



Styrene Butadiene Rubber (Asia-Pacific)

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

OVERVIEW

- **Tepid demand**
- **Sellers moderate offers**
- **Producers may cut operations**

Asian spot discussions for styrene butadiene rubber (SBR) slipped as demand languished.

Buying interest remained tepid amid subdued requirements from the key downstream automotive sector.

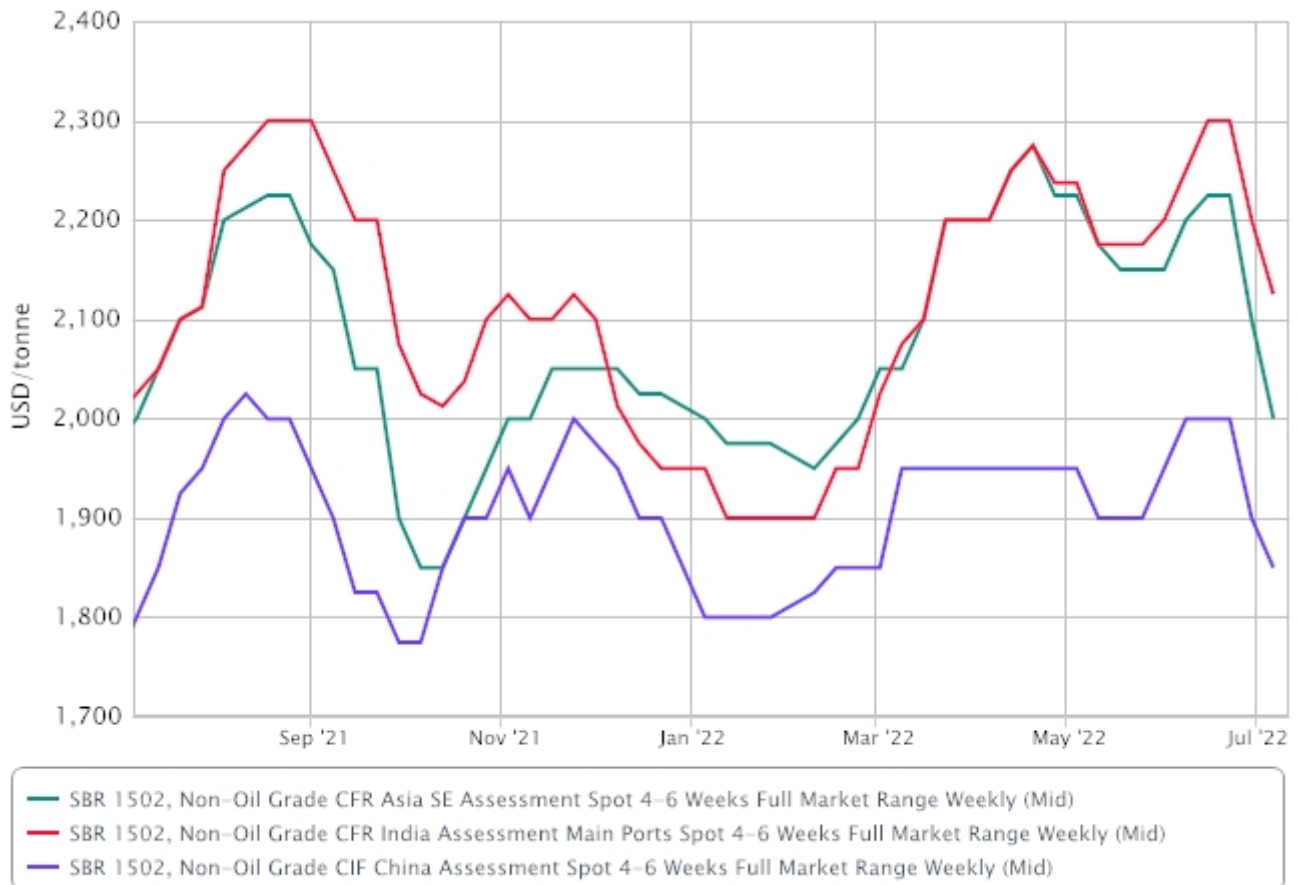
Sellers moderated their offers to induce demand, but the discounts generated little response from buyers.

As recession concerns mount, end-users were careful not to overstock on raw materials and preferred to defer fresh procurement decisions.

Potential buyers were also confident that while China's SBR export offers remain competitive, it will force other regional suppliers to review and scale down their expectations to remain competitive with their Chinese counterparts.

If that is the case, buyers said it is their interest to wait.

In the meantime and faced with poor demand conditions, some regional suppliers may [trim](#) operations to reduce any inventory build-up.



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OUTLOOK

- Supply will tighten if output cuts deepen
- Near term outlook to remain [murky](#)
- Wide buy-sell gap likely to persist

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	-50	1800-1900	-50	1950-2050	81.65-86.18
CFR Asia SE	USD/tonne	-100	1950.00-2050.00	-100	2150.00-2250.00	88.45-92.99
CFR India Main Ports	USD/tonne	-100	2000.00-2250.00	-50	2150.00-2350.00	90.72-102.06
SBR 1712, Oil-Extended						
CIF China	USD/tonne	-50	1700-1800	-50	1850-1950	77.11-81.65
CFR Asia SE	USD/tonne	-100	1850.00-1950.00	-100	2100.00-2200.00	83.91-88.45
CFR India Main Ports	USD/tonne	-100	1900.00-2150.00	-50	2100.00-2300.00	86.18-97.52

China

The CIF China assessment for non-oil 1502 grade was adjusted down on lower offers.

Local end-users were amply supplied by domestic material. They also steered clear of US dollar denominated imports given the weak yuan against the US dollar.

Domestic prices in China for 1502 SBR were stable-to-soft on muted buying tempo.

East China domestic SBR 1502 prices

Price (CNY/tonne)	06 Jul	29 Jun
E China Ex-Warehouse	12,200-12,400	12,300-12,400

Southeast Asia

CFR southeast Asia prices for non-oil 1502 grade were down, tracking discussions and deals heard for cargoes from different origins.

Deals for cargoes from regular suppliers in wider Asia were heard at the high end of the range, and the low end reflects offers for China-origin cargoes.

The CFR SE Asian assessment for oil-extended 1712 grade was adjusted down with changes seen for 1502 grade.

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

Jul 2022	(1-6) Jun 2022	May 2022	Apr 2022	Mar 2022	Feb 2022	Jan 2022
163.23	164.15	162.81	171.15	175.18	179.84	178.12

India

The CFR India assessment for non-oil 1502 grade also fell. The low end captures offers for China-origin material, and some northeast Asia-origin material was heard sold at the high end.

The CFR India assessment for oil-extended 1712 grade was adjusted down with changes seen for 1502 grade.

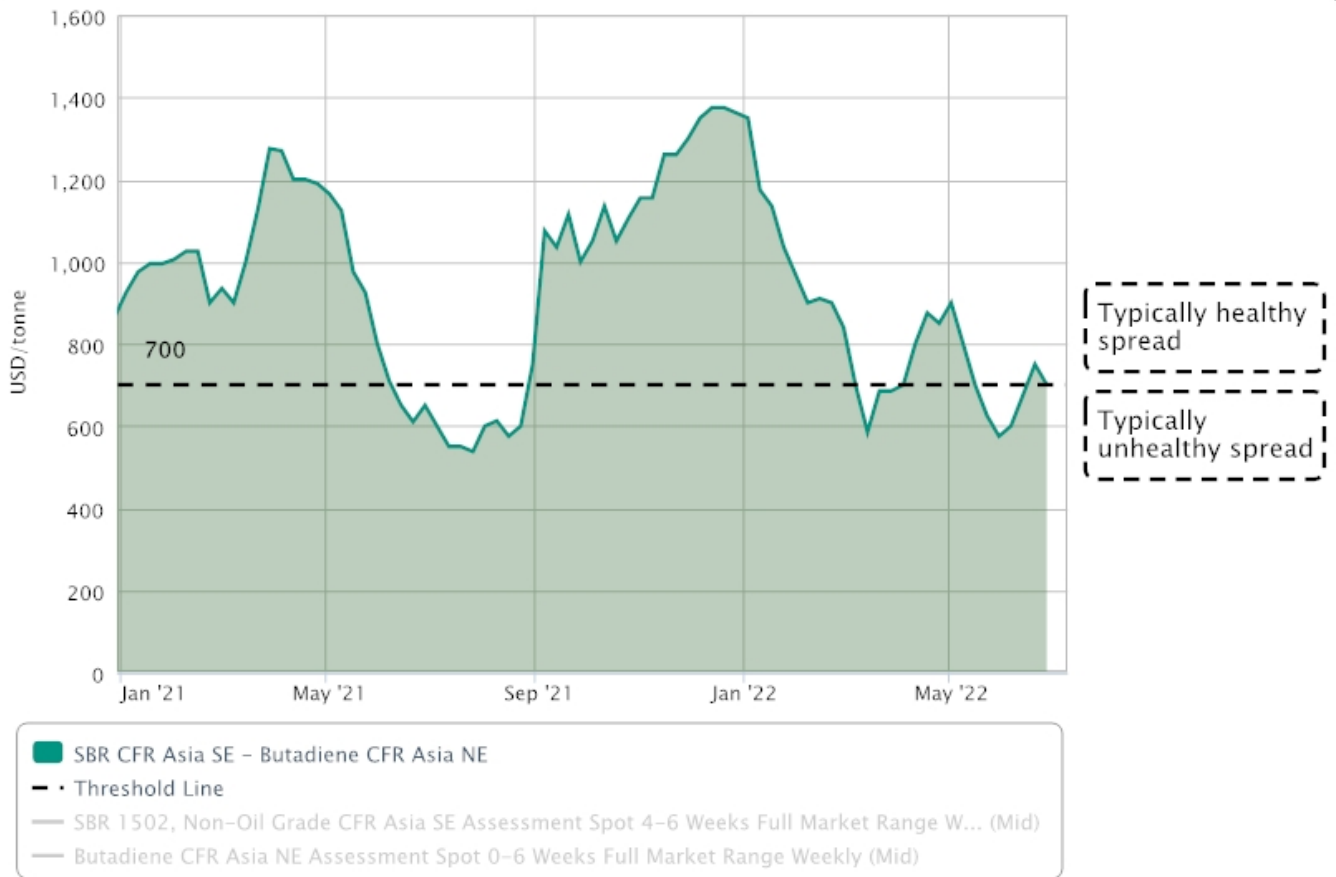
UPSTREAM

Butadiene

- Tepid demand
- Weak domestic China further dampen sentiment
- Supply tightness may ease if new plant start up on time

The chart below shows the spread between butadiene and SBR.

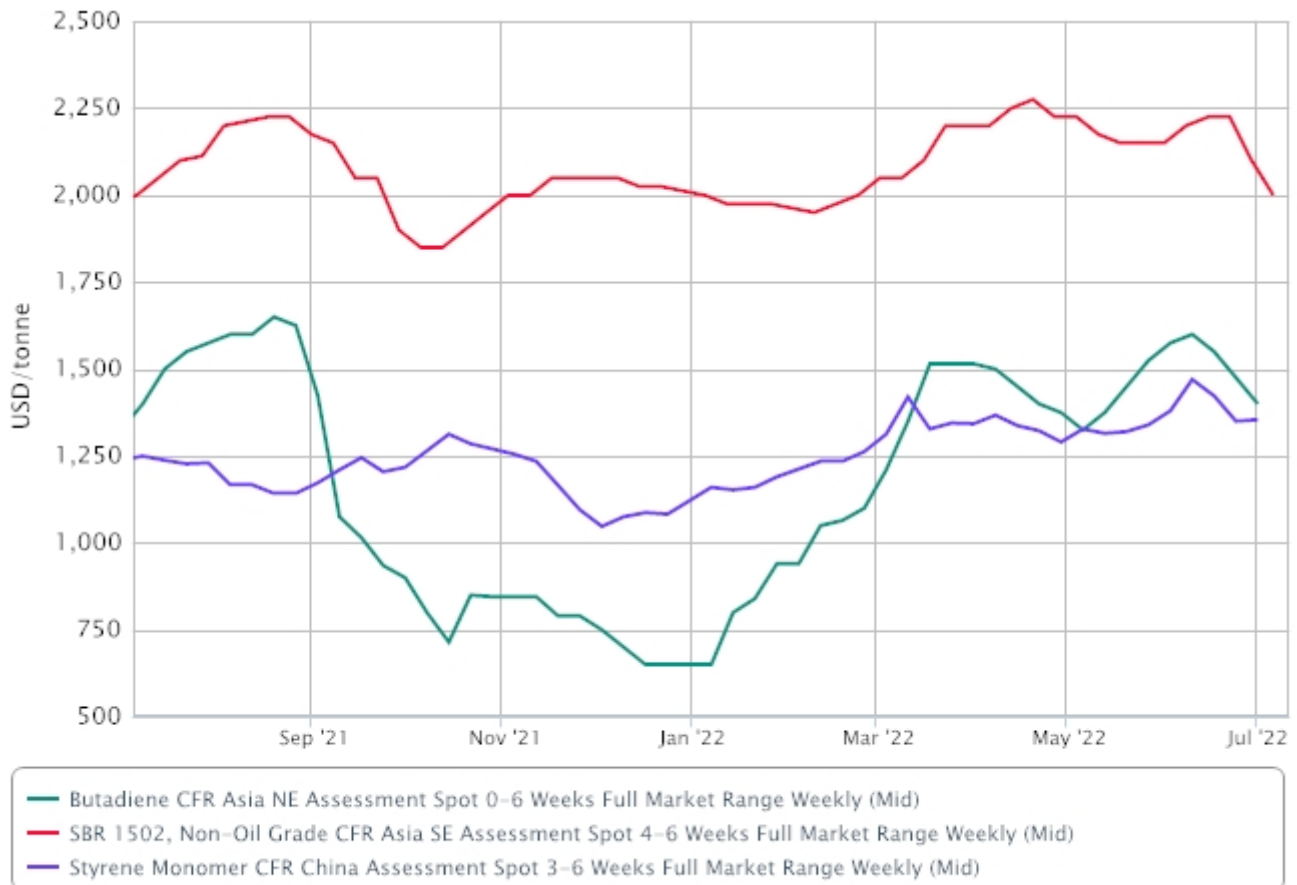
[Downstream spread – butadiene NE Asia and SBR SE Asia](#)



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Styrene:

- Slower trading momentum and fewer export enquiries from Asia to the west
- Regional demand remains weak on poor downstream sales
- Prompt shortage in domestic China buoys near-month prices



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PRODUCTION

Operating rates of local SBR plants in China held steady at 63 % in the week ended 1 July, unchanged from last week, sources said.

In the wider Asia market, SBR output is poised to tighten with [output cut](#) at a regional plant.

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

OTHER REGIONS

Europe

- Spot prices decline
- Demand slows in spot market
- Regular tyre demand still steady

US

- July pricing facing higher BD, SM, energy costs
- Supply sufficient even with upstream constraints
- Demand healthy despite curbed auto production

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