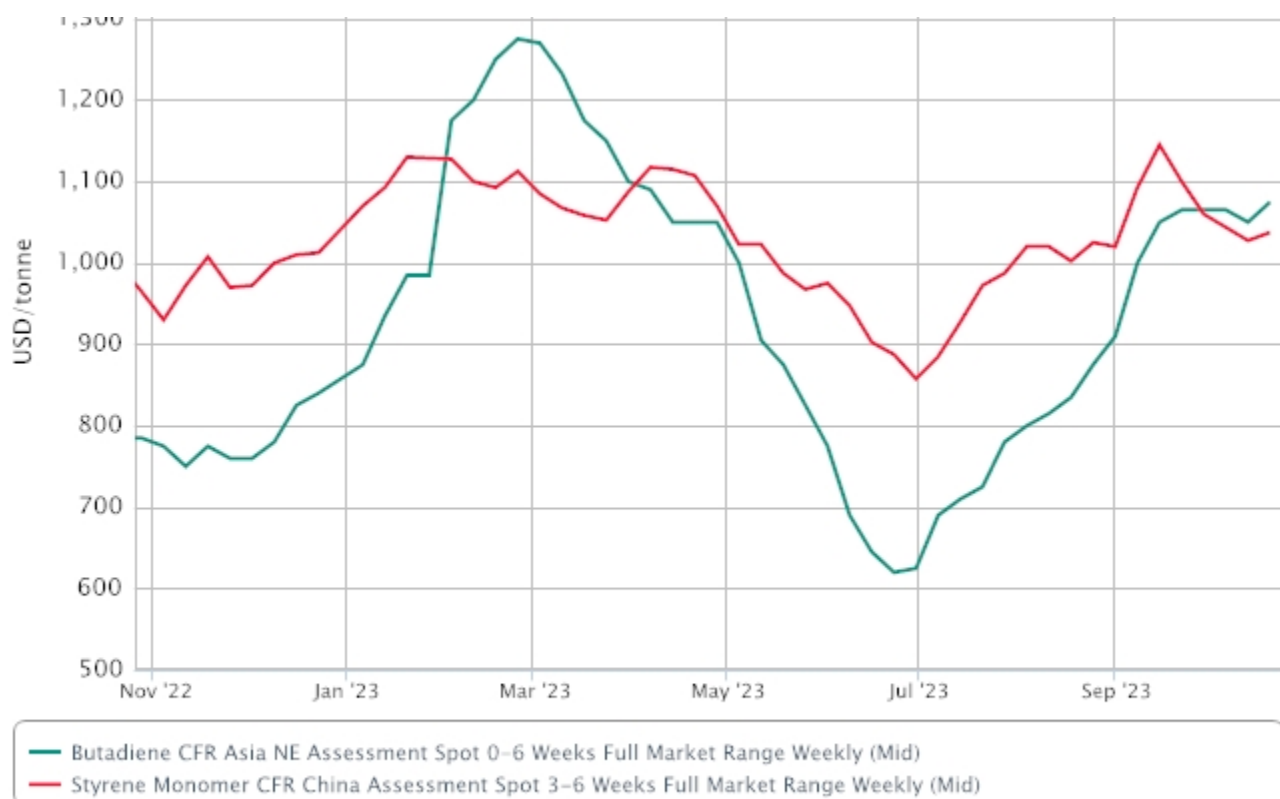


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Styrene:

- Market fluctuates alongside crude and benzene movements
- Slightly bearish sentiment amid poor Q4 demand outlook
- Regional spot tightness and shallow margins support market





PRODUCTION

Click [here](#) for the Asian SBR Live Disruption Tracker.

OTHER REGIONS

Europe

- 1500 dry grade spot prices stable to firm
- Upstream November BD contract increases €15/tonne
- Suppliers face higher production costs

US

- October SBR prices rise, tracking feedstocks
- Spot prices rise in line with contract prices
- Demand weakens in Q4 seasonally, compounded by auto strike

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