



Styrene Butadiene Rubber (Asia-Pacific)

By Ai Teng Lim
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[Overview](#) | [Outlook](#) | [Prices](#) | [Upstream](#) | [Production](#) | [Other Regions](#) | [Analytics](#)

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

OVERVIEW

- **Offers moderated with upstream losses**
- **Buying interest tepid**
- **Demand outlook hazy**

Discussions for Asian styrene-butadiene-rubber (SBR) imports were muted this week as buying interest faltered under the weight of a weak upstream market and hazy demand outlook.

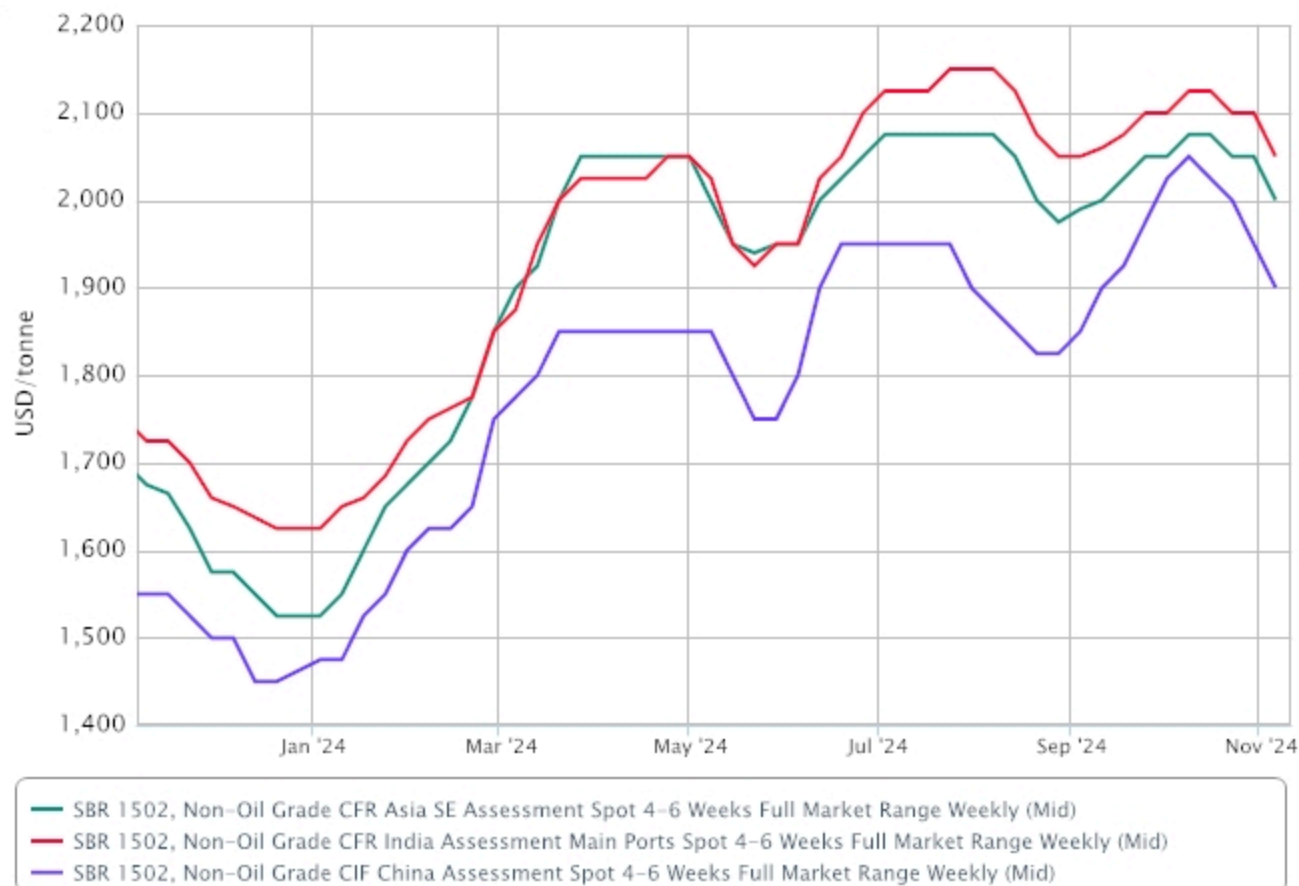
In China, domestic yuan-denominated values for SBR remain under pressure, in part because of plummeting prices for feedstock butadiene ([BD](#)).

This invariably weighed on market sentiment for US dollar denominated imports, not just for China-bound shipments, but also for deliveries to other regular outlets like southeast Asia and India.

For one, end-users were hesitated to commit, as they believe that offers will continue to soften going forward if the upstream BD market does not recover soon, and that therefore, it is to their advantage to stave off SBR purchases until later.

Many also wanted to see how market conditions in the key China outlet may trend going forward, amid several developments from impending Administration change in the US to an ongoing [tariff](#) on exports of China-made electric vehicles to Europe.

Meanwhile, some regional SBR makers also moderated offers to induce buying, but discounts are capped, market sources said, as most regional sellers do not have many surplus volumes to sell.



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OUTLOOK

- Offers may tap spot supply constraints for some support
- But sustained upstream losses may weigh on sellers' confidence
- Demand to hinge on China's growth trajectory

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	-50	1850-1950	-50	2000-2100	83.91-88.45
CFR Asia SE	USD/tonne	-50	1950.00-2050.00	-50	2000.00-2150.00	88.45-92.99
CFR India Main Ports	USD/tonne	-50	2000.00-2100.00	-50	2050.00-2200.00	90.72-95.25
SBR 1712, Oil-Extended						
CIF China	USD/tonne	-50	1800-1900	-50	1950-2050	81.65-86.18
CFR Asia SE	USD/tonne	-50	1900.00-2000.00	-50	1950.00-2100.00	86.18-90.72
CFR India Main Ports	USD/tonne	-50	1950.00-2050.00	-50	2000.00-2150.00	88.45-92.99

China

CIF China assessments for the non-oil 1502 grade are lowered with more muted buy-sell indications for imports. Sellers of imports priced down to protect market share against cheaper products in the domestic yuan-denominated supply pool.

CIF China assessments for the oil-extended 1712 grade are adjusted down with 1502 grade changes.

Domestic prices in east China softened further with extended losses in the upstream feedstock market.

East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	15,300-15,700	15,700-16,000

Southeast Asia

CFR SE Asian assessments for the non-oil 1502 grade is down on high-end with a lower offer, while buying indications also fell at the low-end.

CFR SE Asian assessments for the oil-extended 1712 grade are adjusted with changes for the 1502 grade.

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

Nov (1-6) 2024	Oct 2024	Sep 2024	Aug 2024	Jul 2024	Jun 2024	May 2024	Apr 2024
200.85	207.08	196.02	179.89	168.65	176.00	170.03	162.99

Source: Malaysian Rubber Board

India

CFR India prices for the non-oil 1502 grade are adjusted down with lower buy-sell indications for northeast Asia origin cargoes.

But substantive discussions are limited, as not all players are back yet from extended Diwali celebrations.

CFR India prices for the oil-extended 1712 grade are also adjusted in line with the 1502 grade changes.

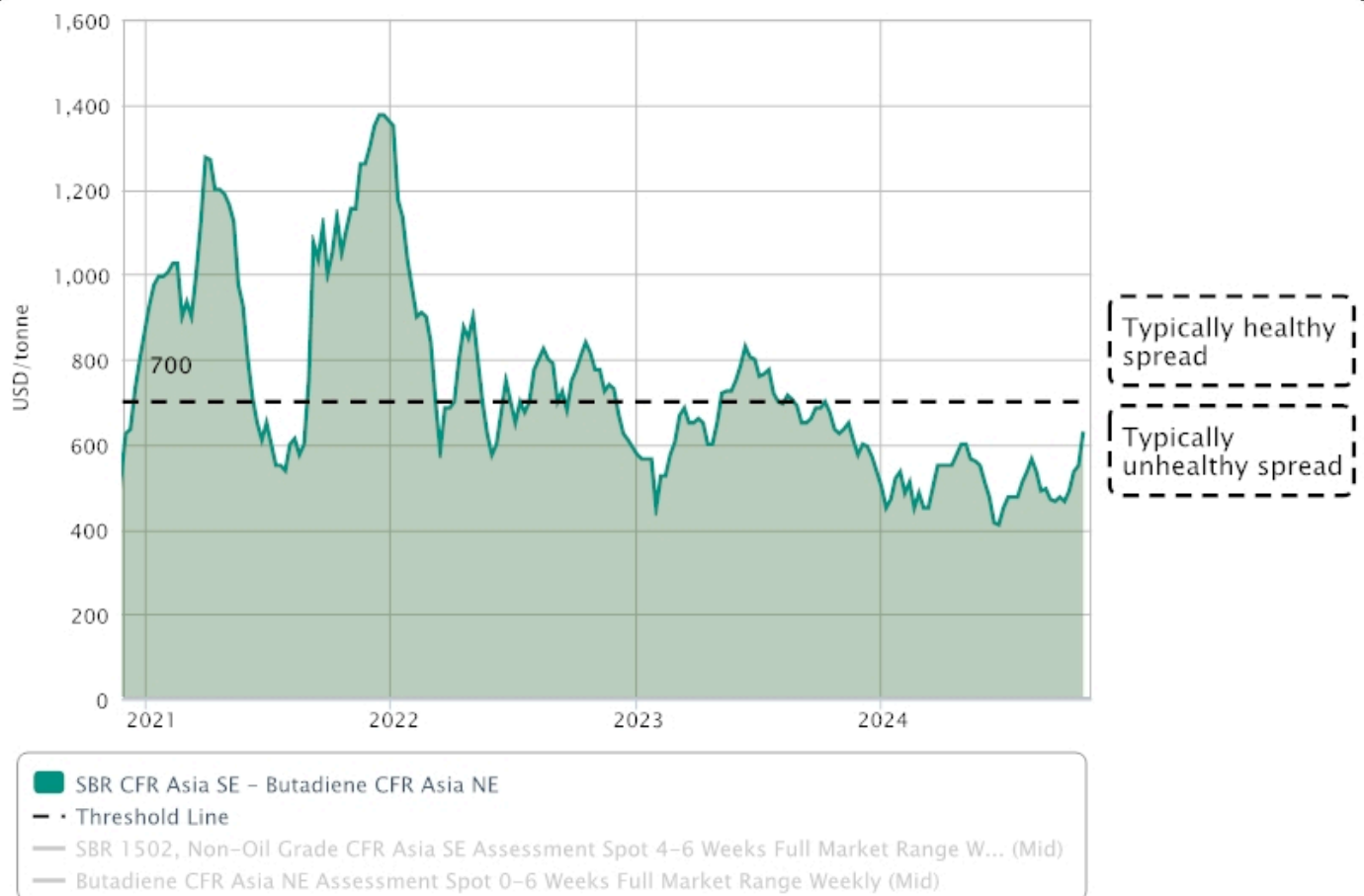
UPSTREAM

Butadiene

- Domestic China market extends losses
- Buying appetite for imports slumps in line
- Market deemed amply supplied

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

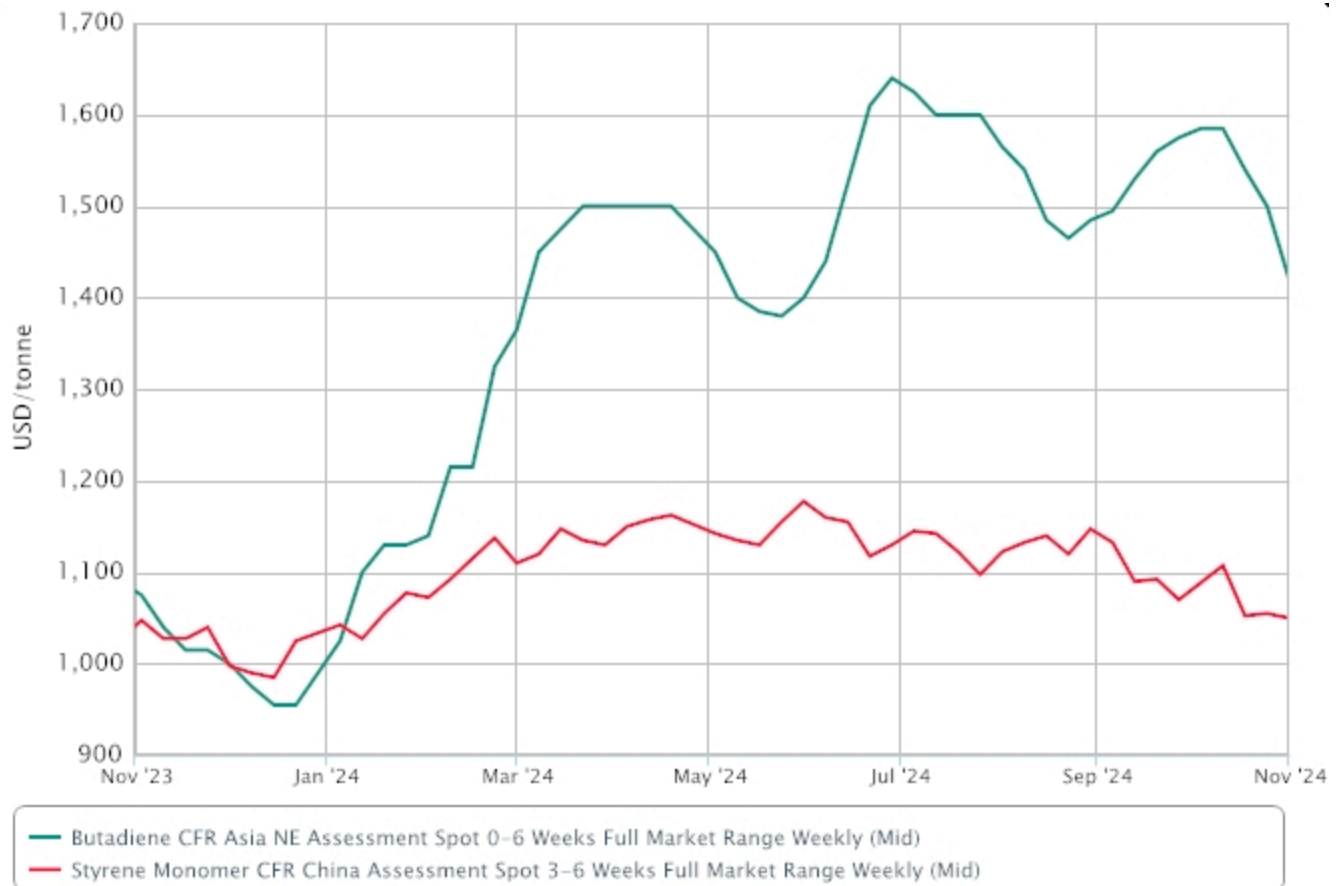
[Downstream spread – butadiene NE Asia and SBR SE Asia](#)



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Styrene

- China SM market continues fluctuating as market players assess fundamental outlook in H2 Q4
- East China's ZPC pauses three lines for maintenance; supply crunch expectations realized
- Slow regional spot liquidity persists as downstream users' year-end demand stays sluggish



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PRODUCTION

There is an ongoing maintenance at a 135,000 tonnes/year plant in northeast Asia but this is expected to [complete](#) within the month.

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

OTHER REGIONS

Europe

- Prices unchanged
- Conditions steady
- Market awaits upstream styrene November contract

US

- October SBR contract prices are stable to down on mixed feedstock costs
- [US SBR spot prices fall in over-correction and on easing production costs, specifically butadiene \(BD\)](#)
- All eyes on the [US presidential election](#) policy changes to [energy and chemical sectors](#)

ANALYTICS

ICIS crude outlook

The crude oil market faces a cautious close to Q4, with supply and demand dynamics finely balanced through November and December. OPEC+ is holding off on production increases until December, aiming to manage oversupply risks amid steady output growth from non-OPEC producers like the US and Brazil, which continues to weigh on prices. In China, economic stimulus efforts are expected to drive modest demand growth, but structural shifts, including a rise in electric vehicle use, may keep demand subdued. Meanwhile, heightened tensions in the Middle East, particularly between Israel and Iran, present potential risks of regional supply disruptions, adding an element of volatility. A strong US dollar also exerts downward pressure on oil prices as it raises costs for global buyers. As 2025 approaches, these complex factors are likely to sustain a cautious and potentially volatile oil market environment.

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

ICIS naphtha outlook

European naphtha demand is projected to decline for the rest of the year, due mainly to ongoing headwinds in manufacturing and the petrochemical industry. The naphtha market will be characterised by ample supply, as refinery maintenance season is coming to an end and crackers run at lower operating rates amid sluggish demand. Flexible crackers will continue to favour naphtha over LPG as feedstock. The naphtha arbitrage window to Asia is likely to narrow in the months to come as Asia will see new refineries coming on stream and gasoline demand relatively subdued due to ongoing electric vehicle penetration. China's new energy vehicle sales, which include pure and hybrid electric vehicles, exceeded fuel car sales in September for the second consecutive month.

By **Paolo Scafetta**, ICIS senior analyst, paolo.scafetta@icis.com

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