



Styrene Butadiene Rubber (Asia-Pacific)

By Ai Teng Lim
09-Nov-2022

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

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

OVERVIEW

- **Active export offers from China**
- **Other sellers moderate targets to stay competitive**
- **Buyers retreat deeper**

Asia's spot discussions for styrene-butadiene-rubber (SBR) mostly edged lower, as offers fell under stiffer competition for market share.

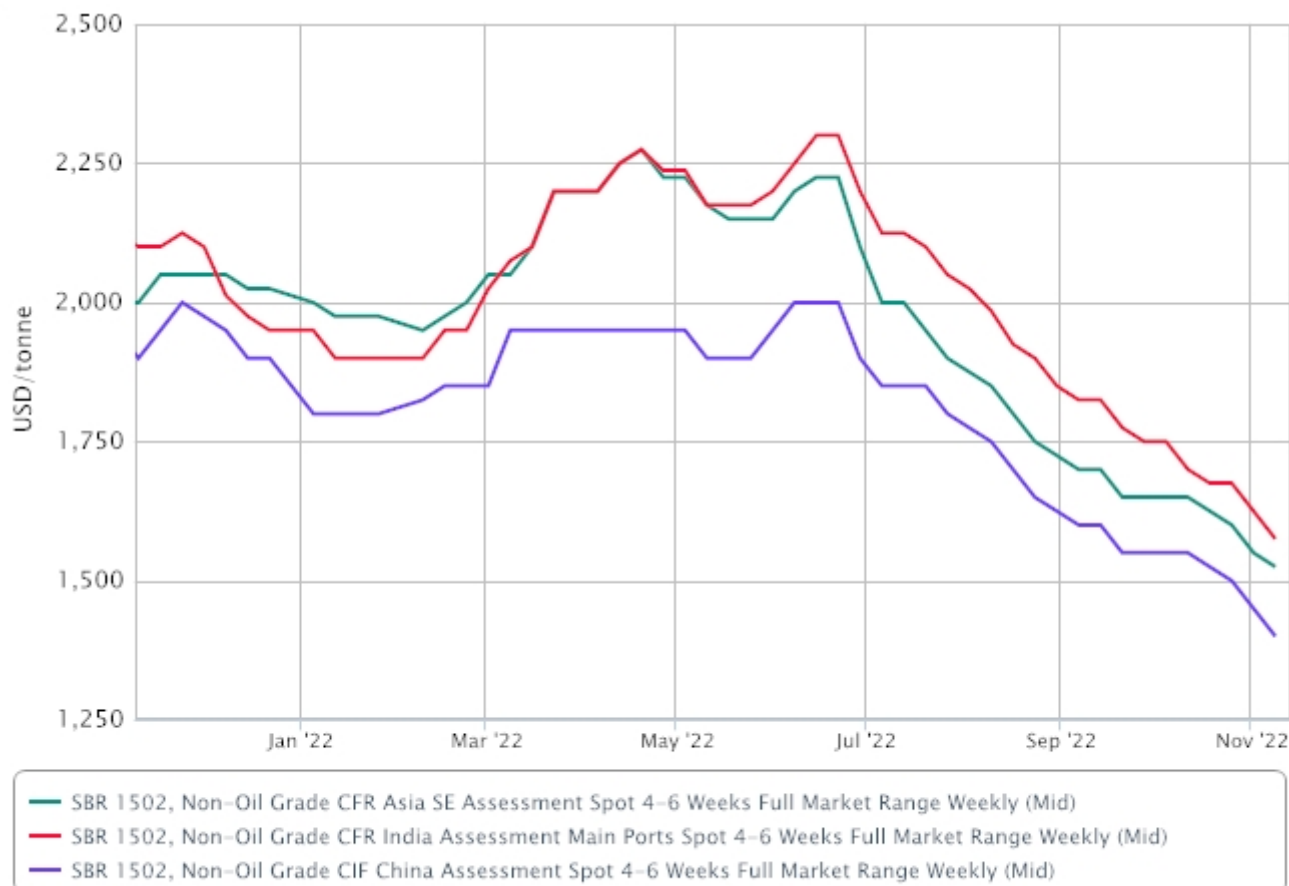
Domestic SBR prices in east China have slipped to year-low levels recently, and this gave China's SBR makers leeway to price their export cargoes competitively, vis-à-vis prevailing offers from other regional counterparts.

Some wider Asian suppliers succumbed to this price pressure, and moderated their targets as well to stay competitive and protect their market share, market sources said.

But buying interest dwindled even more across Asia, and buy-sell disparity widened to crimp spot trade liquidity.

End-users were mostly already amply covered with prior purchases and they are also wary that the current frail downstream demand conditions may persist as long as China [does not let up](#) on its zero-COVID policies.

Even if they have room to take in additional import cargoes, buyers said there was no hurry to book as spot availabilities are abundant, and they also anticipate asking prices to soften more should the price war among sellers intensify later.



© 2022 ICIS

OUTLOOK

- Hazy when downstream production tempo will improve
- Q4 projections remain bearish
- Buy-sell disparity may widen anew

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	-50	1350-1450	-50	1500-1600	61.24-65.77
CFR Asia SE	USD/tonne	-50	1450.00-1600.00	n/c	1600.00-1700.00	65.77-72.57
CFR India Main Ports	USD/tonne	-50	1500.00-1650.00	-50	1650.00-1750.00	68.04-74.84
SBR 1712, Oil-Extended						
CIF China	USD/tonne	-50	1300-1400	-50	1450-1550	58.97-63.50
CFR Asia SE	USD/tonne	-50	1400.00-1550.00	n/c	1550.00-1650.00	63.50-70.31
CFR India Main Ports	USD/tonne	-50	1450.00-1600.00	-50	1600.00-1700.00	65.77-72.57

China

CIF China assessments for the non-oil 1502 grade were dropped on the high-end with lower offers heard.

The low-end was notionally dropped in line, in the absence of any concrete buying interest for US dollar denominated imports.

Local end-users continued to shun import purchases to avoid currency exchange losses.

CIF China assessments for the oil-extended 1712 grade were adjusted with changes for the 1502 grade.

Domestic SBR prices in east China trended down early week, but recovered lost ground towards the end of the week.

East China domestic SBR 1502 prices

Price (CNY/tonne)	09 Nov	02 Nov
E China Ex-Warehouse	10,700-10,800	10,600-10,700

Southeast Asia

CFR SE Asia assessments for the non-oil 1502 grade were stable-to-soft, taking into consideration offers for cargoes from diverse origins.

Cargoes from wider Asian suppliers were indicated at the high-end, while China-origin materials were available at the low-end.

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

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

Nov (1-9) 2022	Oct 2022	Sep 2022	Aug 2022	Jul 2022	Jun 2022	May 2022	Apr 2022	Mar 2022	Feb 2022	Jan 2022
125.03	130.52	134.12	149.74	158.83	164.15	162.81	171.15	175.18	179.84	178.12

India

CFR India assessments for the non-oil 1502 grade were down alongside lower discussions for cargoes from diverse origins.

The high-end reflects lowest offers heard for cargoes from traditional NE Asia suppliers.

China-origin materials were indicated at the low-end.

But substantive discussions were limited on US dollar denominated imports, as local end-users turned to tap more heavily on the domestic supply pool to avoid currency exchange losses.

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

UPSTREAM

Butadiene (BD)

- Scant spot offerings
- Weak demand persists in wider Asia
- China import talks also [stall](#) with domestic losses

The chart below shows the spread between butadiene and SBR.

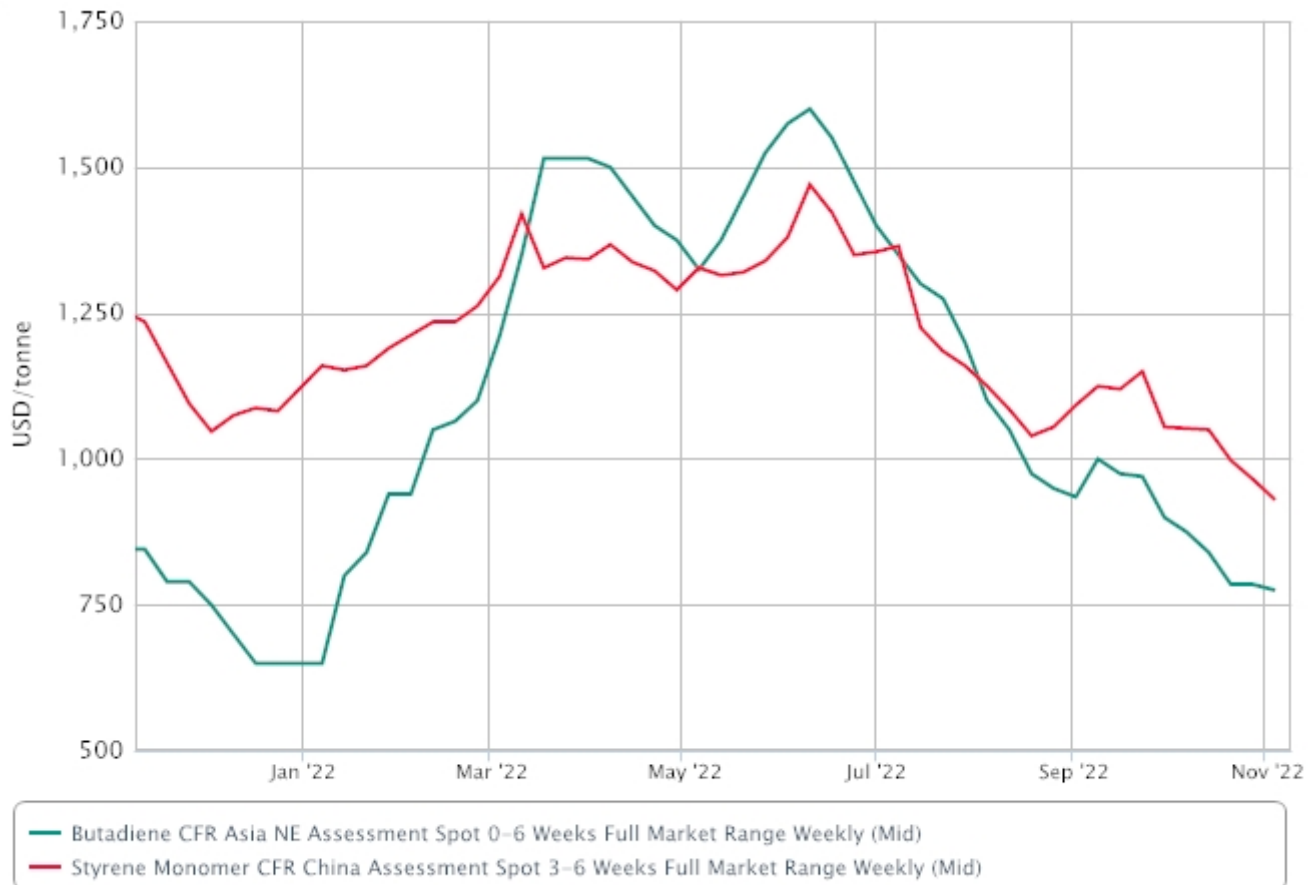
[Downstream spread – butadiene NE Asia and SBR SE Asia](#)



© 2022 ICIS

Styrene:

- Macroeconomic pessimism continues to dampen regional sentiment
- Buy-sell disparity hampering spot discussions
- Suppliers' margins under pressure



© 2022 ICIS

OTHER REGIONS

Europe

- SBR spot prices soften
- Styrene increases slightly in November
- SBR demand slow

US

- November contracts decrease with feedstocks
- [November BD contracts decline sharply](#)
- Spot prices lowered in line with contracts

ANALYTICS

ICIS Crude outlook

OPEC+ will proceed with its oil production output cut of 2m bbl/day starting in November, in line with its inability to deliver over its production target due to a lack of spare capacity across the cartel. US supply remains stable at 12m bbl/day and will be supported by additional Strategic Petroleum Reserve releases in the final months of 2022. Russian exports to Europe have fallen by around two-thirds since the beginning of the conflict because of the EU's embargo on oil purchases from Russia. However, Russia's overall exports may not be hit as severely as previously forecast, as it has had time to find alternative buyers for its crude. Libyan oil production remains exempt from OPEC+ cuts, providing more volumes to the market, as it has been sustaining production of 1.2m bbl/day in recent months. China's oil demand has been challenged recently, with October runs expected to be slightly lower than in September, as fears of a global economic downturn mount.

By **Greg Mouchikas**, energy and refining analyst, grigorio.mouchikas@icis.com

ICIS Naphtha outlook

Naphtha cracks in Europe and Asia were affected by high oil prices as well as weak petrochemical demand and use into the gasoline blending pool, which kept them in negative territory. Middle distillates are driving refiners' margin strength and refinery throughputs, which has resulted in additional naphtha and gasoline production, particularly in Europe. Despite recent promising indicators for Chinese domestic demand, the latest data reveals unexpectedly weak fuel consumption due to the continuation of the government's zero-COVID policy. Although transportation and other issues around logistics have improved and lowered naphtha stocks in the ARA region since September, weak global demand and high freight rates will weigh on naphtha buying interest.

By **Greg Mouchikas**, energy and refining analyst, grigorio.mouchikas@icis.com

Styrene Butadiene Rubber (Asia-Pacific) | 09-Nov-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.

© 2023 Reed Business Information Limited. ICIS is a member of RELX Group. www.icis.com

