



## 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.

### OVERVIEW

- **Weak domestic China dents wider Asian sentiment**
- **Buyers pull back**
- **Unyielding cost pressures for wider Asian producers**

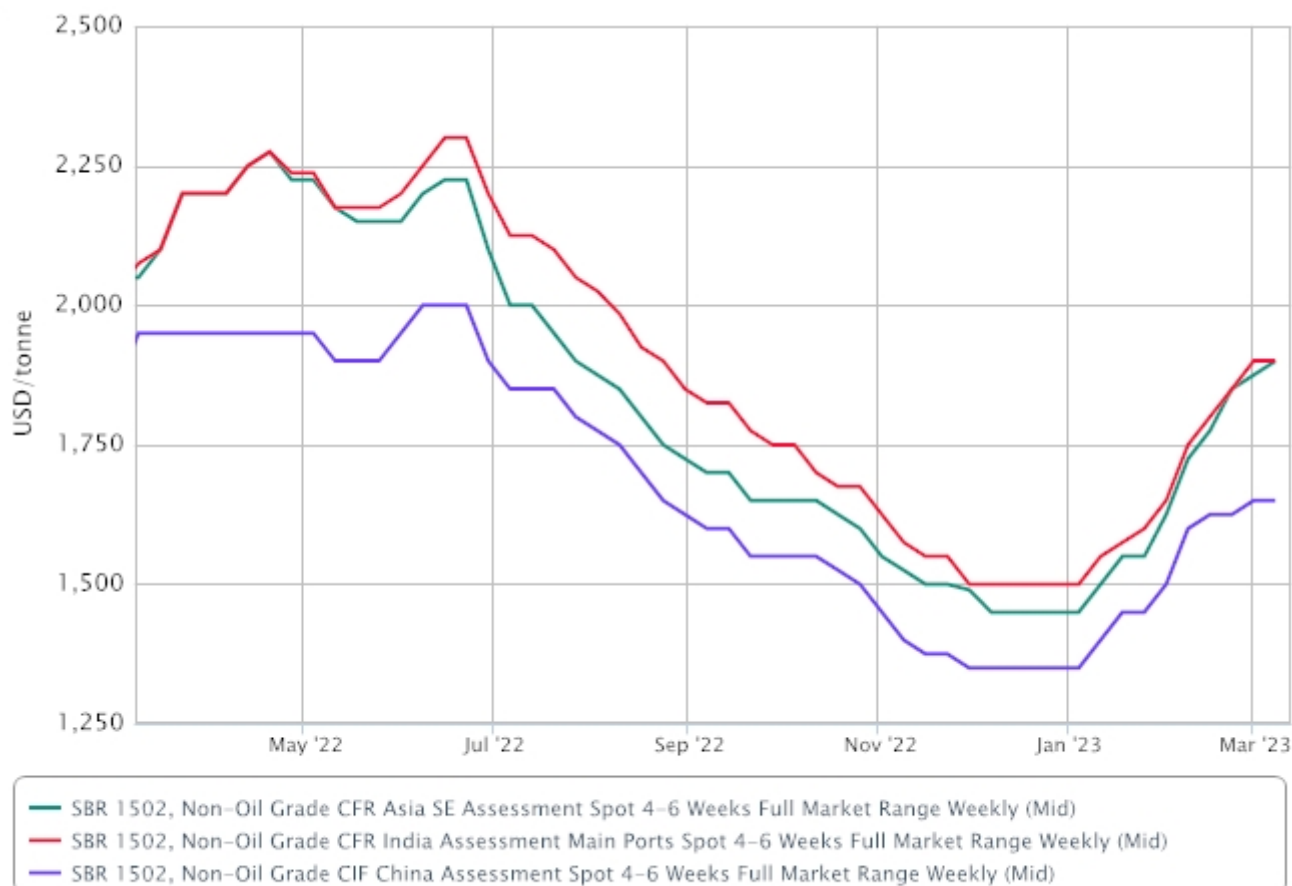
Sentiment in Asia's styrene-butadiene-rubber (SBR) spot market was [weighed down](#) by domestic losses seen in China.

Trade discussions in wider Asia took a pause as many buyers held back to see if slower domestic sales in China will translate into increased export availability.

The overall [outlook](#) for Asia is still murky despite an improvement in manufacturing sector performance for February.

Buyers therefore remained cautious and kept spot procurements to a minimum.

Wider Asian producers held fast to existing offers, on the grounds that upstream costs have not eased and margins remain compressed.



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## OUTLOOK

- Pricing sentiment to shift with upstream market conditions
- Demand uncertainties prevail
- All eyes remain on China's [economic recovery](#) trajectory

## PRICES

### SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
<b>SBR 1502, Non-Oil Grade</b>						
<b>CIF China</b>	USD/tonne	n/c	1600-1700	n/c	1500-1700	72.57-77.11
<b>CFR Asia SE</b>	USD/tonne	+50	1850.00-1950.00	n/c	1650.00-1800.00	83.91-88.45
<b>CFR India Main Ports</b>	USD/tonne	n/c	1850.00-1950.00	n/c	1650.00-1850.00	83.91-88.45
<b>SBR 1712, Oil-Extended</b>						
<b>CIF China</b>	USD/tonne	n/c	1550-1650	n/c	1450-1650	70.31-74.84
<b>CFR Asia SE</b>	USD/tonne	+50	1800.00-1900.00	n/c	1600.00-1750.00	81.65-86.18
<b>CFR India Main Ports</b>	USD/tonne	n/c	1800.00-1900.00	n/c	1600.00-1800.00	81.65-86.18

## China

The CIF China assessments for both non-oil 1502 and oil-extended 1712 grades were kept unchanged on muted discussions.

Local end-users turned fully to domestic supplies rather than imports.

Domestic China prices declined with losses seen in yuan-denominated feedstock butadiene (BD) prices.

### East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	11,600-11,800	11,900-12,000

## Southeast Asia

The CFR SE Asia assessment for non-oil 1502 grade narrowed, with the low end up to reflect the full spectrum of trades heard in the week.

Transaction volumes were modest as buyers kept to purchasing on a need-basis. Discussions were focused on Asian, but non-China origin material, market players said.

The assessment for oil-extended 1712 grade was adjusted with the change in 1502 grade.

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

Mar (1-8) 2023	Feb 2023	Jan 2023	Dec 2022	Nov 2022	Oct 2022	Sep 2022	Aug 2022
140.48	140.11	140.11	135.03	127.32	130.52	134.12	149.74

## India

CFR India prices for non-oil 1502 grade held steady on rangebound discussions and limited deals for duty-free cargoes from regular northeast Asian suppliers.

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

## UPSTREAM

### Butadiene (BD)

- Some short-covering purchases at higher levels
- But sentiment fell thereafter alongside domestic China losses
- Discussions are dampened late week

The chart below shows the spread between butadiene and SBR.

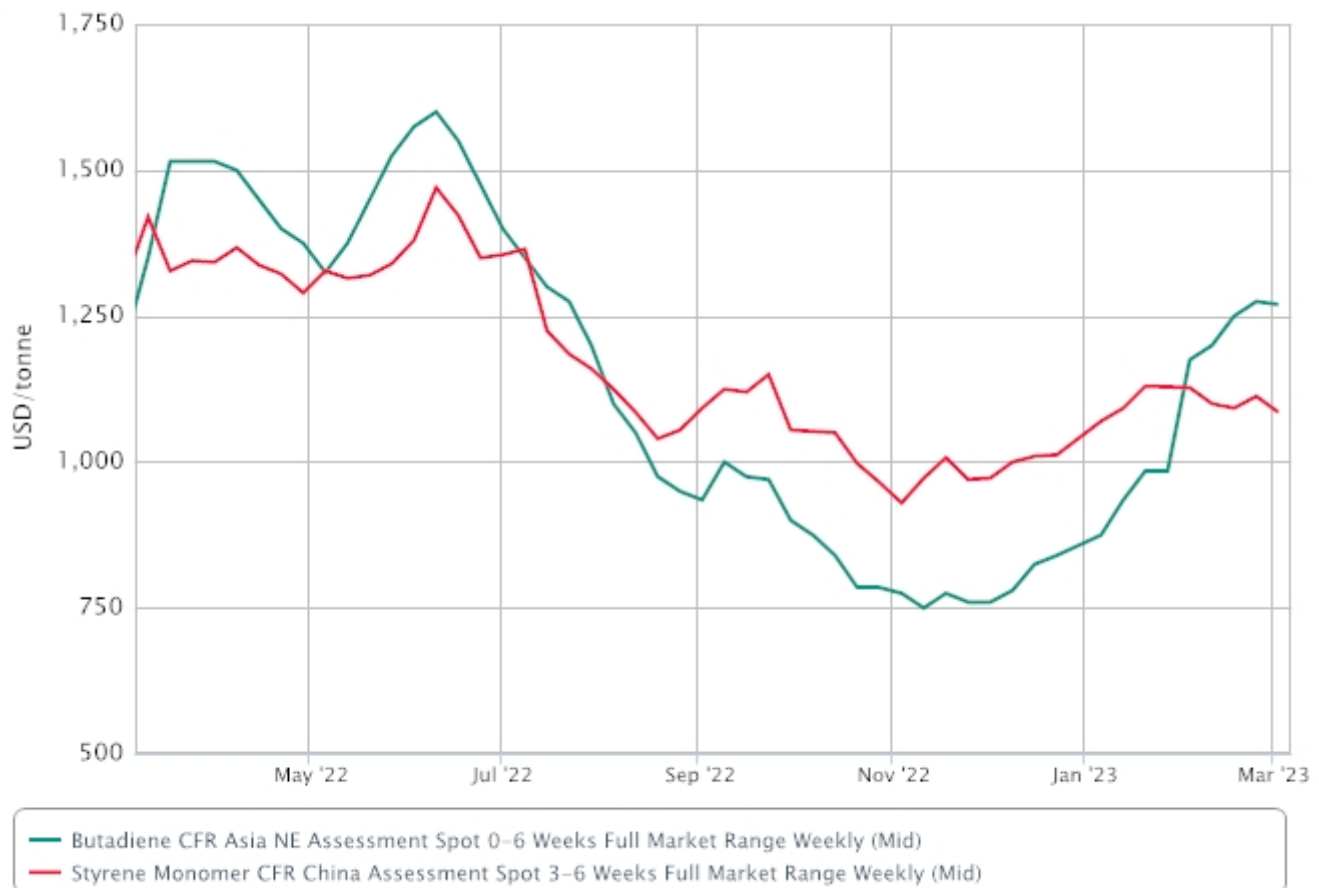
[Downstream spread – butadiene NE Asia and SBR SE Asia](#)



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**Styrene:**

- Spot appetite sees marginal recovery
- CFR China offers improve
- Chinese domestic market and CFR China price disparity eases



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## PRODUCTION

Regional supply will remain weighed down by an [upcoming](#) maintenance in April-May. Some rubber makers are also mulling output cuts if sales do not improve.

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

## OTHER REGIONS

### Europe

- EU's tenth sanction package against Russian imports; includes carbon black and synthetic rubber
- Upstream styrene March contract decreases by triple digits
- March SBR contract talks in early stages

### US

- March BD rolls over, causing minimal change to March SBR
- US 2023 tyre shipments expected to exceed 2022, 2019
- Supplies sufficient to meet demand

## ANALYTICS

### ICIS Crude Outlook

A panel of OPEC+ members left production quotas unchanged at a meeting in February. In January, OPEC's actual production volume was 28.88m bbl/day, a drop of 49,000 bbl/day month on month. However, global oil

production is expected to increase by about 1m bbl/day in 2023. EU sanctions on Russian oil exports came into full effect on 5 February. Russia reacted with an announcement that it would cut its oil production by 500,000 bbl/day starting in March. On the demand side, global oil consumption is likely to rise by about 2m bbl/day in 2023, mostly driven by Chinese economic growth. Still, concerns over global economic growth remain. Chinese refinery throughputs showed a modest increase in February despite higher expectations. India continued to import record volumes of seaborne Russian crude oil.

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### ICIS Naphtha Outlook

Due to the extension of the EU ban to include Russian refined products as of 5 February, seaborne volumes of the country's refined oil products, including 1m bbl/day of diesel, naphtha, and other fuels need to find a home elsewhere. Naphtha stocks at the key European trading hub of ARA dropped by over 20% in the most recent week in February, the lowest in nearly two months, as the much-anticipated sanctions on Russian refined products kicked in. Naphtha cracks remained steady in February supported by bullish sentiment in Q2. However, prices may rise as the full EU ban on Russian material sets in. Refiners expect margins to remain robust this year because of EU sanctions on Russian fuels and a rebound in Chinese demand. Asian naphtha markets are likely to come under pressure in the first half of 2023 as the region prepares to absorb additional Russian supplies.

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