



## 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

- **Offers spike with upstream gains**
- **Spot trade liquidity low**
- **Buy-sell gap widens**

Discussions were firmer in Asia's spot market for styrene butadiene rubber (SBR) as sellers [hiked](#) offers to keep pace with sharp increases in the upstream butadiene (BD) market.

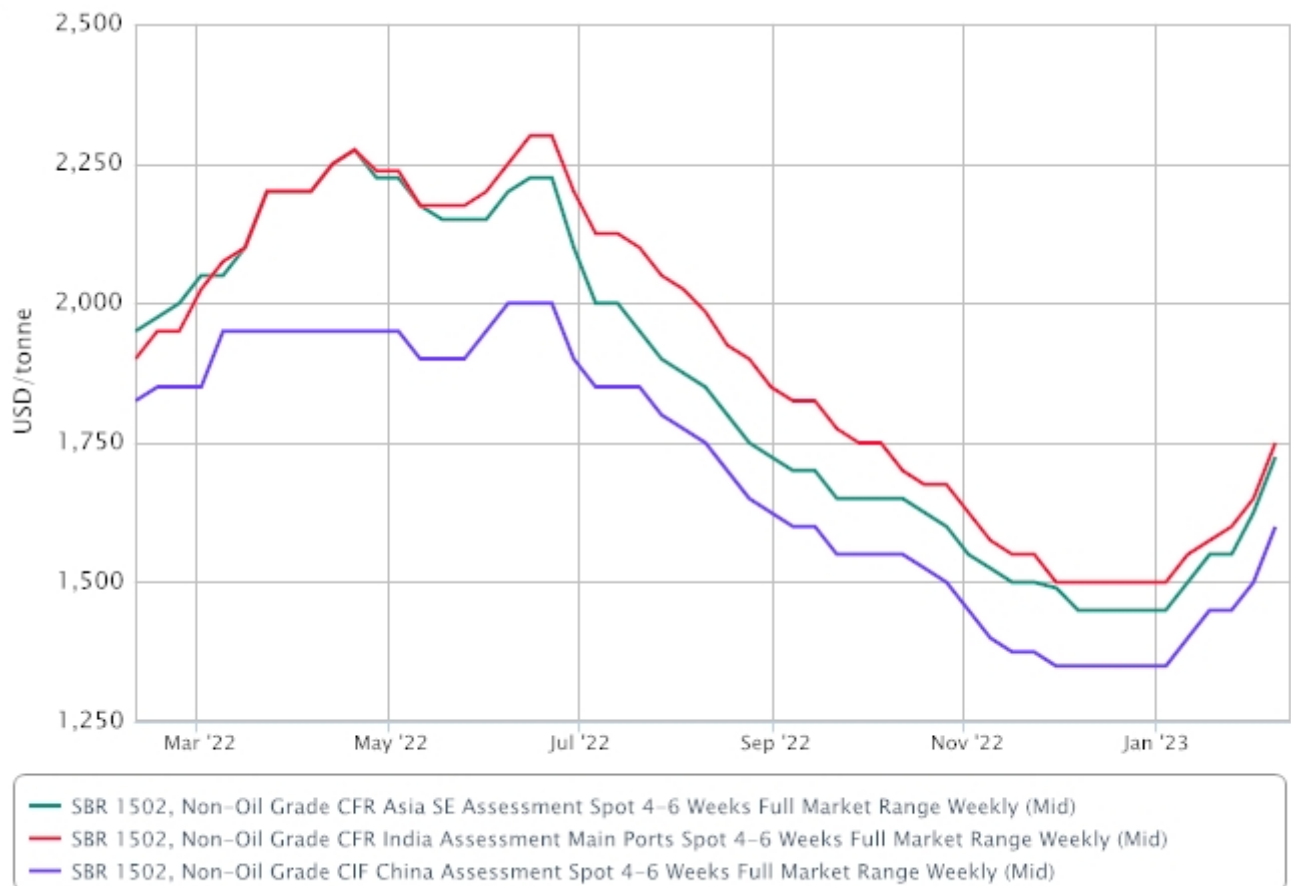
However, spot trade liquidity is capped, as in view of the extent of increases in SBR offers, many downstream end-users retreated in the week.

Despite the tepid response, SBR sellers said that they would press on with the firmer offers, as long as upstream cost pressures do not ease.

Should sales still languish, SBR makers indicated that rather than moderating offers to induce buying, they stood ready to trim operating rates instead to reduce usage of BD and maintain costs.

Sentiment is mixed on the buy-side. Most said that as they have already covered February requirements with prior purchases, they could wait and see first before commencing fresh March discussions.

However, some were heard contemplating raising bids now to secure some more volumes before offers rise further later if upstream gains continue to extend.



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## OUTLOOK

- Upstream strengths will lend support to offers
- China's recovery to drive buying tempo
- Natural rubber price trends may impact demand

## PRICES

### SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
<b>SBR 1502, Non-Oil Grade</b>						
<b>CIF China</b>	USD/tonne	+50	1500-1700	+150	1350-1450	68.04-77.11
<b>CFR Asia SE</b>	USD/tonne	+50	1650.00-1800.00	+150	1450.00-1550.00	74.84-81.65
<b>CFR India Main Ports</b>	USD/tonne	+50	1650.00-1850.00	+150	1500.00-1600.00	74.84-83.91
<b>SBR 1712, Oil-Extended</b>						
<b>CIF China</b>	USD/tonne	+50	1450-1650	+150	1300-1400	65.77-74.84
<b>CFR Asia SE</b>	USD/tonne	+50	1600.00-1750.00	+150	1400.00-1500.00	72.57-79.38
<b>CFR India Main Ports</b>	USD/tonne	+50	1600.00-1800.00	+150	1450.00-1550.00	72.57-81.65

## China

CIF China prices for the non-oil 1502 grade were assessed as higher, with firmer selling indications at the high-end.

However, there was no buy-side response for imports, as prevailing domestic requirements were amply covered by domestic supplies, market players said. The low-end was raised on a notional basis, tracking similar low-end changes for other regions.

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

Domestic SBR prices in east China softened, with slower-than-expected buying from downstream sectors.

### East China domestic SBR 1502 prices

Price (CNY/tonne)	08 Feb	01 Feb
E China Ex-Warehouse	11,500-11,600	11,700-11,800

## Southeast Asia

CFR SE Asian prices for the non-oil 1502 grade surged with firmer offers for March cargoes, while remnant discussions and deals for limited February cargoes were reflected at the low-end.

Assessments for the oil-extended 1712 grade were adjusted up with the 1502 grade changes.

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

Feb 2023	(1-8) Jan 2023	Dec 2022	Nov 2022	Oct 2022	Sep 2022	Aug 2022
141.40	140.11	135.03	127.32	130.52	134.12	149.74

## India

Higher CFR India offers emerged for March shipment of non-oil 1502 grade materials and these formed the high-end.

Buyers were hesitant and buying indications were heard at the low-end, similar to their last highest trades for February cargoes.

CFR India assessments for the oil-extended 1712 grade were adjusted in line with changes for the 1502 grade.

## UPSTREAM

### BD

- Domestic China stays on a bull run
- Firm China demand for imports to plug domestic shortfall
- Import discussions spike in line

The chart below shows the spread between BD and SBR prices.

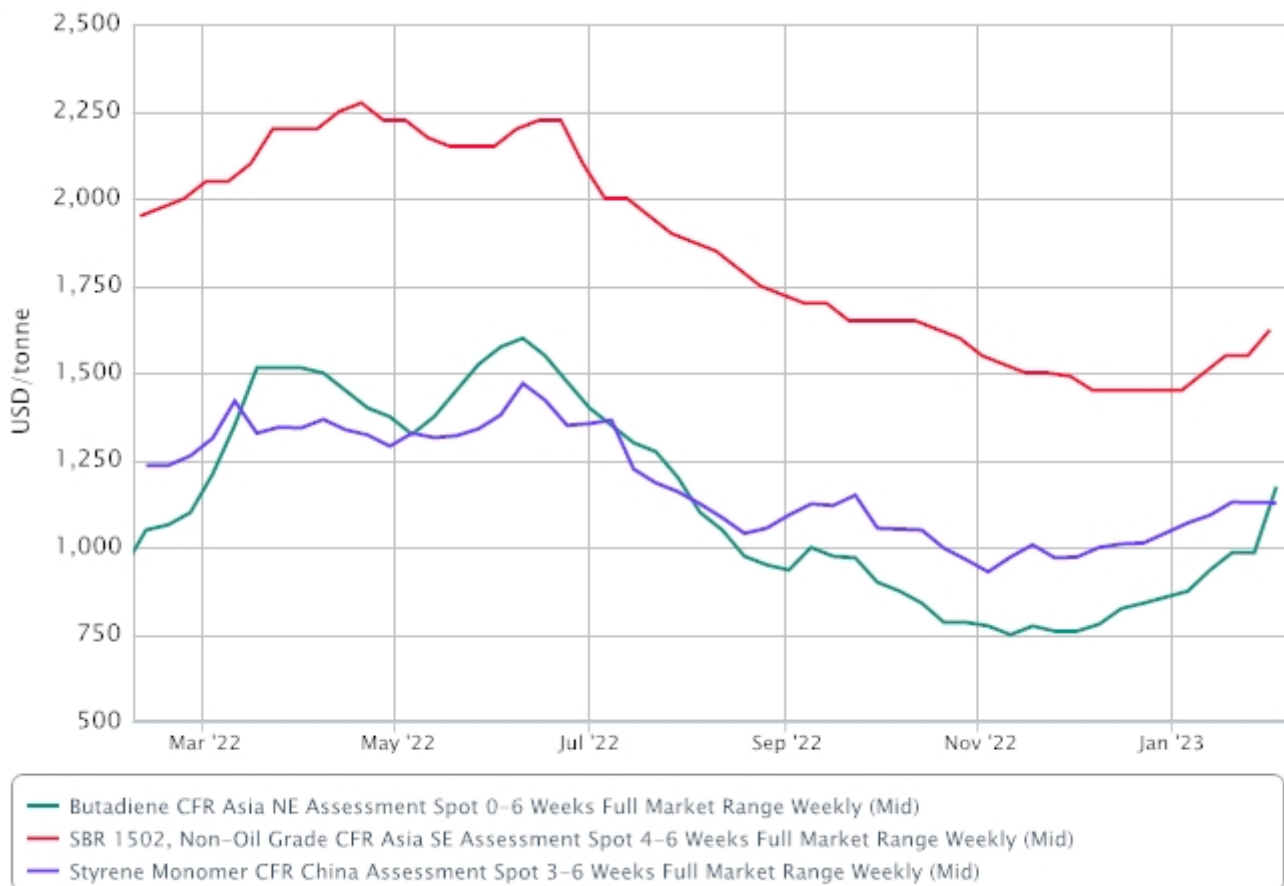
[Downstream spread – butadiene NE Asia and SBR SE Asia](#)



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**Styrene**

- Limited spot SM appetite in Asia
- High China shore-tank inventory level pushes participants to the sidelines
- Market participants waiting for further clarity in the following weeks



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## PRODUCTION

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

## OTHER REGIONS

### Europe

- February SBR contract talks just starting
- Styrene February contract price up slightly
- Spot SBR prices steady

### US

- [February BD settles flat](#)
- [US Goodyear cutting jobs, citing weak demand in EMEA](#)
- Supplies sufficient to meet demand

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