



Styrene Butadiene Rubber (Asia-Pacific)

By Ai Teng Lim
05-Jun-2024

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

OVERVIEW

- **Domestic China extends gains**
- **Import talks in to China supported as such**
- **But buy-sell stalemate prevails in SE Asia and India**

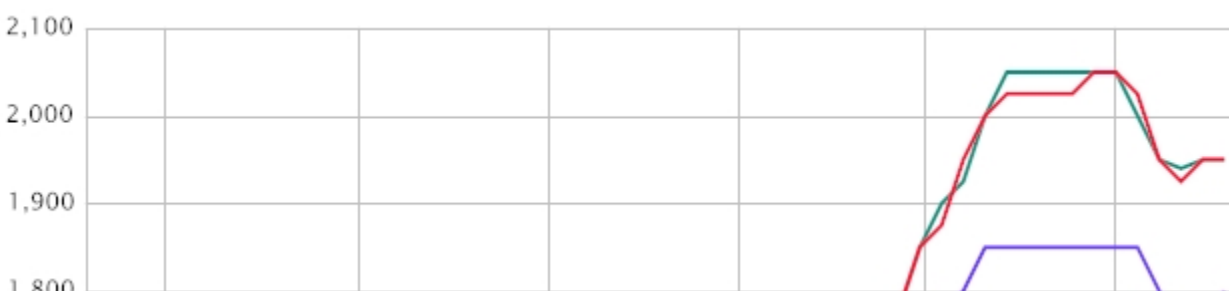
Discussions for Asian spot imports of styrene butadiene rubber (SBR) was buoyant in China but flat in other regional outlets.

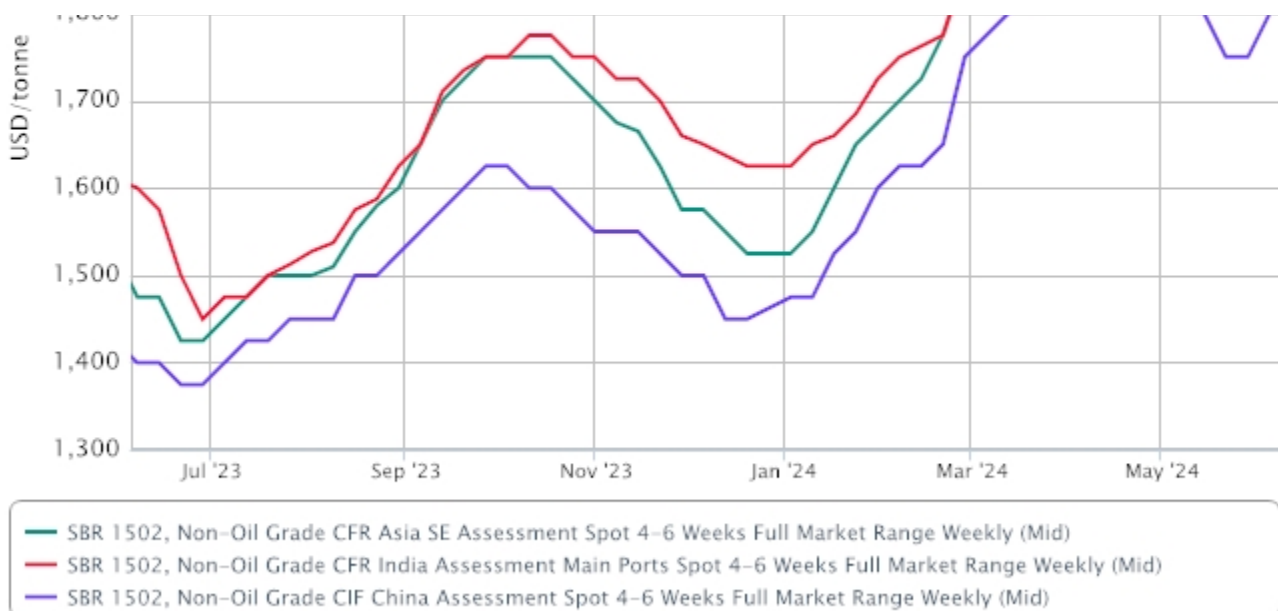
In China, domestic prices extended gains, riding on surging upstream butadiene (BD) values in the yuan-denominated market.

This also bolstered buying appetite for US dollar-denominated imports, but substantive negotiations were still muted, weighed down by buyers' reservations about over-committing on forward import deliveries when the horizon is still quite murky and unclear about longer-term growth and recovery of China's economy.

In the rest of Asia, buy-sell disparity may also widen as different factors and considerations weigh on end-users and producers. For regional SBR producers, cost pressures are poised to increase with recent [freight rate surges](#), and many are heard looking to raise import offers to recoup costs and protect margins.

But on the buy-side, many remain cautious and reluctant to stockpile raw materials like SBR, amid macroeconomic uncertainties, including the uncertain growth of China's electric vehicles sector in the wake of [fresh US import tariffs](#).





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OUTLOOK

- **Mixed sentiment** about near-term economic growth prospects for China
- **Geo-political uncertainties** to further weigh on demand outlook
- **Sellers to watch closely** upstream market movements

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	+50	1750-1850	+50	1800-1900	79.38-83.91
CFR Asia SE	USD/tonne	n/c	1900.00-2000.00	n/c	1950.00-2050.00	86.18-90.72
CFR India Main Ports	USD/tonne	n/c	1900.00-2000.00	n/c	1950.00-2100.00	86.18-90.72
SBR 1712, Oil-Extended						
CIF China	USD/tonne	+50	1700-1800	+50	1750-1850	77.11-81.65
CFR Asia SE	USD/tonne	n/c	1850.00-1950.00	n/c	1900.00-2000.00	83.91-88.45
CFR India Main Ports	USD/tonne	n/c	1850.00-1950.00	n/c	1900.00-2050.00	83.91-88.45

China

CIF China prices for the non-oil 1502 grade were assessed up, tracking firmer buy-sell indications heard.

CIF China prices for the oil-extended 1712 grade were adjusted up too, in line with changes for the 1502 grade.

Domestic China prices continued to trend up, with buoyant upstream BD prices, as well as with support from firm futures, both for synthetic and natural rubber.

East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	14,100-14,300	13,700-13,900

Southeast Asia

CFR SE Asia prices for the non-oil 1502 grade were kept unchanged, with offers heard at the high end and up, while buying indications remained capped at the low end.

CFR SE Asia assessments for the oil-extended 1712 grade were unchanged too, with stable 1502 grade.

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

Jun 2024	(1-5) May 2024	Apr 2024	Mar 2024	Feb 2024	Jan 2024
175.70	170.03	162.99	165.36	156.66	154.20

Source: Malaysian Rubber Board

India

Like SE Asia, CFR India prices for the non-oil 1502 grade held steady with offers on northeast Asia-origin materials heard at the high end and up, against buying indications capped at the low end.

CFR India prices for the oil-extended 1712 grade is unchanged too, with stable 1502 grade.

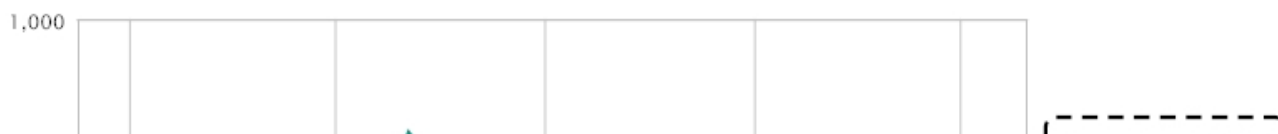
UPSTREAM

Butadiene

- Domestic China prices spike
- [Import](#) market sentiment more upbeat as such
- Snug spot availabilities also an upside support factor

The chart below shows the spread between butadiene and SBR, which remains in the unhealthy zone.

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

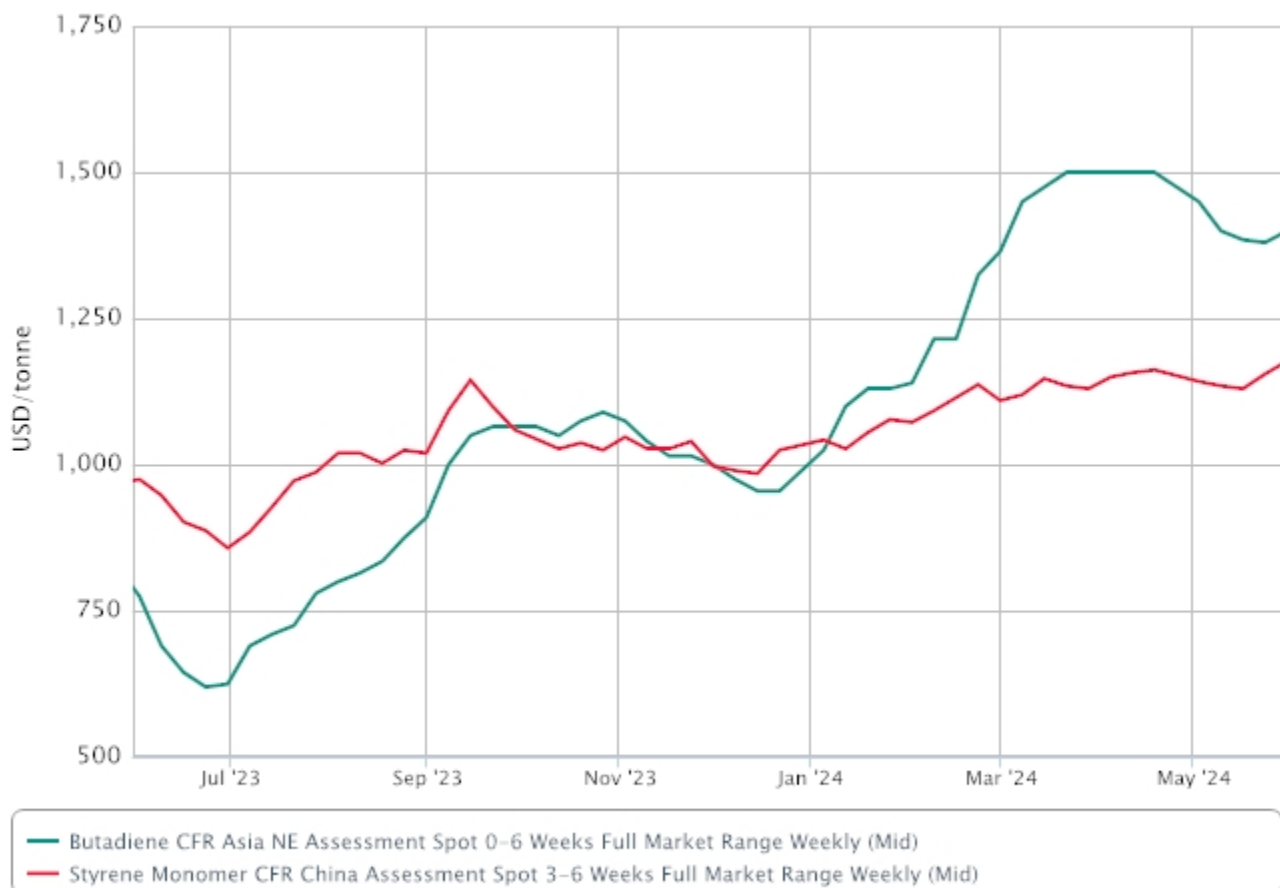




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Styrene

- Regional SM market remained cost and sentiment driven
- Increasing resistance from downstream SM users amid intensifying cost and margin pressures
- Market players eyeing forward ADD announcement by China and Korea



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PRODUCTION

A 100,000 tonne/year unit in Taiwan has [restarted](#), following a month-long maintenance in May.

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

OTHER REGIONS

Europe

- Spot prices mixed
- Some dampened demand experienced
- Logistics costs highlighted

US

- May contract prices rise again on elevated feedstock costs
- Spot prices firm in line with contract prices, import activities slump on limited availability
- [Outages keep feedstocks BD and styrene tight, counterbalanced by slack demand](#)

ANALYTICS

ICIS crude outlook

Looking forward, the physical crude oil market faces subdued demand and abundant supply, keeping prices under pressure despite ongoing geopolitical conflicts. OPEC has maintained production cuts of 2.2 million barrels/day with current output at nearly 27 million barrels/day and is expected to extend these cuts into Q3. As we move into Q3, Russian oil production is projected to remain steady, ranging between 9.55 million and 10.05 million barrels/day, with exports mirroring Q2 levels. China's crude oil imports are expected to average 11.3 million barrels/day, with refinery throughput at just under 15 million barrels/day. India's imports of Russian oil surged to 1.8 million barrels/day in May, reshaping its import market dynamics. Global oil demand is anticipated to be driven primarily by non-OECD countries and is projected to grow by about 1 million barrels/day in 2024, fuelled by resilient US consumption and India's economic expansion.

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

ICIS naphtha outlook

As June approaches, global naphtha dynamics are being shaped by fluctuating Brent crude values, regional market activities and broader economic conditions. In Europe, naphtha spot quotations are being influenced by these fluctuations and macroeconomic challenges, with the market focusing on US gasoline demand for the summer driving season and the re-establishment of exports to Asia. Although global naphtha cracks are attempting to recover, the upside has been limited by reduced steam cracker operations and extended turnarounds. In Asia, naphtha demand is expected to remain tapered, with closed arbitrage windows causing local oversupply and preventing significant price spikes. China is set to increase refinery rates to meet rising domestic

gasoline and jet fuel demand, driven by stronger margins and seasonal consumption. In addition, India's high imports of Russian oil highlight naphtha's critical role in petrochemicals. These interconnected regional activities underscore the complex and evolving nature of the global naphtha market in the third quarter.

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

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