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

OVERVIEW

- **Domestic China fell in post-holiday trade**
- **Concerns about China slowdown affected buying interest**
- **But import offers saw support from cost and supply factors**

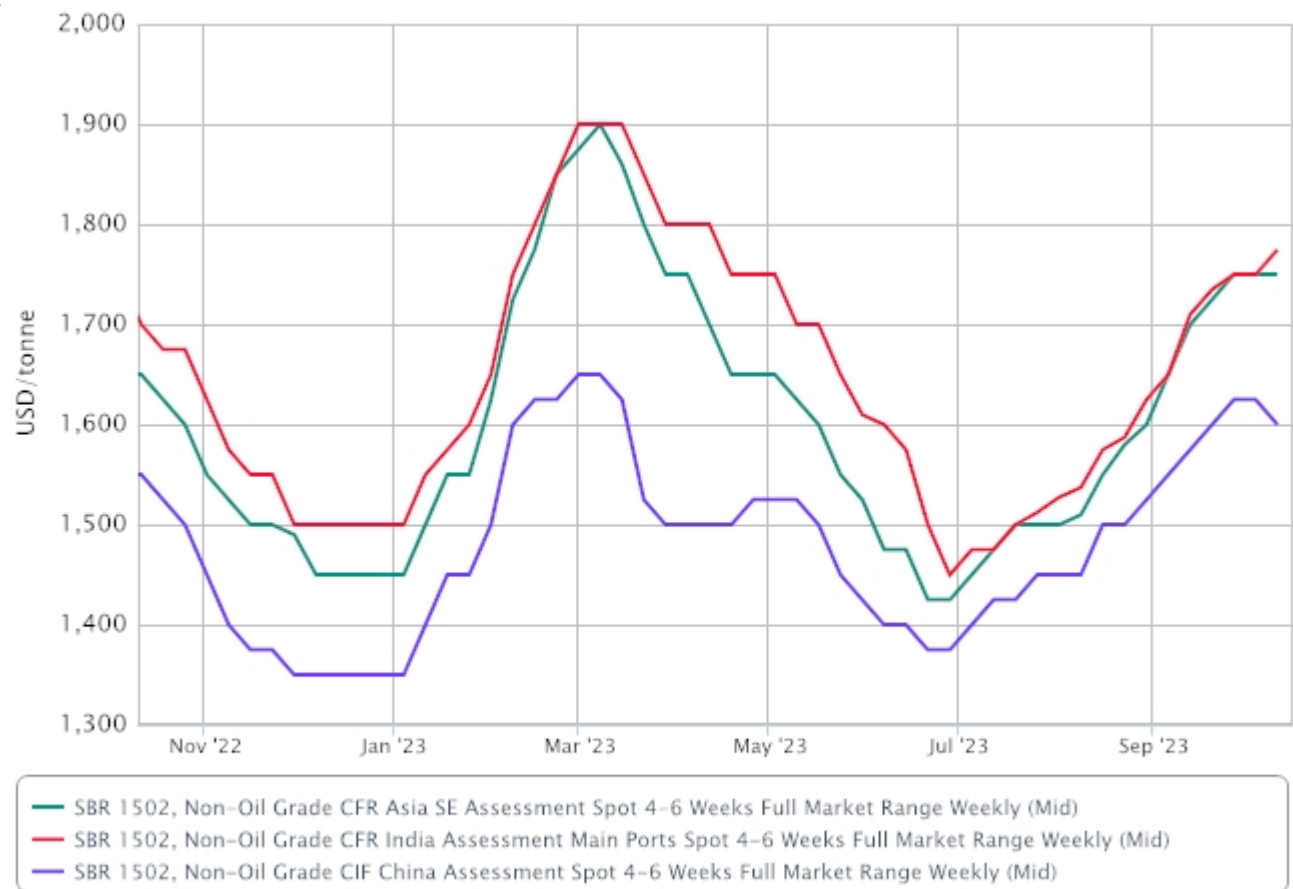
Discussions in Asia's spot import market for styrene-butadiene-rubber (SBR) were mixed across Asia, slower in China, but relatively steadier in other regional outlets.

China markets resumed on 7 October, after extended Mid-Autumn/National Day holidays, and [post-holiday domestic trades](#) mostly started on a bearish note, both for upstream feedstock markets like butadiene and styrene, as well as for derivative products including SBR.

The yuan losses weighed down discussions for China-bound SBR imports, and [bearish economic growth projections](#) about China did little to boost buy-side confidence in wider Asia too.

But sell-side sentiment held up better in wider Asia than in China. For one, regional producers said that their inventories are still low, as they had returned not too long ago from prior maintenances. As such, they could afford to hold back sales until regional end-users are ready to negotiate at levels closer to their terms, market players said.

And as production costs have risen substantially in the last few months, SBR sellers are bent on protecting their frail bottom lines, and as such, the higher likelihood is that they would continue to chase higher targets, rather than moderate offers just to induce sales, market sources said.



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OUTLOOK

- Geopolitical tensions may drive **rally** in crude values
- Downstream demand uncertainties could build
- Buy-sell gap for SBR spot talks may widen too

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	-50	1550-1650	n/c	1550-1600	70.31-74.84
CFR Asia SE	USD/tonne	n/c	1700.00-1800.00	n/c	1650.00-1750.00	77.11-81.65
CFR India Main Ports	USD/tonne	n/c	1700.00-1850.00	+50	1670.00-1750.00	77.11-83.91
SBR 1712, Oil-Extended						
CIF China	USD/tonne	-50	1500-1600	n/c	1500-1550	68.04-72.57
CFR Asia SE	USD/tonne	n/c	1670.00-1770.00	n/c	1620.00-1720.00	75.75-80.29
CFR India Main Ports	USD/tonne	n/c	1670.00-1820.00	+50	1640.00-1720.00	75.75-82.55

China

CIF China assessments for the non-oil 1502 grade are stable-to-soft, with the low-end dropped with softer buy-side indications.

Buyers pulled back, following losses seen in the domestic China market.

Domestic ex-warehouse prices in east China fell after trade resumed on a slow note from a week-long holiday closure.

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

East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	12,400-12,500	12,900-13,100

Southeast Asia

CFR SE Asian assessments for the non-oil 1502 grade were flat amid range-bound pricing indications.

Many market players held back to wait and see how the broader macroeconomic landscape may pan out in the coming weeks.

Assessments for the oil-extended 1712 grade were also rolled with stable 1502 grade assessments.

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

Oct (1-11)	Sep 2023	Aug 2023	Jul 2023	Jun 2023	May 2023	Apr 2023
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141.25	142.65	130.22	131.31	133.48	136.34	136.27
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Source: Malaysian Rubber Board

India

CFR Indian assessments for the non-oil 1502 were stable-to-firm, with the high-end lifted to track higher offers for NE Asia-origin cargoes.

But buying interest is still tepid for imports, with most end-users already amply covered for their production requirements before the extended Diwali holidays in H1 November.

Many said that they would deliberate and procure for post-Diwali requirements only later, when there is more clarity on how the broader macroeconomic situation will pan out.

Assessments for the oil-extended 1712 grade are adjusted in line with changes for the 1502 grade assessments.

UPSTREAM

Butadiene

- Holiday trade lull across Asia
- But divergence widen in buy-sell outlook
- Supply still snug but demand uncertainties persist

The chart below shows the spread between butadiene and SBR.

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



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PRODUCTION

Regional spot supplies may lengthen into Q4, now that prior plant maintenances in [South Korea](#) and [China](#) have been completed.

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

OTHER REGIONS

Europe

- October styrene up by €60/tonne
- October SBR contract still to be finalised
- Small improvements led by Asia but overall demand muted

US

- September SBR prices rise, tracking feedstock butadiene
- Spot prices fall in line with contract prices amid weak demand
- Feedstocks continue uptrend, adding pressure to October prices

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