



## 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

- **Sellers' sentiment buoyed by upstream uptick**
- **Some higher offers surfaced**
- **Buy-side response muted**

Spot trade discussions for Asian styrene-butadiene-rubber (SBR) imports were more upbeat, as some sellers raised their selling targets citing the need to keep pace with production cost movements.

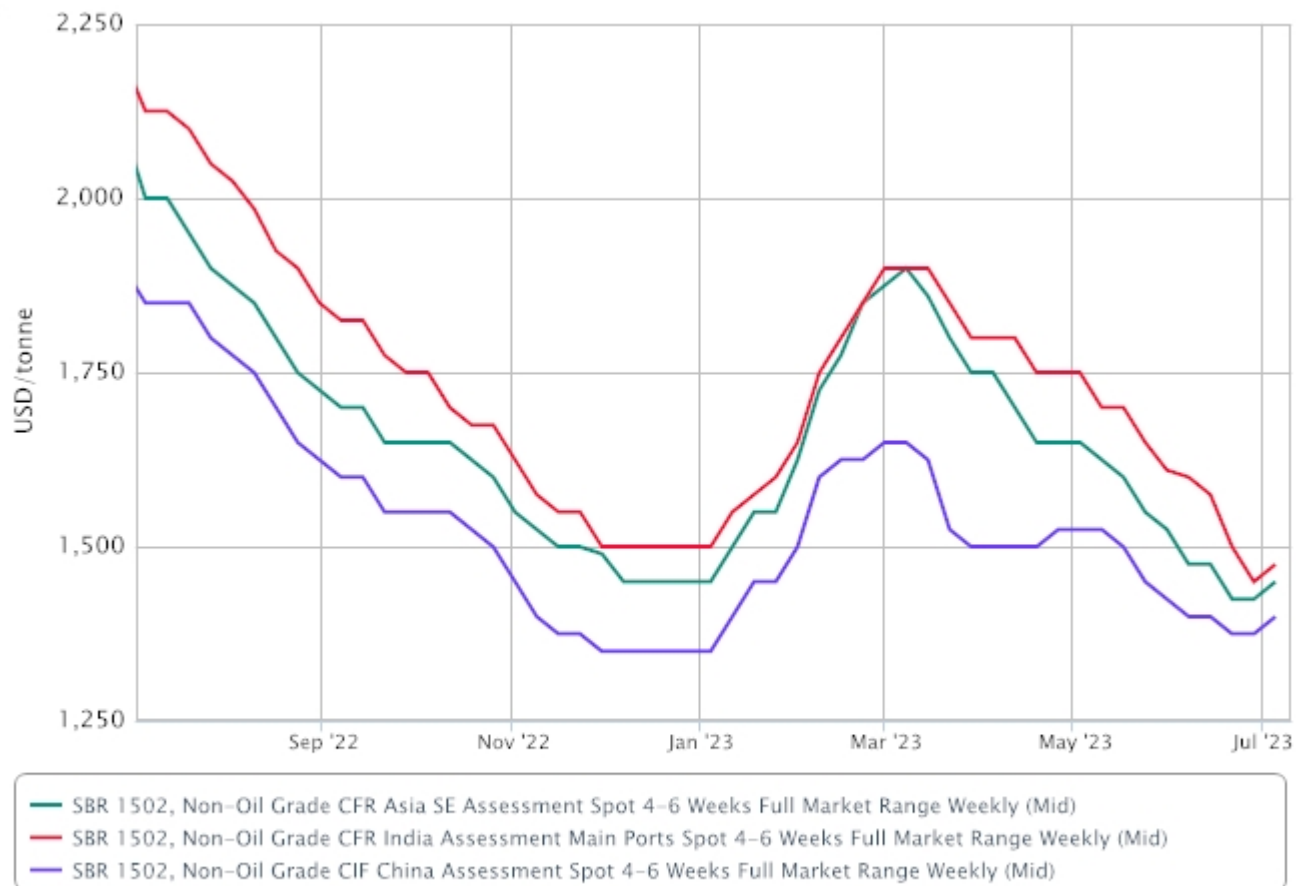
Feedstock [butadiene](#) (BD) import prices edged up in the week prior, tracking a strong yuan-denominated market.

SBR spot availabilities are limited too and SBR producers expected this to provide additional support for their higher offers.

Since they are currently low on product inventories, regional SBR makers are generally confident that they could afford to wait for buyers to come closer to their terms, rather than rush to sell cheap at this point.

However, on the demand front, the picture is still cloudy, with many end-users keeping to a cautious procurement stance.

There was a healthy stream of enquiries for July/August shipment supplies, but market players said that firm bookings were far and few between, underscoring bearish downstream demand realities.



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## OUTLOOK

- Supply may stay snug on upcoming turnarounds
- **Gloomy** economic outlook to weigh on demand
- Eyes also on feedstock markets for pricing direction

## 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	1350-1450	+50	1350-1450	61.24-65.77
<b>CFR Asia SE</b>	USD/tonne	n/c	1400.00-1500.00	+50	1450.00-1500.00	63.50-68.04
<b>CFR India Main Ports</b>	USD/tonne	+50	1450.00-1500.00	n/c	1550.00-1650.00	65.77-68.04
<b>SBR 1712, Oil-Extended</b>						
<b>CIF China</b>	USD/tonne	n/c	1300-1400	+50	1300-1400	58.97-63.50
<b>CFR Asia SE</b>	USD/tonne	n/c	1350.00-1450.00	+50	1400.00-1450.00	61.24-65.77
<b>CFR India Main Ports</b>	USD/tonne	+50	1400.00-1450.00	n/c	1500.00-1600.00	63.50-65.77

### China

CIF China assessments for the non-oil 1502 grade rose at the high end with firmer selling indications.

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

Domestic prices in east China for the non-oil 1502 grade spiked, tracking substantial increases in the upstream butadiene market.

### East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	11,400-11,550	11,000-11,200

### Southeast Asia

CFR SE Asia assessments for the non-oil 1502 grade were also up on the high end with firmer offers heard.

However, the low end held steady on broadly unchanged buy-side indications. And with natural rubber prices faltering recently, end-users are also looking towards procuring natural rubber as a cheaper substitute to synthetic rubbers like SBR, market sources said.

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

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

Jul (1-5) 2023	Jun 2023	May 2023	Apr 2023	Mar 2023	Feb 2023	Jan 2023	Dec 2022
131.97	133.48	136.34	136.27	135.03	140.11	140.11	135.03

### India

CFR India assessments for the non-oil 1502 grade were up at the low end reflecting a deal, while fresh offers are heard at the high end and up for northeast Asia-origin cargoes.

Nevertheless, buying interest is thin as end-users have no lack of alternative options, from competitively priced SBR cargoes from non-Asia origins, as well as cheaper substitutes from the natural rubber supply pool.

Assessments for the oil-extended 1712 grade are adjusted with changes in the 1502 grade.

## UPSTREAM

### Butadiene

- Domestic China up with tighter prompt supplies
- China's buying appetite for imports supported to some extent
- Weak demand dents discussions across Asia at large

The chart below shows the spread between butadiene and SBR.

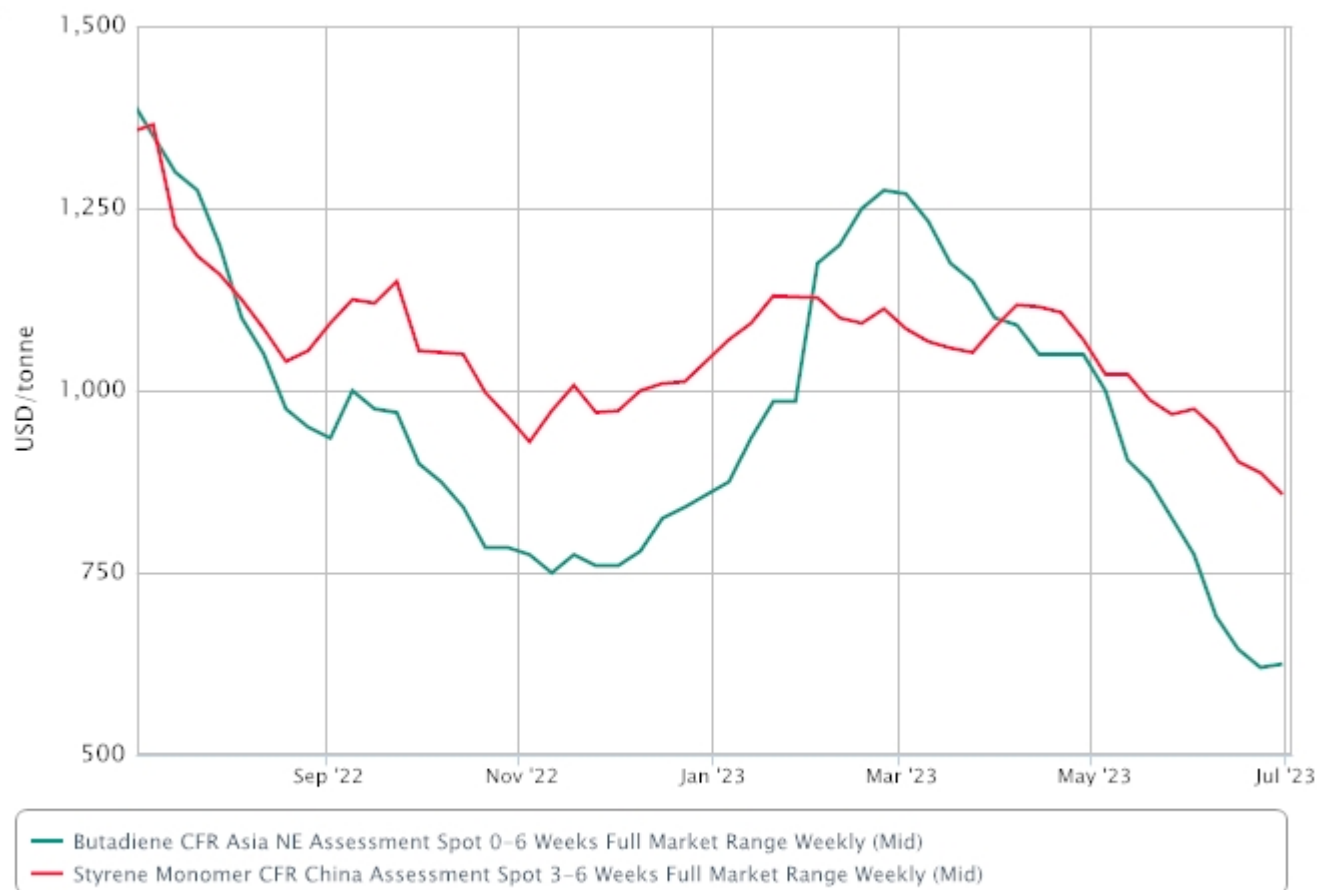
[Downstream spread – butadiene NE Asia and SBR SE Asia](#)



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**Styrene**

- Overall market sentiment appears sluggish
- SM makers' production margins under pressure
- Weak currency hampers CFR China market buying appetite



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## PRODUCTION

A 100,000 tonne/year unit in east China has [shut](#) in early July for a month-long maintenance.

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

## OTHER REGIONS

### Europe

- Monthly SBR contract talks have not started
- Demand stable to low
- Spot prices stable to soft

## ANALYTICS

### ICIS Crude Outlook

Total OPEC crude oil production averaged 28.06m bbl/day in May, lower by nearly 465,000 bbl/day month on month. At the June OPEC+ meeting, Saudi Arabia announced it would voluntarily cut its oil production by another 1m bbl/day in July to support global oil prices. Non-OPEC liquids production growth remains unchanged, at about 1.5m bbl/day year on year. Russian exports of crude oil and oil products remained resilient and reached a post-invasion high in May. Crude oil inventories in the US have decreased in recent

weeks in June, with crude oil exports projected to get a further boost in July from deeper production cuts in Saudi Arabia. China is still expected to account for more than half of the world's oil demand growth in 2023. Against this backdrop, oil prices continued to decline in June as concerns over a global economic slowdown have weighed on price dynamics.

By David Jorbenaze, senior analyst, [david.jorbenaze@icis.com](mailto:david.jorbenaze@icis.com)

### **ICIS Naphtha Outlook**

European naphtha cracks came under increased pressure in June, following greater crude oil price volatility and depressed feedstock demand, combined with weakening fundamentals, sending the crack spreads deeper into negative territory. Limited demand and ample availabilities in Europe and Asia are keeping pressure on refinery margins with some promptly available naphtha cargoes placed at deeper discounts. China's lacklustre economic recovery is weighing on naphtha prices amid limited demand from plastics and petrochemicals, adding another bearish element to the declining market sentiment. We have continued to see weakening dynamics for naphtha flow into the gasoline pool in June. Prices across crude oil and oil products complexes, including naphtha, are expected to be supported in Q3 on the back of additional OPEC+ cuts taking place in July.

By David Jorbenaze, senior analyst, [david.jorbenaze@icis.com](mailto:david.jorbenaze@icis.com)

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