



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

- **Sentiment remains soft in nature**
- **Demand sluggish in SE Asia**
- **But discussions steadier in India**

Demand sentiment is generally still downbeat in the Asian styrene-butadiene-rubber (SBR) import market, but spot trade momentum differs across the various outlets.

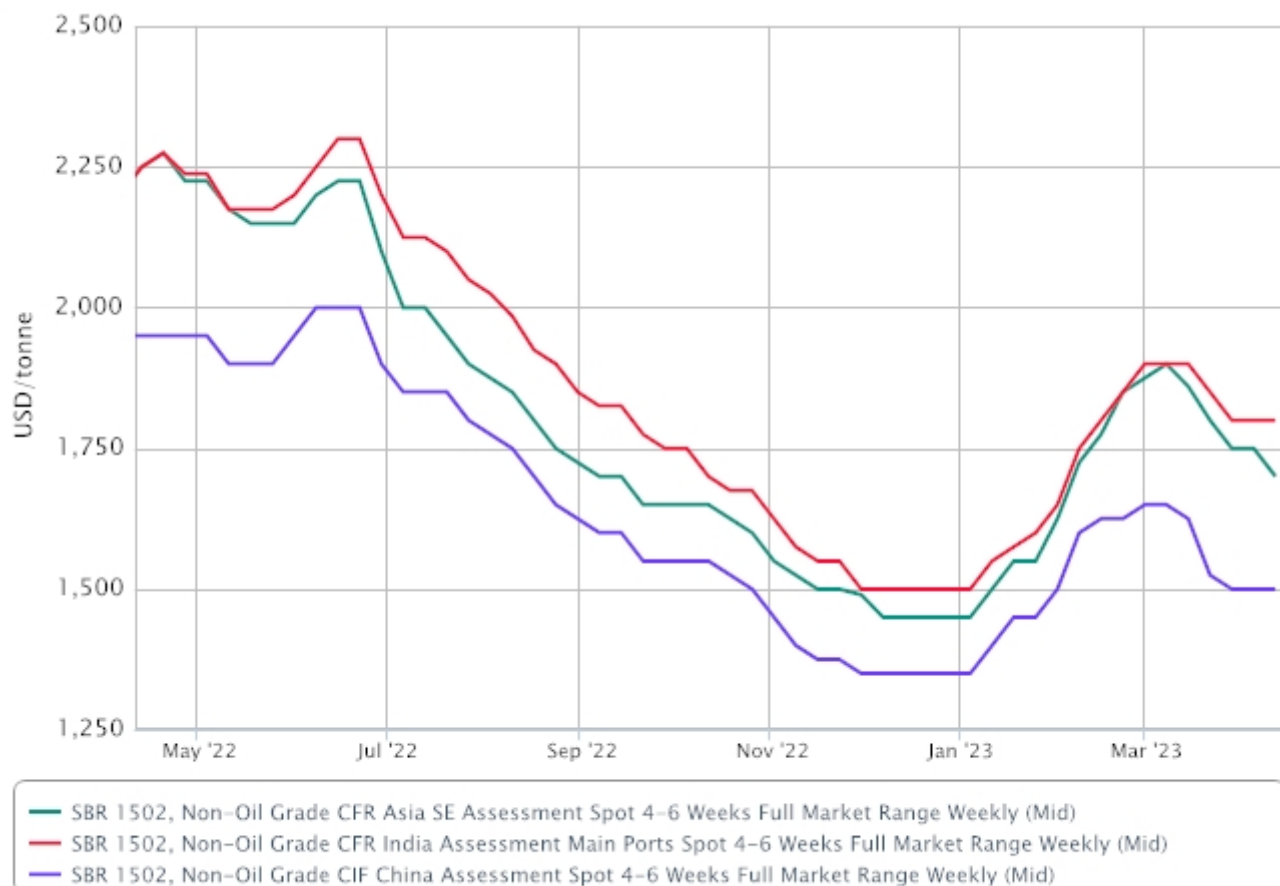
In China, import discussions are at a standstill, as local end-users turned to buying from the domestic supply pool. Even though yuan-denominated prices for SBR have edged up recently, it remained cheaper than US-dollar-denominated imports, market players said.

In SE Asia, demand is seasonally weaker due to various factors, such as the Muslim fasting month of Ramadan and the extended Songkran holidays in Thailand.

Some regular NE Asian suppliers moderated expectations to boost buying, and to stay in competition with cheaper offers on non-Asia-origin materials.

In contrast, discussions for NE-Asia-origin materials saw more support in India, where domestic requirements are deemed broadly healthy.

[Steady benchmark interest rates](#) in India also boosted buy-side confidence to some extent, even if local end-users are mostly still cautious in their spot procurement pattern.



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OUTLOOK

- [Downside risks](#) abound in Asian growth forecast
- Eye on automobile sector recovery and growth in [China](#)
- Regional spot availabilities will tighten with [upcoming](#) turnarounds

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	n/c	1450-1550	n/c	1550-1700	65.77-70.31
CFR Asia SE	USD/tonne	-50	1650.00-1750.00	-50	1800.00-1920.00	74.84-79.38
CFR India Main Ports	USD/tonne	n/c	1750.00-1850.00	n/c	1850.00-1950.00	79.38-83.91
SBR 1712, Oil-Extended						
CIF China	USD/tonne	n/c	1400-1500	n/c	1500-1650	63.50-68.04
CFR Asia SE	USD/tonne	-50	1600.00-1700.00	-50	1750.00-1870.00	72.57-77.11
CFR India Main Ports	USD/tonne	n/c	1700.00-1800.00	n/c	1800.00-1900.00	77.11-81.65

China

CIF China assessments for both the non-oil 1502 grade and the oil-extended 1712 grade were flat in a thinly-discussed week.

Substantive requirements were limited to begin with, and filled amply with domestically produced materials, market sources said.

Domestic China prices edged up with some restocking purchases. Supplies are also poised to tighten, with upcoming maintenance closures among several local production units, market sources said.

East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	11,200-11,400	11,150-11,300

Southeast Asia

CFR SE Asian assessments for the non-oil 1502 grade fell with lower buy-sell indications.

Buying tempo was seasonally slower during the Muslim fasting month of Ramadan. Activities are also limited in Thailand due to upcoming Songkran festivities.

A persistently soft natural rubber market also affected demand and buying interest for synthetic rubbers like SBR.

CFR SE Asian assessments for the oil-extended 1712 grade are adjusted with changes in the 1502 grade.

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

Apr (1-12) 2023	Mar 2023	Feb 2023	Jan 2023	Dec 2022	Nov 2022	Oct 2022	Sep 2022
134.45	135.03	140.11	140.11	135.03	127.32	130.52	134.12

India

Compared to southeast Asia, demand for SBR saw better support within India, as production at its local car manufacturing units is steady and healthy, market players said.

Discussions for SBR 1502 cargoes from regular northeast Asian suppliers are heard within range-bound levels, some volumes changing hands too at the higher end, market sources said.

But majority of the buyers held back from heavier import purchases, as they continued to weigh these offers against those for cargoes from non-Asia origins. The latter were competitively priced, prompting some buyers to continue to press Asian sellers for wider discounts.

Assessments for the oil-extended 1712 grade are unchanged with stable 1502 grade.

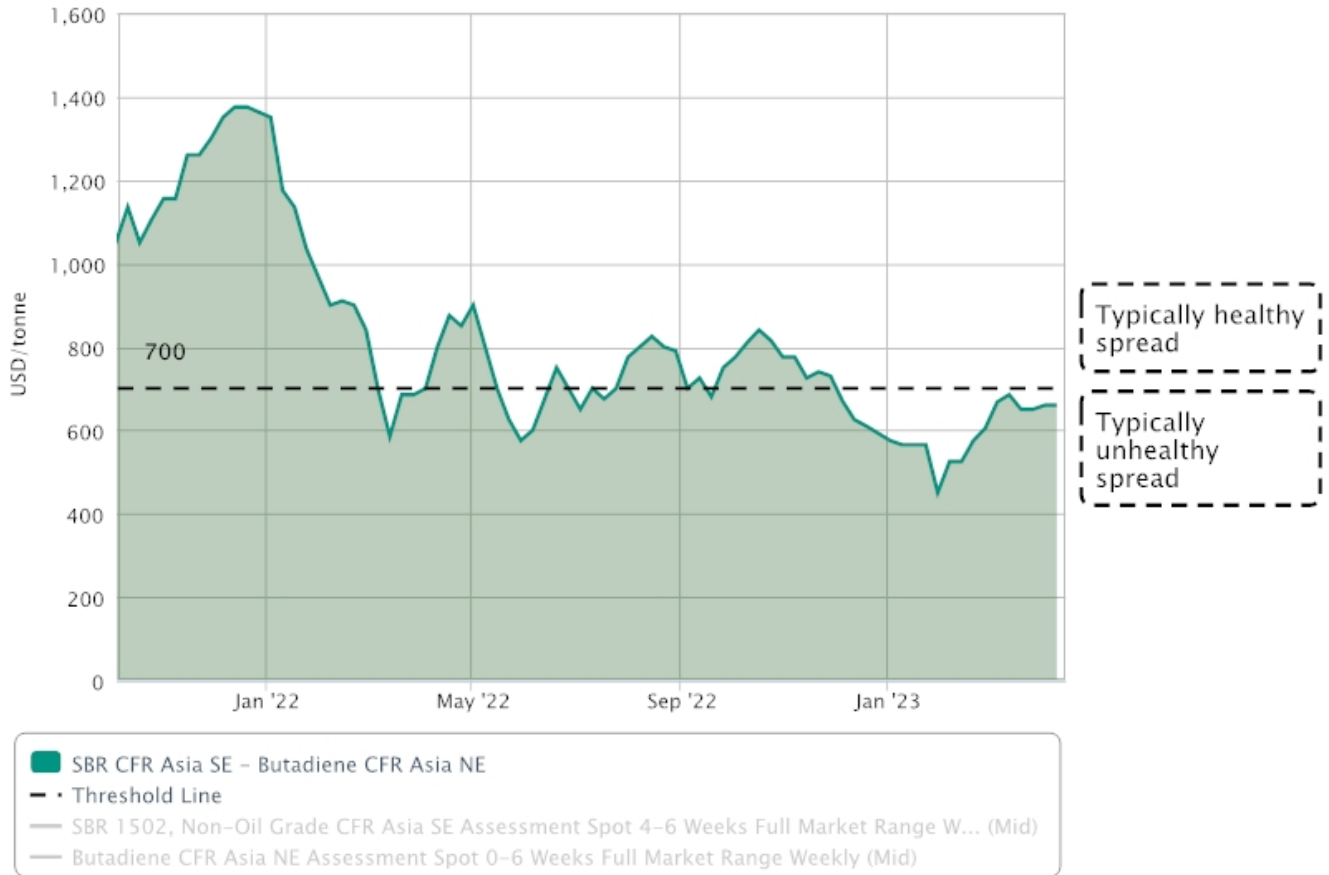
UPSTREAM

Butadiene (BD)

- Discussions muted amid holidays in NE Asia
- Bearish demand sentiment prevails
- Supply picture varies between NE and SE Asia

The chart below shows the spread between butadiene and SBR.

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



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Styrene:

- China import market lacking focus from participants
- China-Korea export talks remain active
- Firm feedstock prices add pressure to suppliers' production margins



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PRODUCTION

Some maintenance closures expected in the [April](#) to [June](#) window.

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

OTHER REGIONS

Europe

- April contract talks in early stages
- Spot prices steady
- Styrene April increases €19/tonne

US

- April contracts increase slightly with styrene input
- Spot prices held steady
- Supply ample to meet subdued demand

ANALYTICS

ICIS Crude Outlook

OPEC+ will maintain its 2m bbl/day production cut agreed in October 2022 for 2023. In February, OPEC crude oil production averaged just under 29m bbl/day, higher by 117,000 bbl/day month on month, with total OPEC+ production remaining stable at 44.5m bbl/day. Russia was the largest crude oil supplier to China with import

volumes jumping by nearly 25% year on year to just under 2m bbl/day in January-February 2023. Russian suppliers have re-routed most of the barrels previously destined for the EU and US to new outlets in Asia, Africa and the Middle East. US oil exports to Europe hit a record in March at more than 2m bbl/day, driven by wider Brent/WTI spreads. China is seen as the biggest contributor to global oil demand growth and is expected to drive world oil consumption to record levels in 2023. India's oil demand is projected to rise by over 300,000 bbl/day to more than 5m bbl/day in 2023, from 4.77m bbl/day in 2022. Mid-March oil prices plunged, despite the predicted Chinese demand growth, as a result of banking stress, recessionary fears and an exodus of investor flows from western economies. However, prices recovered to above \$75/bbl by late March, in expectation of global oil demand growing by 1.6m bbl/day to 101.4m bbl/day in 2023.

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ICIS Naphtha Outlook

Naphtha cracks in northwest Europe came under further pressure in March and were pushed into negative territory on the back of ample supply and weak demand. Yet, refiners expect naphtha cracks to improve and remain robust in the coming weeks and months, led by increasing demand for distillates and blending interest in tandem with supply disruptions from France and Russia. In addition to the Russian oil embargo, Europe has been hit by refinery strikes in France, hampering its access to, and availability of, naphtha. By late March, four out of six refineries in France had shut or were in the process of halting their operations. In March, naphtha stock levels in the European trading hub of ARA, while still high, were down slightly, by an average of 2% month on month, with continuous limited demand from regional buyers and ample availability standing by from alternative supply sources. Russian flows have been looking for new markets along the Mediterranean coast of north Africa, the Middle East and Asia with deeper discounts, displacing alternative supplies and putting pressure on naphtha crack spreads in these regions. Asia's cracker margins improved slightly in the final weeks of March amid a tighter ethylene market. However, by the end of the month they remained in negative territory. Ample supplies from the Middle East, partially contracted on a term basis with several cracker operators, are limiting buying interest for Russian naphtha even though they may be heavily discounted. More than 60% of March Russian naphtha flow headed for Asia, with Singapore being the top destination country. However, all Russian naphtha sent to Asia so far has been discharged into storage terminals in Singapore rather than to a refinery.

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