



Styrene Butadiene Rubber (Asia-Pacific)

By Ai Teng Lim
03-May-2023

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

The CIF China prices in the weekly analysis on 3 May are assessed based on information collated up to 28 April. Please click [here](#) for the ICIS publishing schedule.

OVERVIEW

- **Holiday trade lull**
- **Unchanged fundamentals**
- **Bearish demand sentiment lingers**

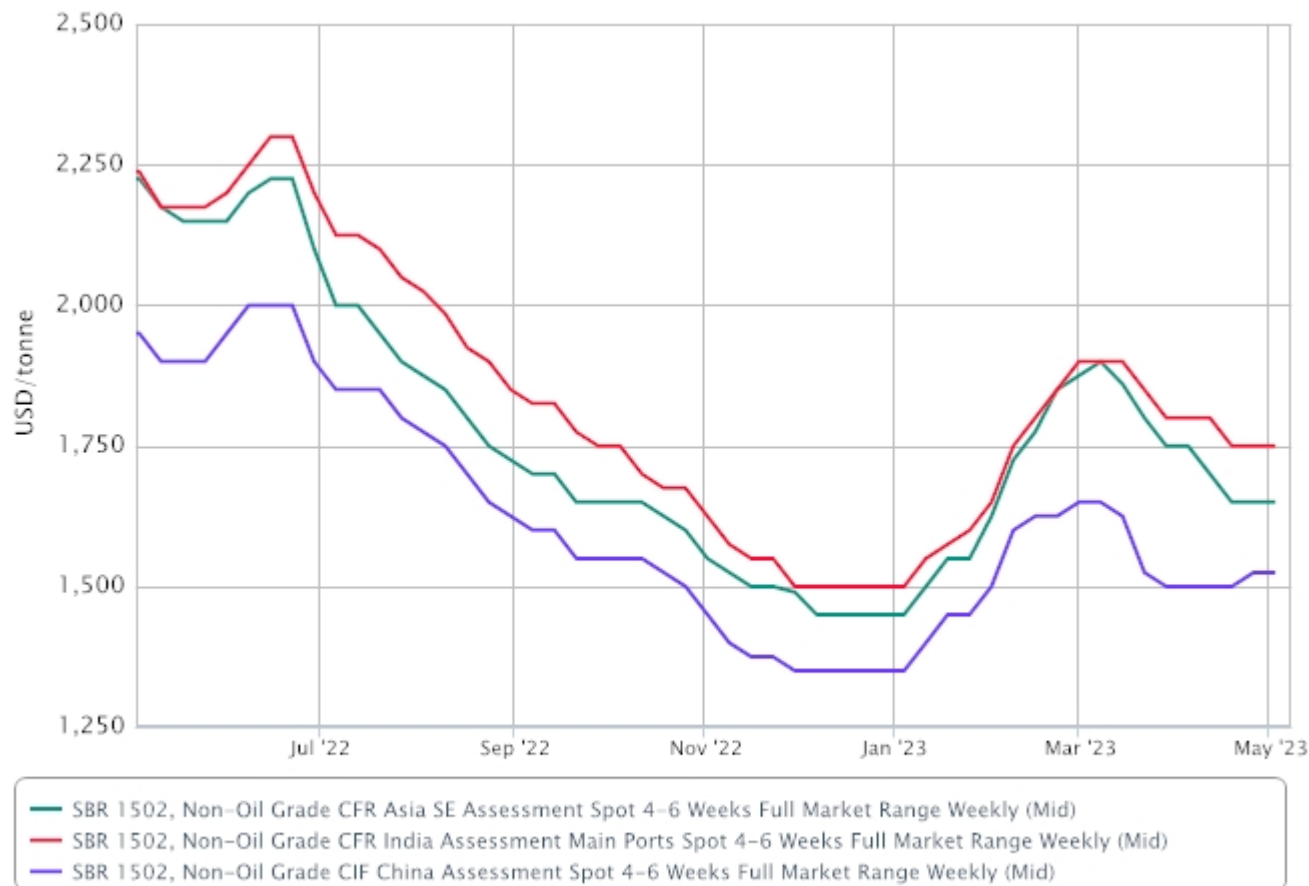
Spot discussions for Asian styrene-butadiene-rubber (SBR) imports were thin, as many players were absent on holidays across northeast Asia.

There were no fresh buy-sell indications as such, and there are also no discernible changes in demand-supply fundamentals.

On the demand front, sentiment remains broadly bearish in nature, with end-users still keeping to minimal spot procurement, given their lack of confidence about how downstream markets will hold up in the near term.

Latest news that China's official manufacturing purchasing index (PMI) has slipped back into a contraction mode for [April](#) prompted even more players to retreat deeper into the sidelines.

On the supply front, fresh offers were scant, with most regional suppliers also in a wait-and-see mode. They have no selling pressures as spot availabilities are limited to begin with, amid ongoing maintenance, and as such also do not see the need as yet to cut offers just to induce buying.



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OUTLOOK

- **Players to monitor post-holiday trades in China**
- **Global economic headwinds to continue to weigh on demand**
- **Tight spot supplies to lend support to offers**

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	n/c	1500-1550	n/c	1450-1550	68.04-70.31
CFR Asia SE	USD/tonne	n/c	1600.00-1700.00	n/c	1700.00-1800.00	72.57-77.11
CFR India Main Ports	USD/tonne	n/c	1700.00-1800.00	n/c	1750.00-1850.00	77.11-81.65
SBR 1712, Oil-Extended						
CIF China	USD/tonne	n/c	1450-1500	n/c	1400-1500	65.77-68.04
CFR Asia SE	USD/tonne	n/c	1550.00-1650.00	n/c	1650.00-1750.00	70.31-74.84
CFR India Main Ports	USD/tonne	n/c	1650.00-1750.00	n/c	1700.00-1800.00	74.84-79.38

China

CIF China assessments for both the non-oil 1502 and the oil-extended 1712 grades were rolled amid muted discussions in a holiday-shortened trading week.

Domestic prices in east China were also flat as trade momentum eased with the extended holiday closures.

East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close*	Previous week's close
E China Ex-Warehouse	11,900-12,000	11,900-12,000

*As at 28 April, as China markets are shut from 29 April to 3 May for extended Labour Day holidays.

Southeast Asia

CFR SE Asian assessments for both the non-oil 1502 and oil-extended 1712 grades were also flat. Discussions were limited with many regular sellers in northeast Asia away on holidays.

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

May 2023	(1-3) Apr 2023	Mar 2023	Feb 2023	Jan 2023	Dec 2022
135.88	136.27	135.03	140.11	140.11	135.03

India

CFR India assessments for the non-oil 1502 grade were also kept unchanged, tracking stable offers at the high-end for duty free northeast-Asia origin materials.

But buying interest remains tepid and capped at the low-end. Local end-users' buying appetite for US dollar denominated imports was also weighed down after a domestic producer moderated its prices in local currency terms, market sources said.

CFR Indian assessments for the oil-extended 1712 grade were unchanged with stable 1502 grade.

UPSTREAM

Butadiene (BD)

- End-user demand structurally bearish
- Some buying for contractual short-covering purposes
- Buy-sell standoff still pronounced

The chart below shows the spread between butadiene and SBR.

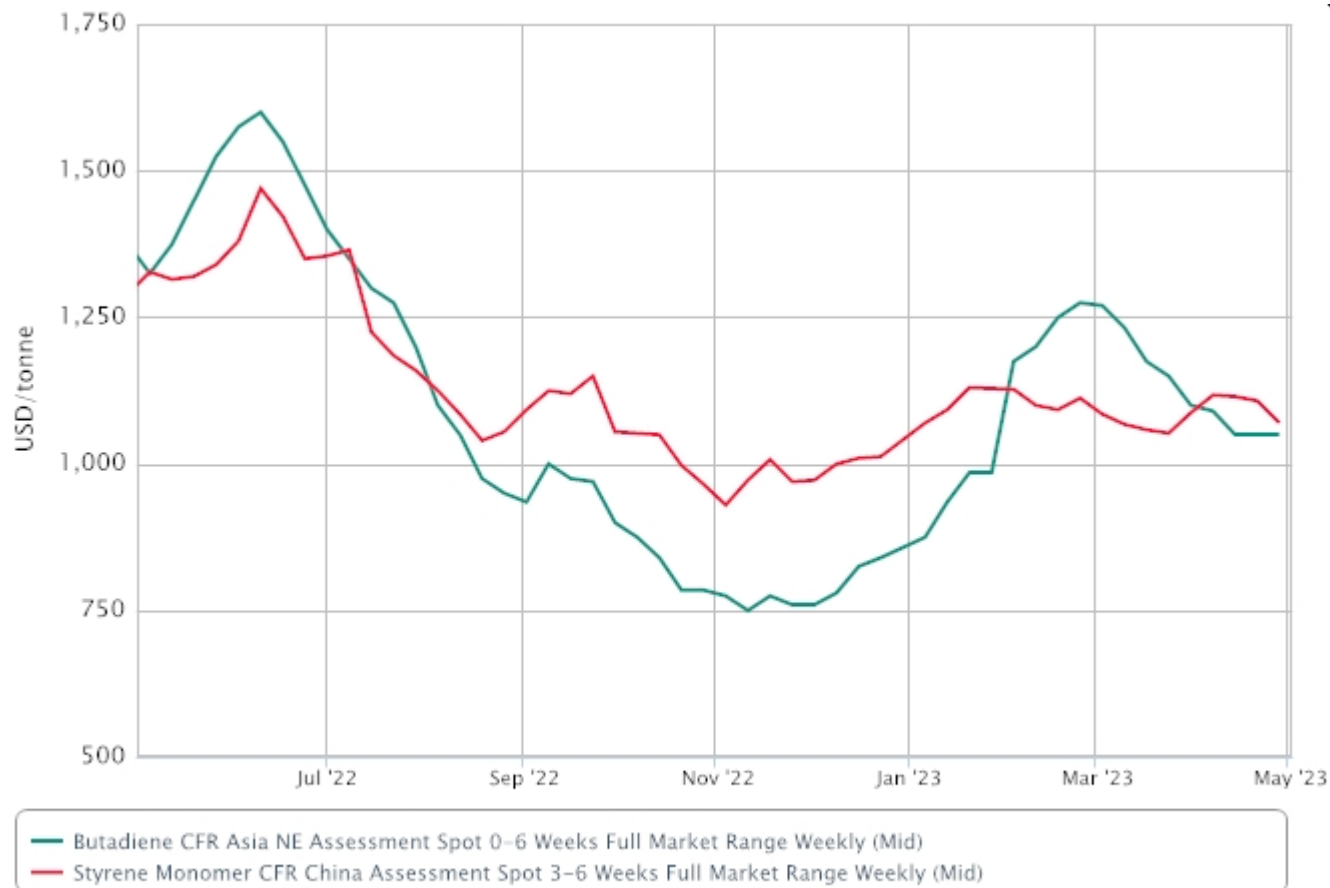
[Downstream spread – butadiene NE Asia and SBR SE Asia](#)



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Styrene:

- Slow pre-holiday momentum in CFR China market
- Bearish market trend tracking retreating feedstocks
- Regional buying appetite stayed sluggish



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PRODUCTION

Several regional plants have maintenance plans in the [April](#) to [June](#) window.

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

OTHER REGIONS

Europe

- Upstream BD falls slightly
- May SBR contract talks yet to begin
- No supply issues heard

US

- May BD nominated at a decrease
- Supplies more than sufficient to meet demand
- Weak demand sentiment amid macroeconomic concerns

ANALYTICS

ICIS Crude Outlook

In early April, OPEC+ surprised the oil markets with the announcement that it will reduce output by a further 1.16m bbl/day from May. With Russian output down by just over 500,000 bbl/day in April, a substantial volume of Russian crude is held on water or discharged into temporary storage facilities. The volume of US crude exported to Europe remained high in March and April. India and China are still seen as the biggest contributors to global oil demand growth and are expected to drive world oil consumption to a record level in 2023.

By David Jorbenaze, senior analyst, david.jorbenaze@icis.com

ICIS Naphtha Outlook

NWE naphtha cracks remain under pressure and saw increased volatility in March and April, following crude price volatility in the wake of turbulence in the US financial sector in March and the surprise announcement in early April about additional cuts from OPEC+. Limited European demand from both the middle distillate and petrochemical sectors has weighed on naphtha refining margins this year, with March and April no exception. Russian flows continue to look for new willing buyers with global reach. Naphtha demand in Asia, as in Europe, saw limited gains in Q1, with partial support from the petrochemical sector.

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