



Styrene Butadiene Rubber (Asia-Pacific)

By Ai Teng Lim
07-Dec-2022

[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

- **China's reopening cautiously welcomed**
- **But downward pressure still weighs on markets**
- **Concern over impact of Korea trucker strikes**

Asian styrene butadiene rubber (SBR) markets welcomed the news of China's easing COVID-19 restrictions with regards to its testing policy, as well as business and transport regulations.

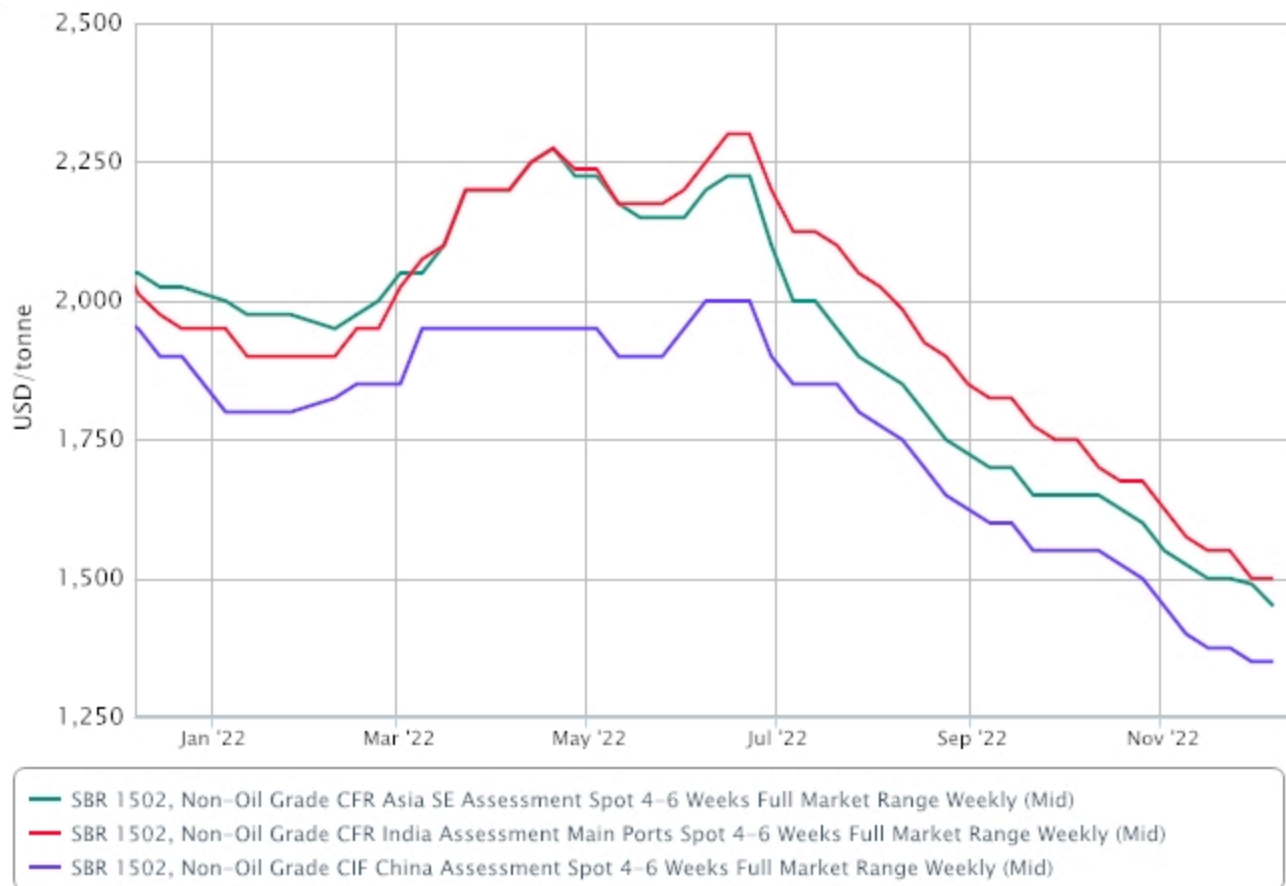
That said, there was a consensus that the impact of this news would take time to ripple outwards to the rest of the market with more momentum needed to see a potential needle shift on the demand end.

Market players were largely agreed that overall demand was still likely to be bearish in the immediate term with lower discussions heard for the week in the buying region of Southeast Asia.

Concern was also heard with the ongoing trucker strikes in [Korea](#) that have impacted cracker rates and delivery timings in some petrochemical markets.

While some market players anticipated that this might trigger some spot demand should the disruptions worsen, the wider impact on the SBR market is yet to be established.

Covering editor: Josh Quah



© 2022 ICIS

OUTLOOK

- Better demand clarity from China's reopening anticipated by year end
- Korea trucker strikes may trigger import spot demand if it worsens
- But near-term demand outlook remains largely bearish

PRICES

SPOT PRICES

| | | | Price Range | | Four Weeks Ago | US CTS/lb |
|--------------------------------|-----------|-----|-----------------|-----|-----------------|-------------|
| SBR 1502, Non-Oil Grade | | | | | | |
| CIF China | USD/tonne | n/c | 1300-1400 | n/c | 1350-1450 | 58.97-63.50 |
| CFR Asia SE | USD/tonne | -50 | 1400.00-1500.00 | -30 | 1450.00-1600.00 | 63.50-68.04 |
| CFR India Main Ports | USD/tonne | n/c | 1450.00-1550.00 | n/c | 1500.00-1650.00 | 65.77-70.31 |
| SBR 1712, Oil-Extended | | | | | | |
| CIF China | USD/tonne | n/c | 1250-1350 | n/c | 1300-1400 | 56.70-61.24 |
| CFR Asia SE | USD/tonne | -50 | 1350.00-1450.00 | -30 | 1400.00-1550.00 | 61.24-65.77 |
| CFR India Main Ports | USD/tonne | n/c | 1400.00-1500.00 | n/c | 1450.00-1600.00 | 63.50-68.04 |

China

The CIF China assessment for the non-oil 1502 grade were stable on rangebound indications.

Assessments for the oil-extended 1712 grades were kept unchanged in line with a stable 1502 grade assessment.

Domestic SBR prices in east China were stable to firm on improved sentiment regarding China's COVID-19 policy.

East China domestic SBR 1502 prices

| Price (CNY/tonne) | 07 Dec | 30 Nov |
|----------------------|---------------|---------------|
| E China Ex-Warehouse | 10,600-10,700 | 10,600-10,650 |

Southeast Asia

The CFR SE Asia assessment for the non-oil 1502 grade fell with weaker buy-sell indications for Asia-origin materials.

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

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

| Dec (1-7) 2022 | Nov 2 022 | Oct 2022 | Sep 2022 | Aug 2022 | Jul 2022 | Jun 2022 | May 2022 | Apr 2022 | Mar 2022 | Feb 2022 | Jan 2022 |
|----------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 135.8 | 127.3 | 130.5 | 134.1 | 149.7 | 158.8 | 164.1 | 162.8 | 171.1 | 175.1 | 179.8 | 178.1 |
| 2 | 2 | 2 | 2 | 4 | 3 | 5 | 1 | 5 | 8 | 4 | 2 |

India

The CFR India assessment for the non-oil 1502 grade was kept unchanged, tracking rangebound talks for Asia-origin materials.

But buying appetite remains under pressure given the availability of aggressively-priced deep-sea origin materials.

The CFR India assessment for the oil-extended 1712 grade was kept unchanged in line with the stable 1502 grade assessment.

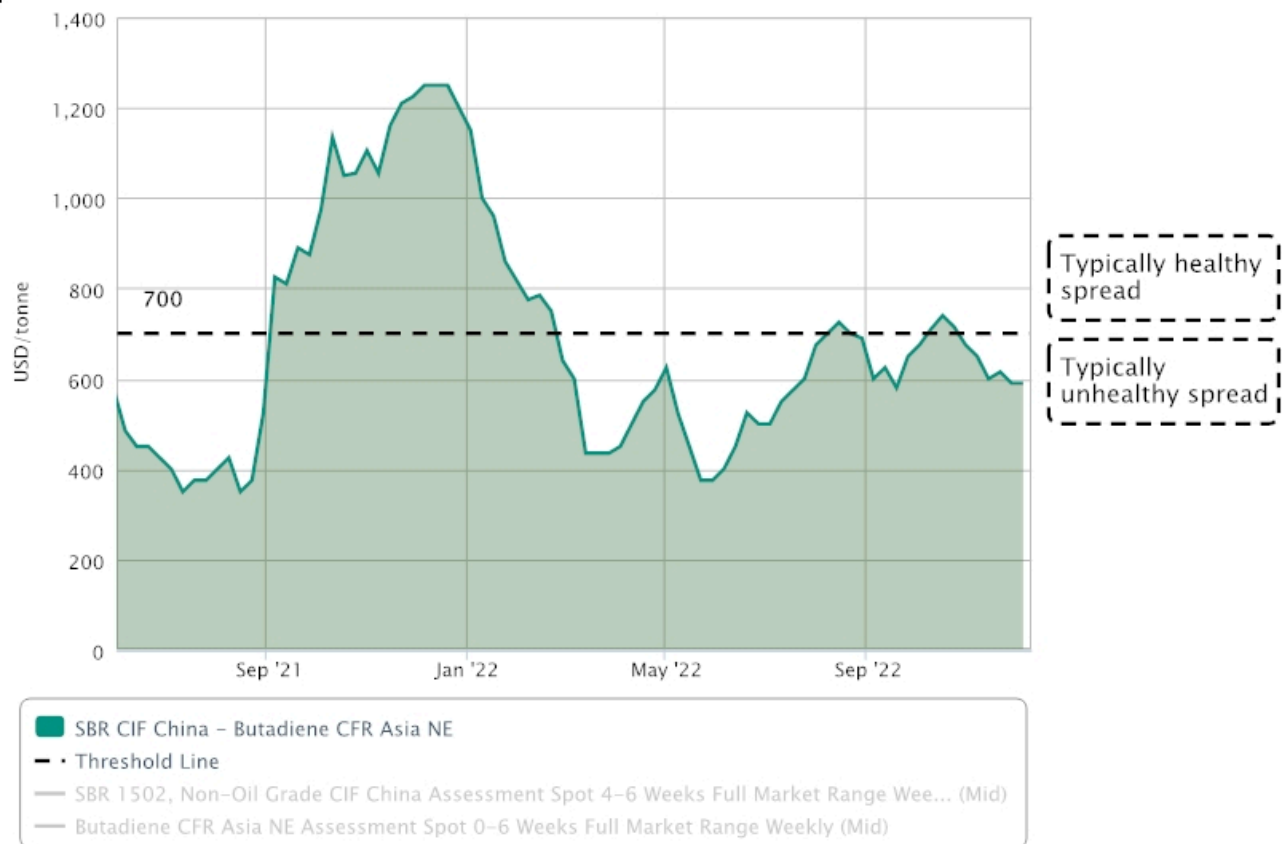
UPSTREAM

Butadiene (BD)

- Import spot talks stall
- Limited spot availabilities
- Poor demand support

The chart below shows the spread between butadiene and SBR.

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



© 2022 ICIS

Styrene:

- Significant market volatility during the week ended 2 Dec
- CFR China market mainly driven by COVID-19 policy changes
- Sluggish spot activities in the rest of Asia



© 2022 ICIS

PRODUCTION

Regional SBR spot availabilities are poised to rise now that turnarounds have been completed across [Japan](#) and [China](#).

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

OTHER REGIONS

Europe

- Upstream Dec BD contract price falls, styrene price to settle this week
- Spot prices adjusted slightly downward, pending further feedback
- Supply and soft demand unchanged week on week

US

- December contracts decrease with feedstocks
- Spot prices decrease with contracts
- Supply sufficient to meet waning demand

ANALYTICS

ICIS Downstream Automotive Demand Outlook

Global light vehicle sales contracted by 5.5% month on month in September to 86m units/year from 91m units/year in August (Oxford Economics). Geopolitical tension has worsened the supply situation for semiconductor (IC) chips. The three key critical regions for IC chips are Russia (supplying key input materials such palladium, neon gas, etc), Ukraine (supplying 90% of neon gas) and Taiwan and China (accounting for approx. 22% and 16% of IC chips supply, respectively).

According to the US Census Bureau, US light vehicle sales increased by 9.8% month on month in October with total sales of 14.9m units. Inventories continues to be lean. The finished inventory to sales ratio (its calculated by dividing inventory by sales) decreased to 0.642 in September. High inflation, slumping consumer confidence and tighter monetary policy will weigh on consumer demand for automotives.

According to the European Automobile Manufacturers' Association (ACEA), EU passenger car registration increased by 9.6% in September compared with same month last year. However, the increase is a function of a lower 2021 base. The ACEA reported that Germany posted the biggest gain with a 14.1% increase, followed by Spain (+12.7%) and Italy (+5.4%). Commercial vehicle registration, on the other hand, contracted by 6.6%, with the exception of Spain, which reported a marginally positive result. There are concerns about balance sheets, with some producers struggling to survive in the short term. Long-term investments for trends, including tightening emission standards, a growing push to electrify and increasing shared car ownership have already left firms cash strapped.

According to the China Association of Automobile Manufacturers (CAAM), Chinese car production decreased by 2.7% month on month in October. However, it posted an increase by 11.1% year on year. China's inventory coefficient (calculated as inventory over sales) at auto dealers is quite high at 1.47 in September – with levels above 1.5 considered a warning. China Automobile Dealers Association (CADA) reported an improvement in inventory levels.

By **Jincy Varghese**, ICIS demand analyst, jincy.varghese@icis.com

Styrene Butadiene Rubber (Asia-Pacific) | 07-Dec-2022. ICIS accepts no liability for commercial decisions based on the content of this report. Unauthorised reproduction, onward transmission or copying of the Styrene Butadiene Rubber (Asia-Pacific) Report in either its electronic or hard copy format is illegal. Should you require a licence or an additional copy of the Styrene Butadiene Rubber (Asia-Pacific) Report, please contact ICIS at sales.uk@icis.com

ICIS, Quadrant House, The Quadrant, Sutton, Surrey, SM2 5AS. United Kingdom. ICIS accept no liability for commercial decisions based on the content of this report. Copyright violation is a serious offence. Any distribution or forwarding of information that is not expressly permitted by your subscription agreement is a copyright violation. ICIS uses software to monitor unauthorised electronic redistribution of reports.

© 2024 Reed Business Information Limited. ICIS is a member of RELX Group. www.icis.com  RELX™