



Styrene Butadiene Rubber (Asia-Pacific)

By Ai Teng Lim
09-Jun-2021

[Overview](#) | [Outlook](#) | [Prices](#) | [Upstream](#) | [Production](#) | [Other Regions](#)

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

OVERVIEW

- **Sentiment still soft**
- **Buying slow across region**
- **Lower offers heard**

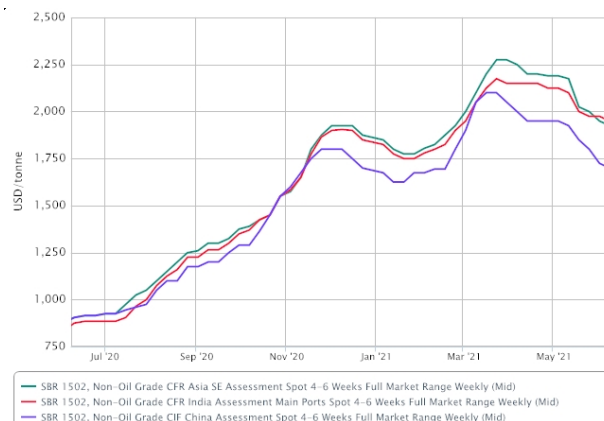
Asian spot import prices for styrene-butadiene-rubber (SBR) were stable-to-soft, tracking lower offers heard, as some sellers moderated expectations to bridge the gap with buyers in order to move volume.

However, it remains to be seen if sellers will widen discounts in the coming weeks to induce sales, as a recent uptick in the upstream butadiene (BD) market stoked concerns about an erosion in margins for SBR makers.

End-user buying appetite remains curbed by lingering apprehension about how the downstream markets will be impacted if coronavirus-related restrictions in the region fail to ease as expected in the second half of June.

As it is, demand is [seasonally lower](#) in Q3, and the [outlook](#) is further weighed down by supply chain issues, market players said.

However, because spot availability is limited as several regional plants are shut for turnarounds, sellers with cargoes on hand were hopeful that this will provide support in negotiations that they have with buyers who have concrete requirements.



© 2021 ICIS

OUTLOOK

- **Upstream pricing to be monitored**
- **Coronavirus to continue to weigh on demand**
- **Supply in China may grow**

PRICES

SPOT PRICES

				Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade							
CIF China	USD/tonne	n/c	1650-1750	-50	1900-1950	74.84-79.38	
CFR Asia SE	USD/tonne	-50	1850.00-2000.00	n/c	2150.00-2200.00	83.91-90.72	
CFR India Main Ports	USD/tonne	n/c	1900.00-2000.00	-50	2050.00-2150.00	86.18-90.72	
SBR 1712, Oil-Extended							
CIF China	USD/tonne	n/c	1550-1650	-50	1800-1850	70.31-74.84	
CFR Asia SE	USD/tonne	-50	1750.00-1900.00	n/c	2050.00-2100.00	79.38-86.18	
CFR India Main Ports	USD/tonne	n/c	1800.00-1900.00	-50	1950.00-2050.00	81.65-86.18	

China

CIF China prices for the non-oil 1502 grade were assessed lower on the high end, tracking lower offers heard.

There were limited talks for oil-extended 1712 grade. CIF China prices were adjusted in line with changes for non-oil 1502 grade.

Demand for imports remained undermined by the availability of more competitively-priced domestic supplies.

Domestic China prices fell as supply grew amid a seasonal demand lull.

East China domestic SBR 1502 prices

Price (CNY/tonne)	Current week	Previous week
E China Ex-Warehouse	11,800-11,900	12,100-12,200

Southeast Asia

CFR SE Asian prices for the non-oil 1502 grade were assessed in a wider range, with the low end reduced to capture the full spectrum of buy-sell pricing indications heard.

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

June (1-9) 2021	May 2021	Apr 2021	Mar 2021	Feb 2021	Jan 2021	Dec 2020	Nov 2020	Oct 20 20	Sep 20 20
166.66	169.09	164.72	175.25	169.16	158.41	157.61	156.50	152.31	136.85

Oil-extended 1712 grade prices in SE Asia were also adjusted in line with changes for the 1502 grade assessment, in the absence of any concrete business.

India

CIF Indian prices for non-oil 1502 grade were also stable-to-soft, as some offers were moderated amid lacklustre buying interest.

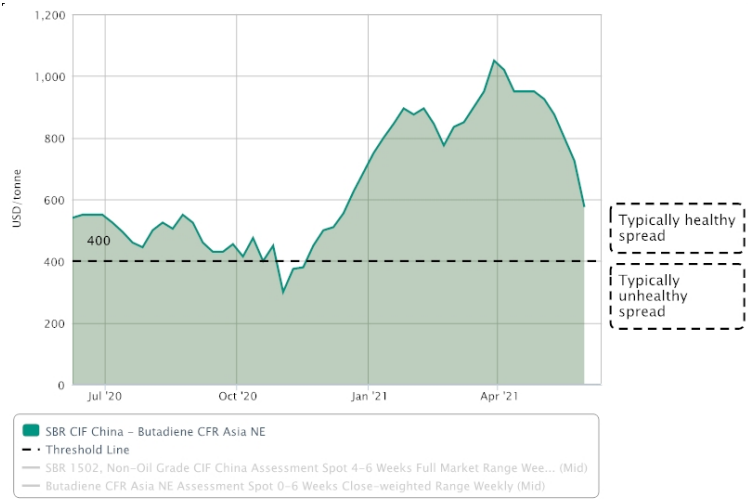
CFR Indian assessments for oil-extended 1712 grade were adjusted down on the high end, alongside changes in the 1502 grade, in the absence of concrete business.

UPSTREAM

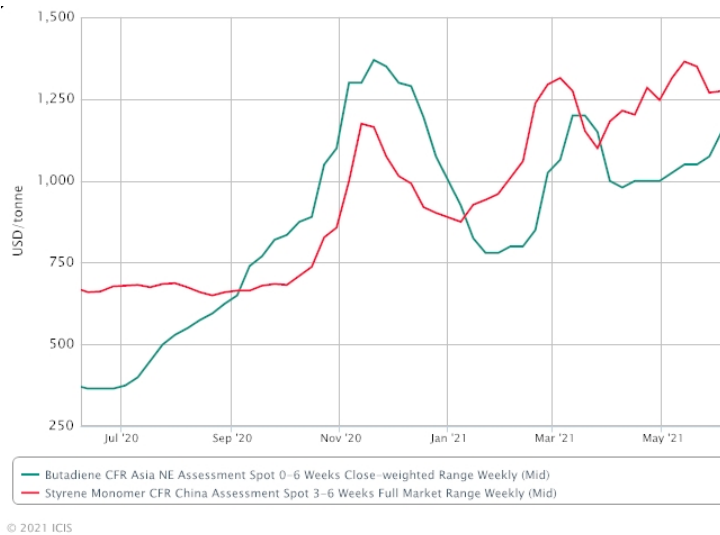
Asian **butadiene** (BD) import offers were boosted by demand pull from the US. But uncertainties still abound as Asian BD supplies may lengthen in the second half of the year as new projects come onstream.

The chart below shows the spread between butadiene and SBR.

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



Asian **styrene** discussions were at a slightly narrower range as trading sentiment recovered earlier in the week, tracking a rebound in Chinese futures prices. Slightly poorer fundamentals in northeast Asia, given the planned restarts of several units after their maintenance, set a bearish-to-cautious stance for the market.



PRODUCTION

In China, average operating rates at local SBR plants were at 84% for the week ending 4 Jun, compared to 88% for the week prior, market sources said.

However, overall, SBR output in China is still not optimised with more than 200,000 tonnes/year of production capacity, still [shut](#) for maintenance.

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

OTHER REGIONS

In the US, spot prices for SBR [rose](#) amid ongoing supply imbalances.

US auto sales remain strong for the month of [May](#), but production is not expected to fully recover until late in summer,

Styrene Butadiene Rubber (Asia-Pacific) | 09-Jun-2021. 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.

