



## Styrene Butadiene Rubber (Asia-Pacific)

By Ai Teng Lim  
04-May-2022

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

### OVERVIEW

- **Discussions muted**
- **Extended holidays across Asia**
- **Buy-sell outlook mixed**

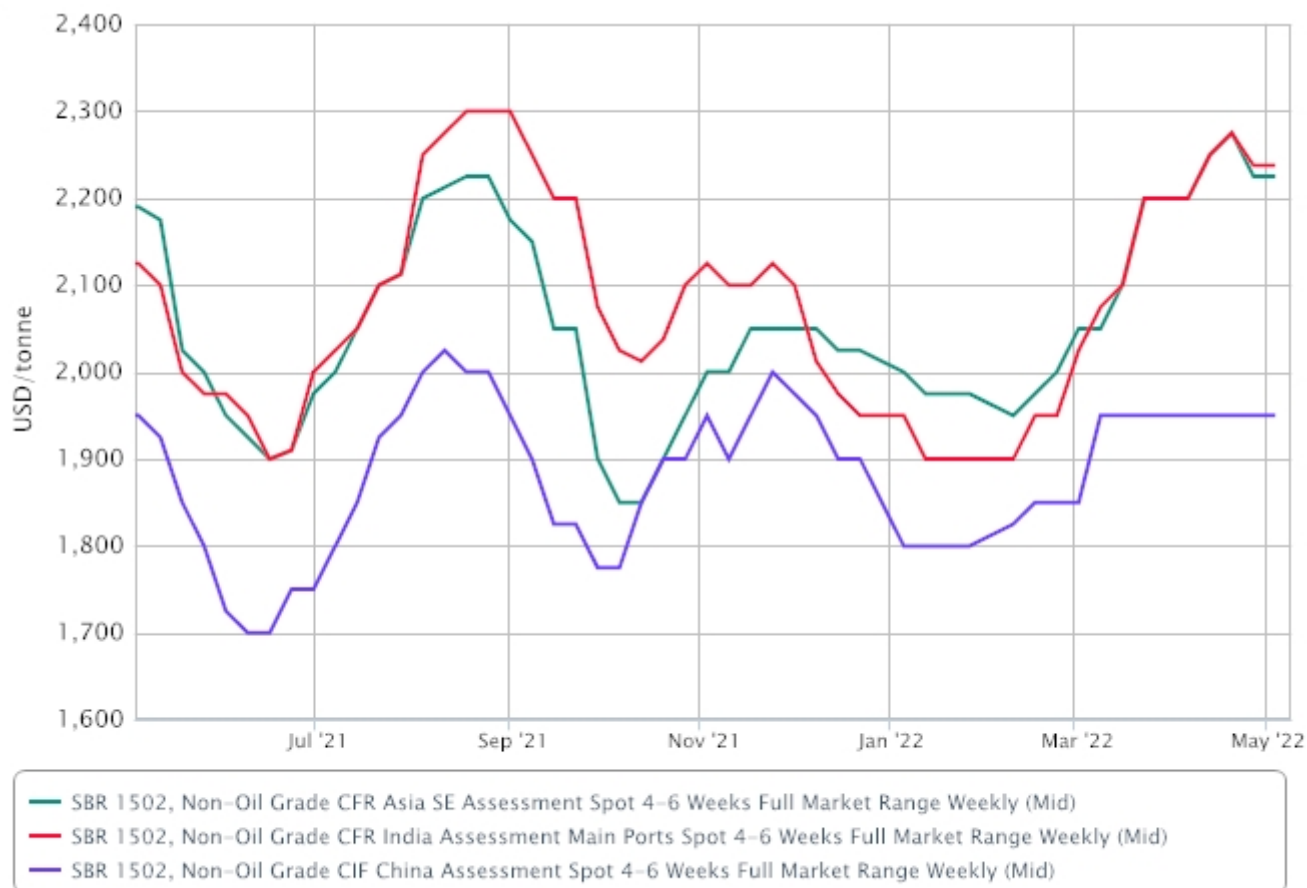
Asian spot prices for styrene-butadiene-rubber (SBR) were rolled over amid thin discussions in a holiday-laden trading week.

Many markets across Asia were shut for much of the trading week, from China, Japan to southeast Asia, either for extended labour day holidays, or for Eid ul-Fitr celebrations. Available market players said that spot discussions will likely only resume in more pace in the coming week, after business resumes fuller normalcy across Asia.

Meanwhile, outlook is mixed, with sell-side elements highlighting that offers will continue to see upside price pressures from the reality that spot availabilities are tight.

Indeed, SBR production in wider Asia is weighed down by ongoing and [upcoming](#) maintenance. In China, output is also curtailed by protracted lockdowns.

But from the buy-side, sentiment remains more downbeat, as concerns grew on downstream affordabilities. The near-term outlook for the global economic well-being is also [clouded](#) by mounting inflation and recession worries.



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## OUTLOOK

- Demand recovery to hinge on when China lockdowns will ease
- Supply in wider Asia to stay snug in near term
- But [China exports](#) may serve to plug some supply gaps

## PRICES

### SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
<b>SBR 1502, Non-Oil Grade</b>						
<b>CIF China</b>	USD/tonne	n/c	1900-2000	n/c	1900-2000	86.18-90.72
<b>CFR Asia SE</b>	USD/tonne	n/c	2200.00-2250.00	n/c	2150.00-2250.00	99.79-102.06
<b>CFR India Main Ports</b>	USD/tonne	n/c	2200.00-2275.00	n/c	2100.00-2300.00	99.79-103.19
<b>SBR 1712, Oil-Extended</b>						
<b>CIF China</b>	USD/tonne	n/c	1800-1900	n/c	1800-1900	81.65-86.18
<b>CFR Asia SE</b>	USD/tonne	n/c	2150.00-2200.00	n/c	2100.00-2200.00	97.52-99.79
<b>CFR India Main Ports</b>	USD/tonne	n/c	2150.00-2225.00	n/c	2050.00-2250.00	97.52-100.92

## China

CIF China assessments for both the non-oil 1502 grade and the oil-extended 1712 grade were kept unchanged, as China is shut since 30 April for extended Labour Day holidays.

Domestic yuan-denominated prices were also flat in a short trading week.

### East China domestic SBR 1502 prices

Price (CNY/tonne)	29 April*	27 April
E China Ex-Warehouse	11,600-11,700	11,600-11,700

\*China is shut for extended national holidays from 30 April to 4 May.

## Southeast Asia

CFR southeast (SE) Asian prices for both the non-oil 1502 grade and the oil-extended 1712 grades were also rolled over, amid muted discussions.

No fresh offers were heard with the regular suppliers in northeast Asia mostly out on holidays.

End-users in various southeast Asian outlets like Malaysia and Indonesia were also absent on Eid ul-Fitr celebrations.

Meanwhile, as natural rubber prices started to soften on seasonal output hike, market players said that this may weigh down or displace requirements for synthetic rubbers in due course.

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

Apr 2022	Mar 2022	Feb 2022	Jan 2022	Dec 2021	Nov 2021	Oct 2021	Sep 2021
171.15	175.18	179.84	178.12	172.08	175.65	174.39	163.23

## India

Discussions for CFR India prices for the non-oil 1502 grade and the oil-extended 1712 grade were range-bound, and assessments kept unchanged as such.

Like in southeast Asia, market players said that demand for synthetic rubbers may be affected if natural prices soften more, driving end-users to step up usage of the latter at the expense of synthetic rubbers such as 1502.

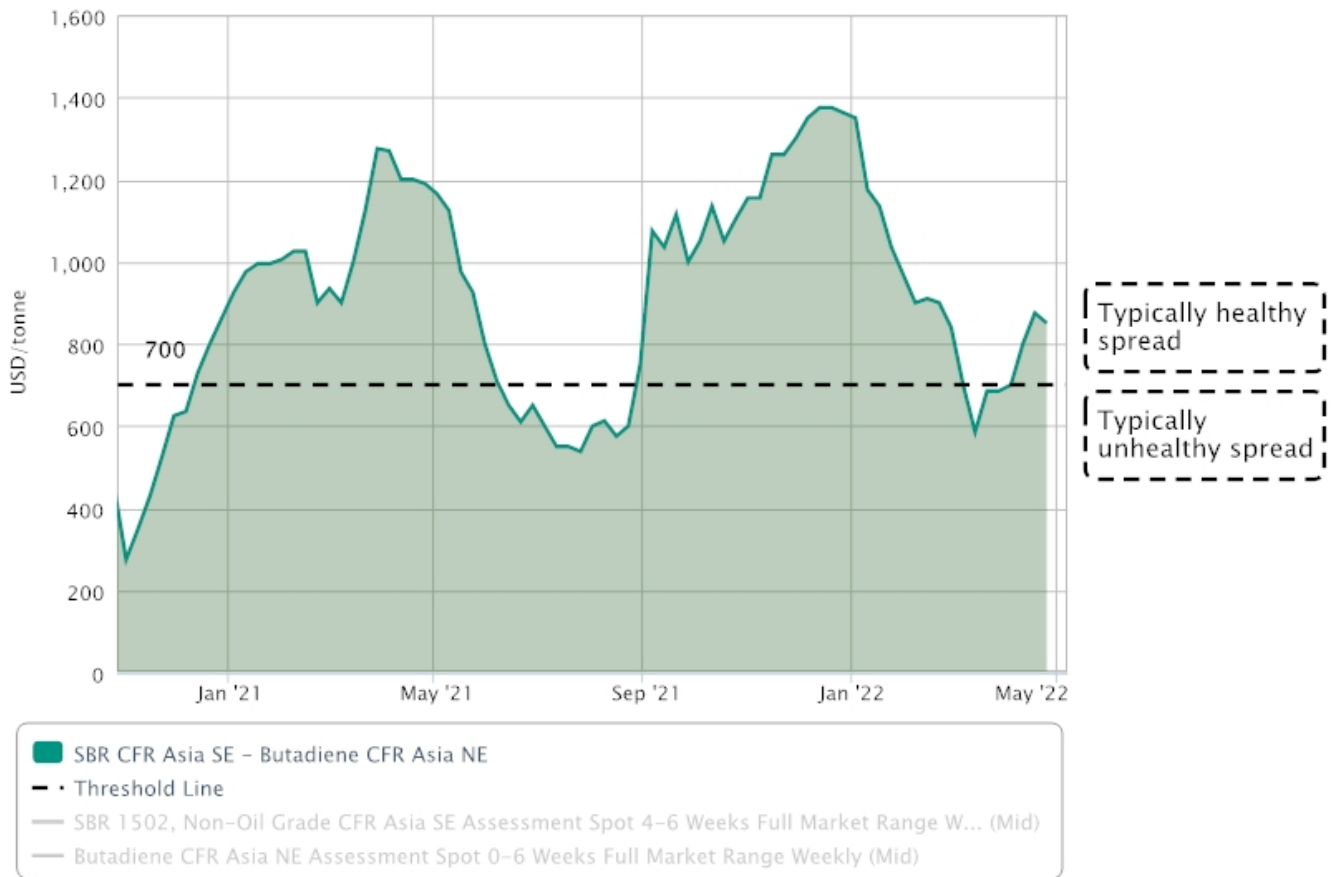
There are also concerns about how availabilities of cheaper China-origin materials, if sustained, could impact on CFR Indian discussions for cargoes from other regular regional suppliers.

## UPSTREAM

Sentiment in Asia's **butadiene (BD)** spot market remains downcast on muted regional demand, and some sellers [priced down](#) to chase deals and keep cargoes moving.

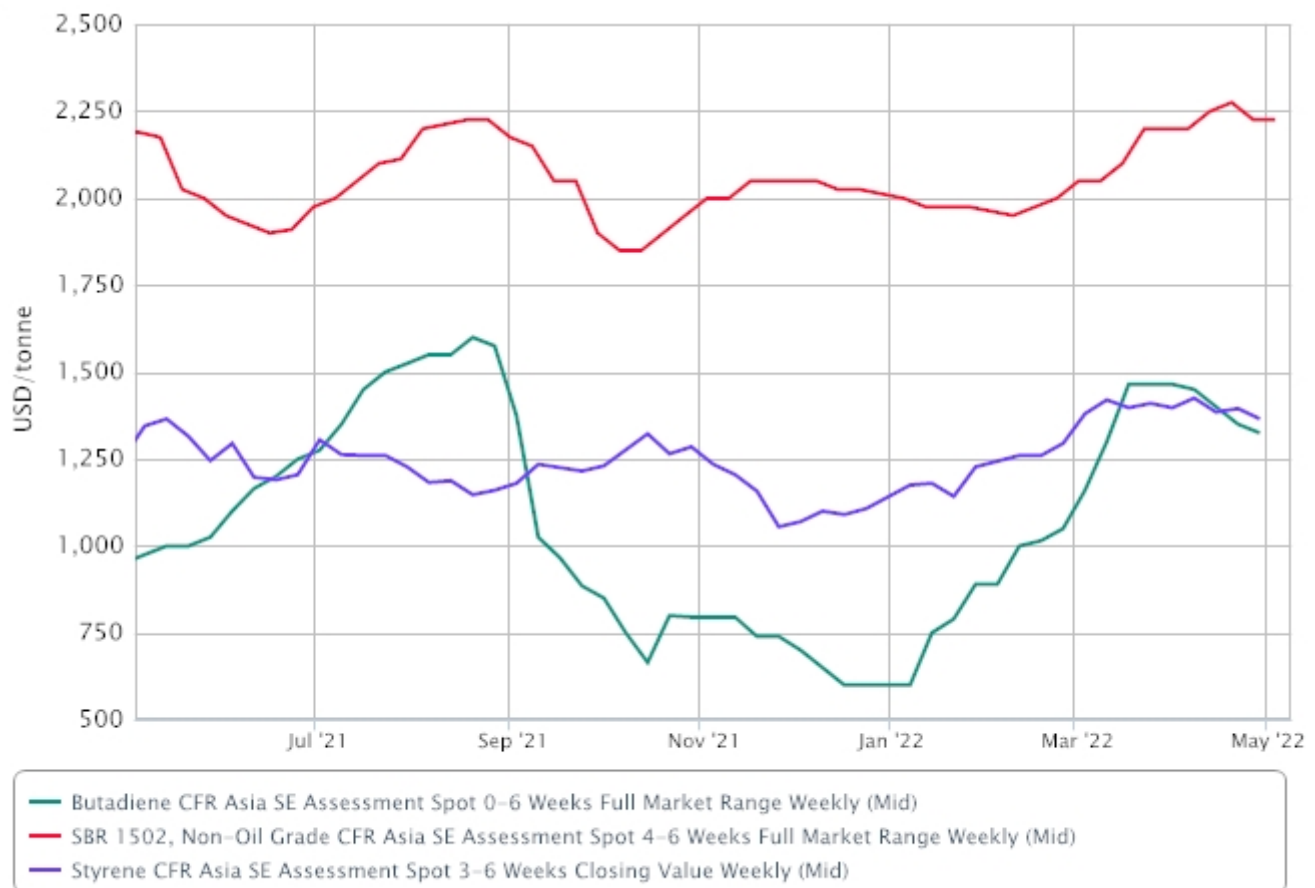
The chart below shows the spread between BD and SBR.

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



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Asian **styrene** prices extended losses because of overall cautious trading sentiment in domestic China and weaker energy futures, against a backdrop of limited regional demand for June parcels. [Fewer buying enquiries](#) and procurement activity from deep-sea importers weighed further on discussion levels.



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## PRODUCTION

In China, average operating rates of local SBR plants slipped to 75% for the week ended 29 April, down from 80% in the week prior, market sources said.

Meanwhile, regional SBR supplies remained tight with an [ongoing](#) turnaround, and poised to stay tight as more maintenance closures are expected later in the month.

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

## OTHER REGIONS

In the US, the Department of Commerce announced a preliminary determination to impose a 28.97% [anti-dumping duty](#) on emulsion styrene butadiene rubber (ESBR) imports from Italy.

In Europe, discussion for SBR May contracts are [underway](#), and players await more details on May contracts for co-feedstock styrene, seeing that May contracts for the other feedstock butadiene have rolled over from April.

## ANALYTICS

### ICIS Outlook on GDP

In its April World Economic Outlook, the International Monetary Fund (IMF) revised down growth in approximately 86% of the global economy since its January forecast. The eurozone and the EU will be most affected by the war

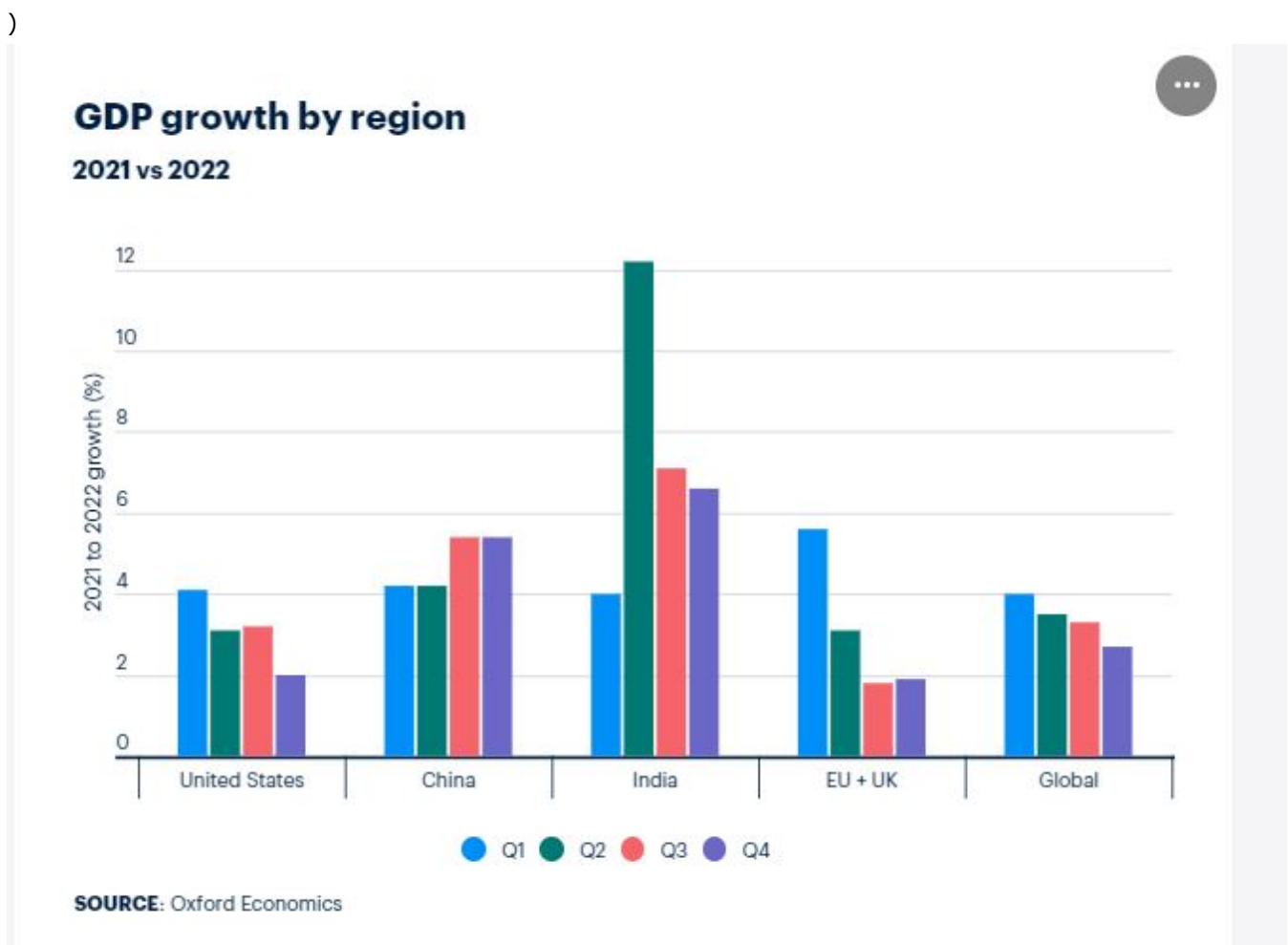
in Ukraine. Countries in the Caribbean, the Middle East and Central Asia saw growth rates revised up. The world GDP forecast was revised down by 0.8 percentage points to 3.6% year on year in 2022, and to 3.6% in 2023.

The US GDP forecast has been revised down by 0.3 percentage points to 3.7% year on year in 2022, and to 2.3% in 2023. The Fed is likely to hike interest rates further in 2022 to counter an increase in inflation.

The eurozone GDP forecast has been revised down by 1.1 percentage points to 2.8% year on year in 2022, and to 2.3% in 2023. The EU is the only major economy still below pre-crisis levels, and much of this is due to its dependence on the automotive industry. Autos account for over 7% of EU GDP and more than 6% of total EU employment, according to the EU's Policy Department for Economic, Scientific and Quality of Life Policies. Germany has been considerably downgraded, due to its heavy dependence on Russian natural gas.

China's GDP forecast has been revised down by 0.4 percentage points to 4.4% year on year in 2022 and to 5.1% in 2023. Economic growth may further deteriorate depending on the duration of current lockdowns. China's zero COVID-19 policy coupled with a distressed real estate sector are the major downside risks to the economy. India's GDP forecast has been revised down by 0.8 percentage points to 8.2% year on year in 2022, and to 6.9% in 2023.

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