



Styrene Butadiene Rubber (Asia-Pacific)

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

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

OVERVIEW

- **Selling indications firmer**
- **Upstream cost pressures heighten**
- **Buying picks up with some restocking interests**

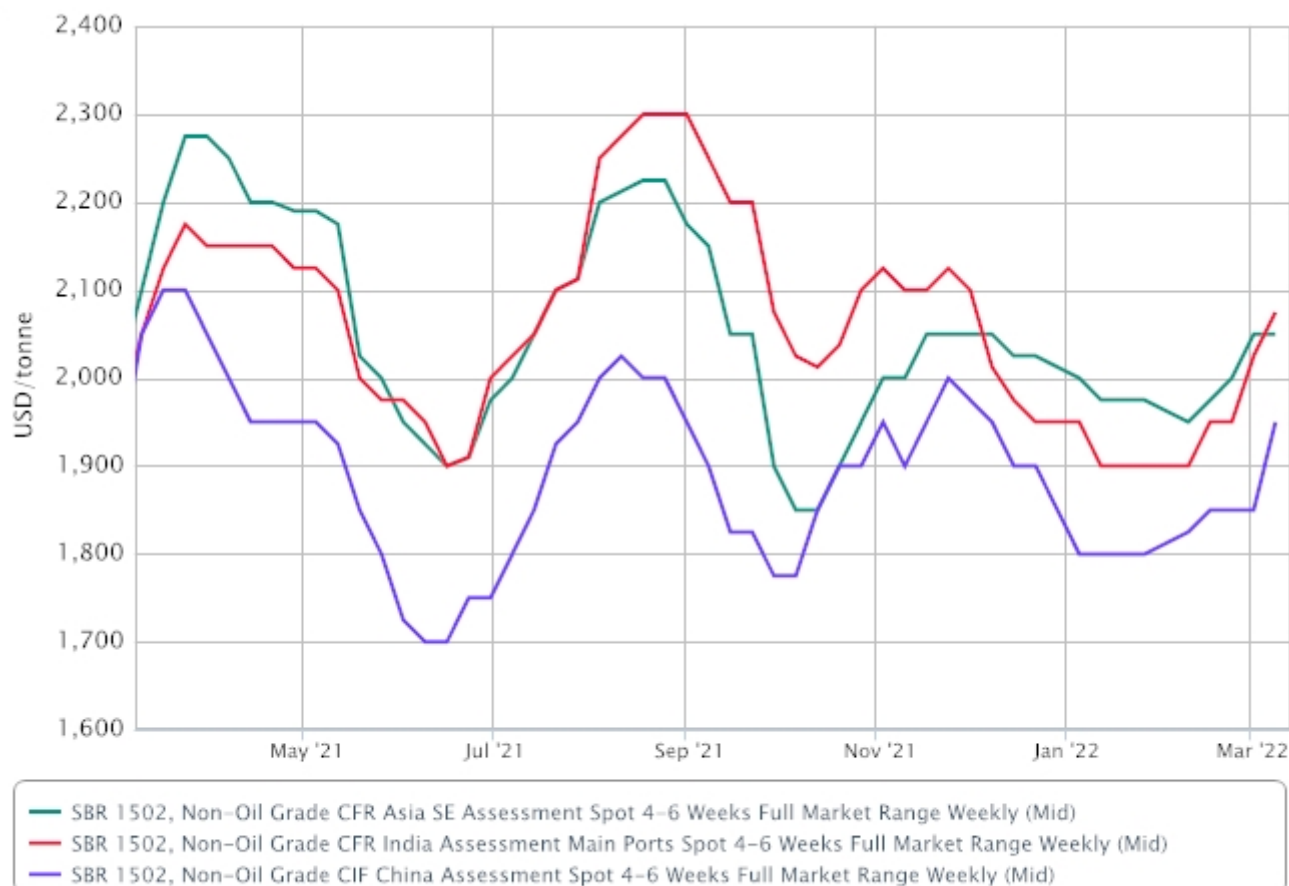
Asian spot discussions for styrene-butadiene-rubber (SBR) saw upside support from firmer offers generally, as sellers sought to keep pace with upstream cost increases, and some buyers with more concrete needs also raised bids to secure volumes.

Cost pressures on SBR producers grew after crude futures [rallied](#) to levels not seen in more than a decade, amid the ongoing Russia-Ukraine conflict.

SBR production may also be weighed down if availabilities of select raw materials, such as the distillate oils required for producing oil-extended SBR grades, tightens with the conflict, given that Russia is a major supplier for such materials, market sources said.

Demand-wise, market players said that buying interest did pick up some pace this week, as some end-users wanted to procure and build some safety stocks, before prices rose any higher in the near term, assuming the conflict is longer drawn than desired.

But many others also held back fresh procurement, citing reservations about affordability in their own downstream markets. For this sector, many have come to question if surging oil prices would only serve to [destroy](#) downstream demand in due course.



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OUTLOOK

- Supplies to tighten with upcoming turnarounds
- Geopolitical tensions to keep up cost pressures
- Demand to hinge on global economic growth prospects

ICIS has analysed the potential impact of disruptions to Russia chemicals and polymers exports from international sanctions and logistics issues. While Russia's capacities on a global scale are relatively small, they can still have a significant impact on regional markets if these exports are disrupted. Russia has ramped up export capacity in some key products in recent years. See if supply disruptions could impact your markets:

<https://infogram.com/russia-exports-graphic-1hzj4o3e1v9j34p>

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	+100	1900-2000	+100	1800-1850	86.18-90.72
CFR Asia SE	USD/tonne	n/c	2000.00-2100.00	n/c	1900.00-2000.00	90.72-95.25
CFR India Main Ports	USD/tonne	+100	2050.00-2100.00	n/c	1850.00-1950.00	92.99-95.25
SBR 1712, Oil-Extended						

CIF China	USD/tonne	+100	1800-1900	+100	1700-1750	81.65-86.18
CFR Asia SE	USD/tonne	+50	1950.00- 2050.00	+50	1800.00-1900.00	88.45-92.99
CFR India Main Ports	USD/tonne	+150	2000.00- 2050.00	+50	1750.00-1850.00	90.72-92.99

China

CIF China assessment for the non-oil 1502 grade is lifted, tracking increases seen in the domestic yuan-denominated market.

But substantive trade on US-dollar-denominated import cargoes was limited, as local end-users continued to tap more heavily on the local supply pool.

Market players also shared that local demand for SBR is not very robust to begin with, as operations at local tyre factories were still not at optimal levels.

CIF China assessments for the oil-extended 1712 grades are adjusted up in line with changes for the 1502 grades, in the absence of any concrete 1712 discussions.

Domestic prices for the 1502 grade rose, alongside increases seen in the feedstock butadiene market.

East China domestic SBR 1502 prices

Price (CNY/tonne)	09 March	02 March
E China Ex-Warehouse	12,700-12,900	12,000-12,100

Southeast Asia

CFR southeast (SE) Asian prices for the non-oil 1502 grade held steady, reflecting transactions heard this week for cargoes from diverse regional outlets.

Amid firm natural rubber prices, SBR makers also expect that end-users may turn more to using synthetic rubber as a cheaper alternative. If so, this will help drive up buying interest for SBR in coming weeks, market players said.

Meanwhile, CFR SE Asian assessments for the oil-extended 1712 grade rose with support from higher offers, amid cost increases and tight supply of additives required for 1712 production.

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

Mar 2022	(1-9) Feb 2022	Jan 2022	Dec 2021	Nov 2021	Oct 2021	Sep 2021
178.74	179.84	178.12	172.08	175.65	174.39	163.23

India

CFR Indian prices for the non-oil 1502 grade were assessed in a narrower range, reflecting firmer buy-sell discussions compared to the week prior.

Assessments for the oil-extended 1712 grade also gained, as offers rose with higher raw material costs.

UPSTREAM

Asian **butadiene** spot prices extended gains, as discussions firmed amid sustained [bullishness](#) in domestic yuan-denominated pricing in China. There are rising concerns too that a fresh wave of [cracker operating rates cuts](#) in March and April will further squeeze BD output in the region.

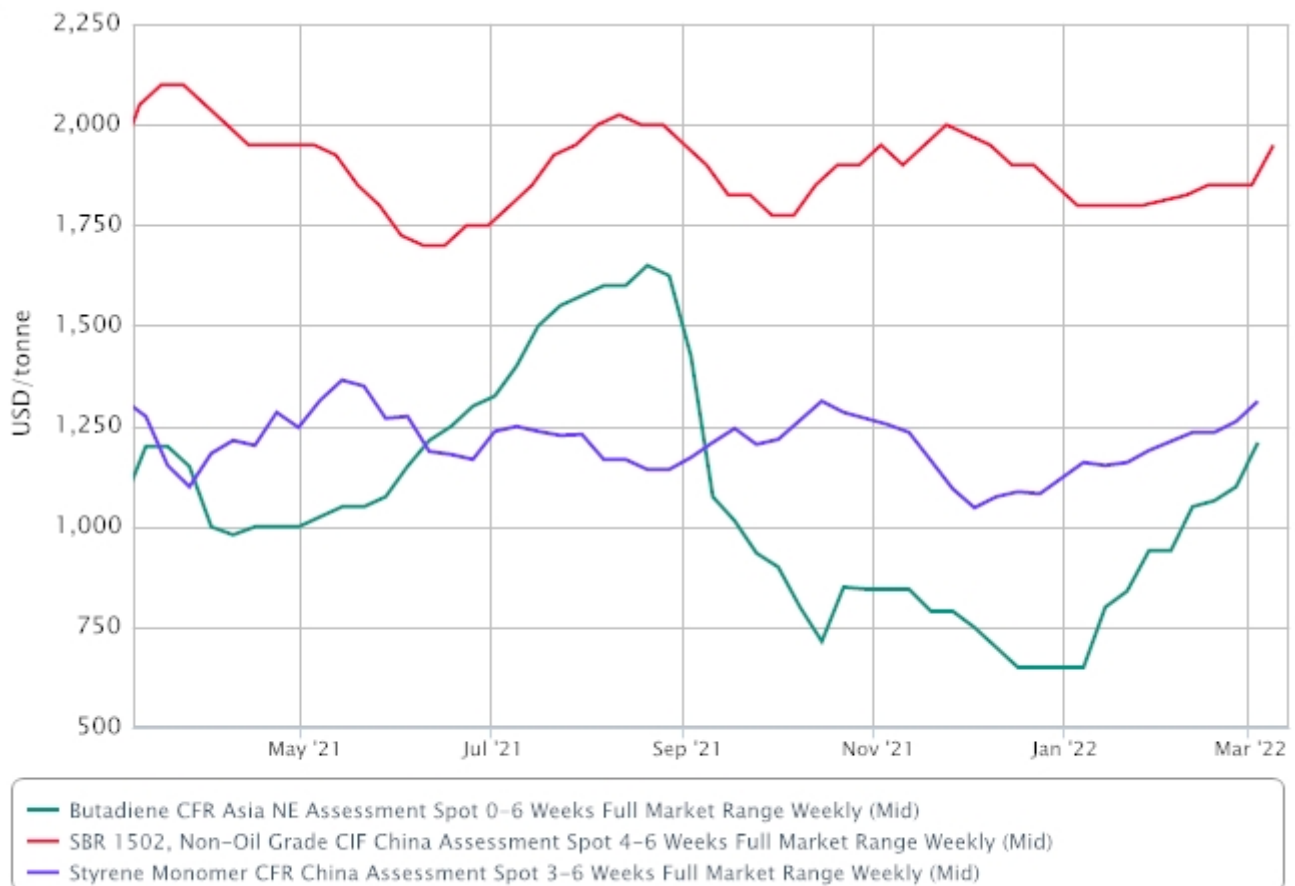
The chart below shows the spread between butadiene and SBR.

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



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Asian **styrene** prices firmed on higher energy futures and some April shortcovering CFR China demand, with limited competitively-priced offers as run rates were still stable to lower on [turnarounds](#) and squeezed production margins.



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PRODUCTION

In China, the average operating rates of local SBR plants were at 93% for the week ended 4 March, unchanged for more than a month, market sources said.

But regional supplies are poised to tighten with [ongoing](#) and [upcoming](#) turnarounds.

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

OTHER REGIONS

In the US, SBR's March contract prices [rose](#) with feedstock cost pressures.

In Europe, SBR's spot prices also [gained](#) on heightened product costs amid uncertainty over Russia-Ukraine conflict.

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