



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.

The weekly pricing analysis will not be published on 27 December 2023. Please click [here](#) for the ICIS publishing schedule.

OVERVIEW

- **Discussions in limbo**
- **Sellers reel under compressed margins**
- **But buyers' push for discounts unrelenting too**

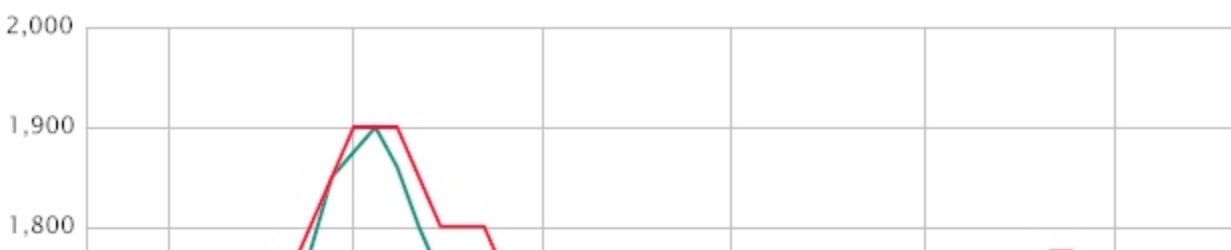
Discussions for Asian spot imports of styrene-butadiene-rubber (SBR) were hampered by stubborn buy-sell differences.

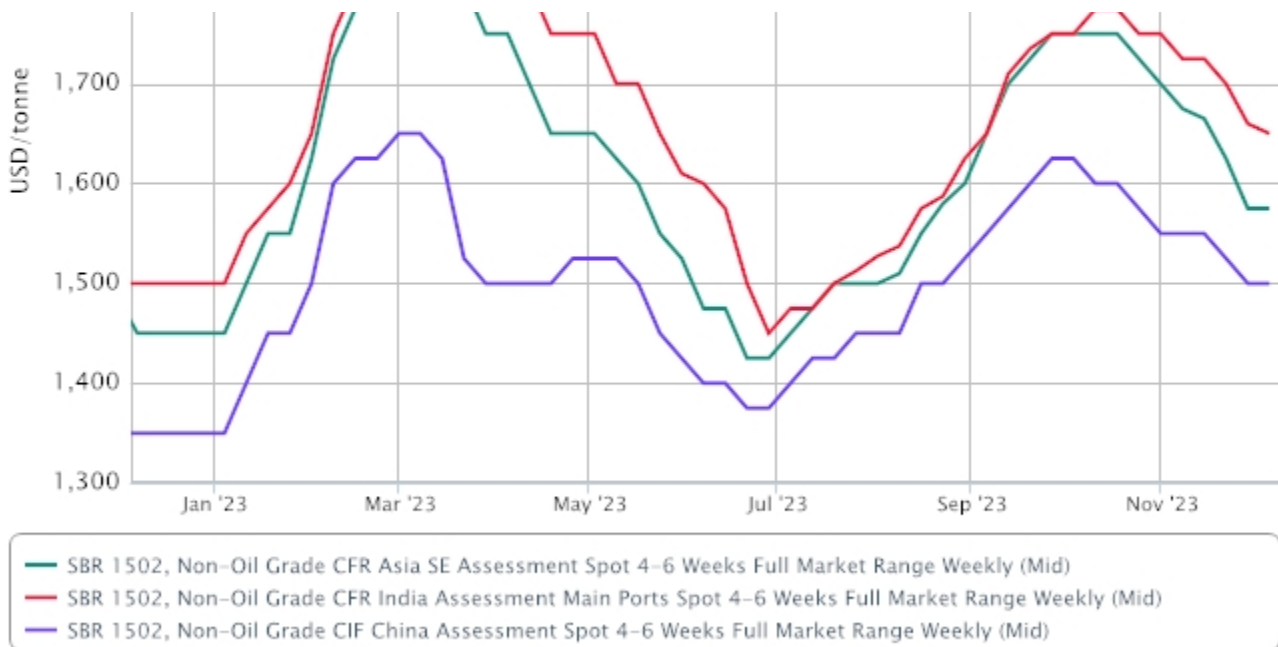
For sellers, many refrained from dishing out more discounts, even if they acknowledged that downstream market conditions, such as in key outlets like [China](#), are far from rosy.

Even though feedstock butadiene and styrene markets have softened recently, regional SBR makers said that the savings were insufficient to cover losses they suffered previously.

They were thus mindful not to price down further on their finished products, preferring instead to recalibrate production plans to minimise unsold volumes.

But buy-side resistance against existing offers remain strong, with many end-users heard prepared to defer their next purchases till later. Many highlighted too that substantive downstream requirements are also lower now, heading into the year-end holiday season.





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OUTLOOK

- Year-end lull may curb spot trade liquidity for the near term
- Demand outlook cloudy for the longer term too
- Players to monitor upstream market movements closely

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	n/c	1450-1550	n/c	1500-1600	65.77-70.31
CFR Asia SE	USD/tonne	n/c	1550.00-1600.00	n/c	1650.00-1700.00	70.31-72.57
CFR India Main Ports	USD/tonne	n/c	1600.00-1700.00	-20	1700.00-1750.00	72.57-77.11
SBR 1712, Oil-Extended						
CIF China	USD/tonne	n/c	1400-1500	n/c	1450-1550	63.50-68.04
CFR Asia SE	USD/tonne	n/c	1520.00-1570.00	n/c	1620.00-1670.00	68.95-71.21
CFR India Main Ports	USD/tonne	n/c	1570.00-1670.00	-20	1670.00-1720.00	71.21-75.75

China

CIF China assessments for both the non-oil 1502 and the oil-extended 1712 grades were kept unchanged amid muted discussions for import cargoes.

Local end-users continued to tap on the domestic supply pool for cargoes, and steered away from import purchases.

But domestic prices of SBR in east China were lower, tracking losses seen in the week prior in the upstream butadiene (BD) market.

East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	11,400-11,600	11,700-11,800

Southeast Asia

CFR SE Asian assessments for the non-oil 1502 grade were kept unchanged, taking into consideration rangebound offers from various mainstream northeast Asian suppliers.

But buying tempo was weak, and substantive transactions were limited.

As natural rubber prices have softened lately, some traders said that this may also dilute demand support for substitute products like SBR.

Assessments for the oil-extended 1712 grade are also rolled with stable 1502 grade assessments.

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

Dec 2023	(1-6) Nov 2023	Oct 2023	Sep 2023	Aug 2023	Jul 2023
143.75	148.42	145.26	142.65	130.22	131.31

Source: Malaysian Rubber Board

India

Spot trade discussions stalled as some downstream operations were disrupted by heavy flooding caused by [cyclone](#).

No fresh import offers were heard in the week, and the high end of the CFR India assessment for the non-oil 1502 grade was adjusted down with lower selling indications from some traders seeking to keep pace with pricing of locally produced materials.

The assessments for the oil-extended 1712 grade is adjusted in line with changes for the 1502 grade.

UPSTREAM

Butadiene

- Domestic China fell as buying fizzles out
- Import market sentiment dented too
- Limited regional supplies but no lack of arbitrage volumes

The chart below shows the spread between butadiene and SBR, which sunk deeper into the unhealthy zone.

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

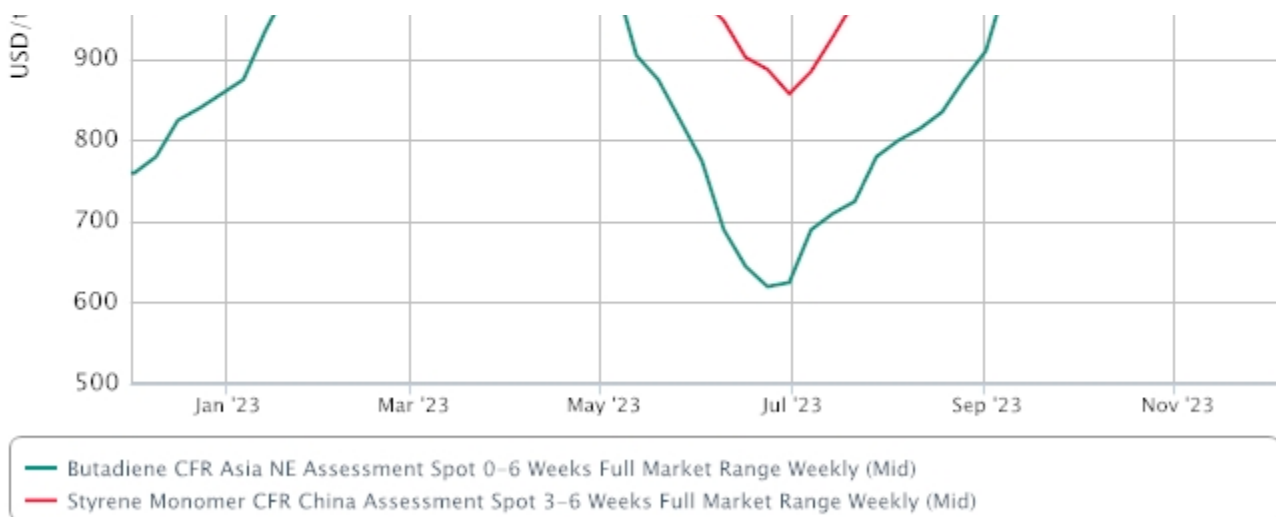


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Styrene:

- China market sentiments remain bearish
- Feedstock benzene market weakness largely hampering market players' sentiment
- Weak demand outlook outweighs December supply concerns





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PRODUCTION

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

OTHER REGIONS

Europe

- Market awaits styrene December contract
- December contract talks to begin
- Spot prices assessed as stable

US

- November SBR prices rise, tracking feeds
- Spot prices flat on weak demand
- Supplies sufficient to meet overall weak seasonal demand

ANALYTICS

ICIS crude outlook

The outlook for crude oil weakened over November amid plentiful supplies and a darkening economic backdrop. The ongoing growth in non-OPEC supply remains a key driver for oil supply expansion this year, loosening the supply and demand balance. Oil prices reacted with a limited uptrend to the November 30 OPEC Ministerial Monitoring Committee (JMMC) meeting, delving into complex talks over 2024 production cuts. The group's members reached a preliminary agreement to make 1m bbl/day of additional oil supply cuts alongside Saudi Arabia's extension of voluntary reduction of the same size. A deeper collective reduction combined with the extension of Saudi voluntary cuts is anticipated to balance out the oil surplus projected for early 2024. Crude oil flows into China are anticipated to decrease for the balance of Q4 amid declining refinery operating rates, limitations on distillates export quotas and diminished export margins. Forward prices for 2024 are influenced by the combined dynamics of non-OPEC and OPEC+ supply, global

and Chinese oil demand, as well as broader global economic developments and levels of geopolitical tension.

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

ICIS naphtha outlook

Fluctuations in crude prices have impacted pricing dynamics along the downstream segment of the value chain. Anticipated fluctuations in crude prices in December are expected to influence volatility in naphtha values in all regions. The flow of Russian oil products remained steady in November and is expected to edge up in December. Naphtha demand from the petrochemicals sector in December remains bearish as the propane-naphtha spread is forecast to remain wide in Europe, suggesting that naphtha will not easily find its way into the steam cracker units, which are expected to operate at reduced rates. The expectation is that Chinese gasoline and gasoil exports in December will continue to decline due to restricted export quotas and reduced export margins. However, forward-looking indicators remain positive as road mobility in China continues to increase.

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