



## 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.

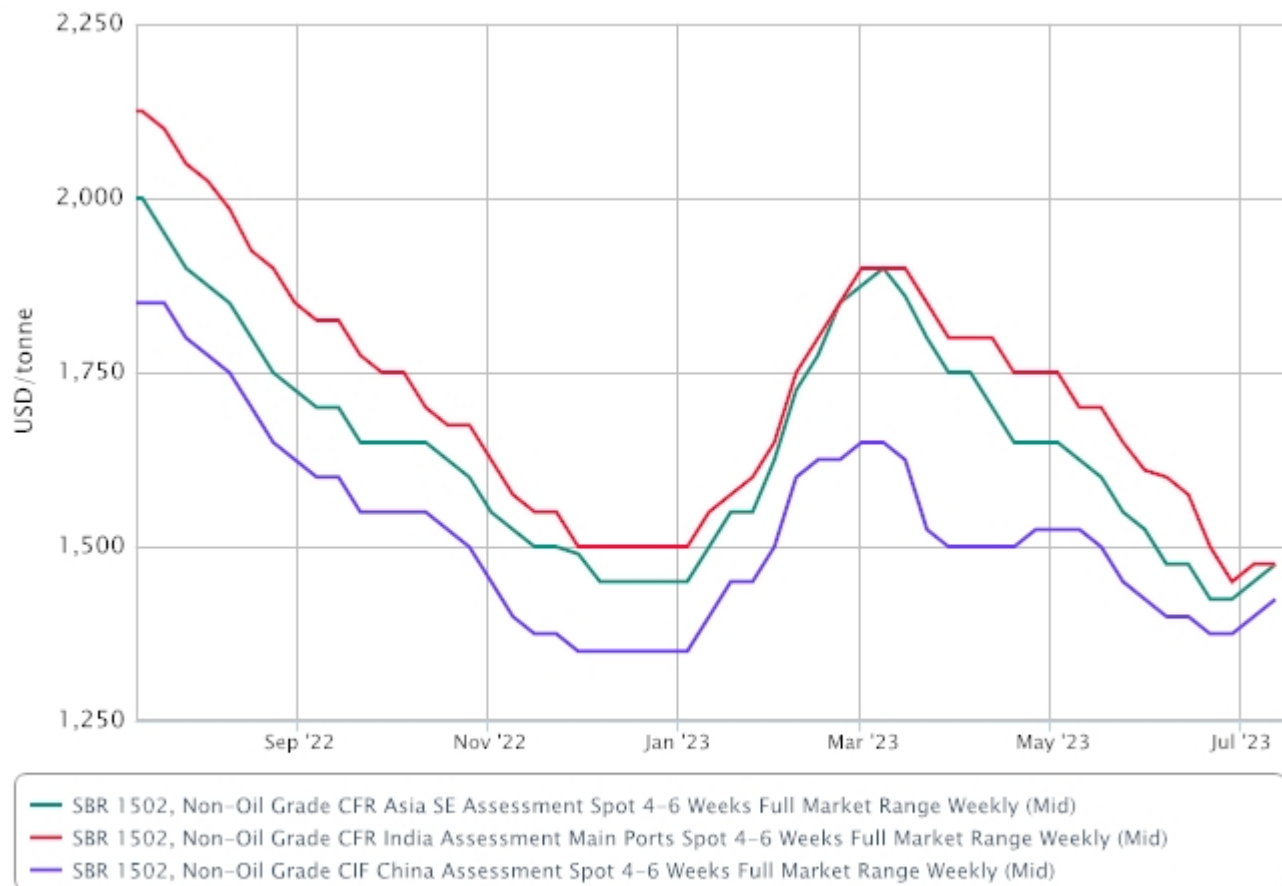
### OVERVIEW

- **Offers tap upstream strength for support**
- **More active restocking interest too**
- **But prevailing downstream operations still dull**

Selling sentiment in the Asian styrene-butadiene-rubber (SBR) import market supported by recent gains of feedstock butadiene (BD).

Some SBR producers raised offers to keep up with upstream increases. They were also buoyed by what they deemed as more robust buying enquiries, as some end-users seemed more open to the idea of buying additional volumes now - before prices move up any further - to replenish stocks.

But as substantive downstream requirements were still slow in nature, capped by a [dull outlook](#) to near-term global economic growth, end-users remain cautious in confirming and finalising their fresh import purchase. This invariably weighed on actual spot trade liquidity, market players said.



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## OUTLOOK

- Offers will see support if upstream strength is maintained
- Some demand uncertainties linger
- Players to wait-and-see in near term

## PRICES

### SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
<b>SBR 1502, Non-Oil Grade</b>						
<b>CIF China</b>	USD/tonne	+50	1400-1450	n/c	1350-1450	63.50-65.77
<b>CFR Asia SE</b>	USD/tonne	+50	1450.00-1500.00	n/c	1450.00-1500.00	65.77-68.04
<b>CFR India Main Ports</b>	USD/tonne	n/c	1450.00-1500.00	n/c	1550.00-1600.00	65.77-68.04
<b>SBR 1712, Oil-Extended</b>						
<b>CIF China</b>	USD/tonne	+50	1350-1400	n/c	1300-1400	61.24-63.50
<b>CFR Asia SE</b>	USD/tonne	+50	1400.00-1450.00	n/c	1400.00-1450.00	63.50-65.77
<b>CFR India Main Ports</b>	USD/tonne	n/c	1400.00-1450.00	n/c	1500.00-1550.00	63.50-65.77

### China

CIF China buying indications for the non-oil 1502 grade firmed with higher domestic yuan values. This is reflected at the low-end.

Assessments for the oil-extended 1712 grade were also stable-to-firm, in line with changes for the 1502 grade.

Domestic prices in east China for the non-oil 1502 grade surged with more robust buying momentum. There was also upside support from a strong feedstock butadiene (BD) market.

### East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	11,700-11,800	11,400-11,550

### Southeast Asia

CFR SE Asian assessments for the non-oil 1502 grade were also stable-to-firm, taking into account discussions heard for Asia-origin cargoes.

Some China-origin cargoes were sold at the low end, and offers hovered at the high-end and up.

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

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

Jul (1-12) 2023	Jun 2023	May 2023	Apr 2023	Mar 2023	Feb 2023	Jan 2023	Dec 2022
132.26	133.48	136.34	136.27	135.03	140.11	140.11	135.03

### India

CFR Indian assessments were flat though range-bound pricing indications, but sentiment was more upbeat among sellers, many of whom said that they received more active buying enquiries.

But some end-users held back confirmations and bookings for fresh import cargoes, in part because prevailing downstream usage is seasonally curbed during the monsoon period.

There was also no lack of cheaper availabilities from other non-Asia sources like Russia and some end-users are resistant therefore to paying much more for Asian cargoes.

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

## UPSTREAM

### Butadiene

- Better buying appetite in China for imports
- But outlook unclear following late-week domestic losses
- Demand muted elsewhere in Asia

The chart below shows the spread between butadiene and SBR.

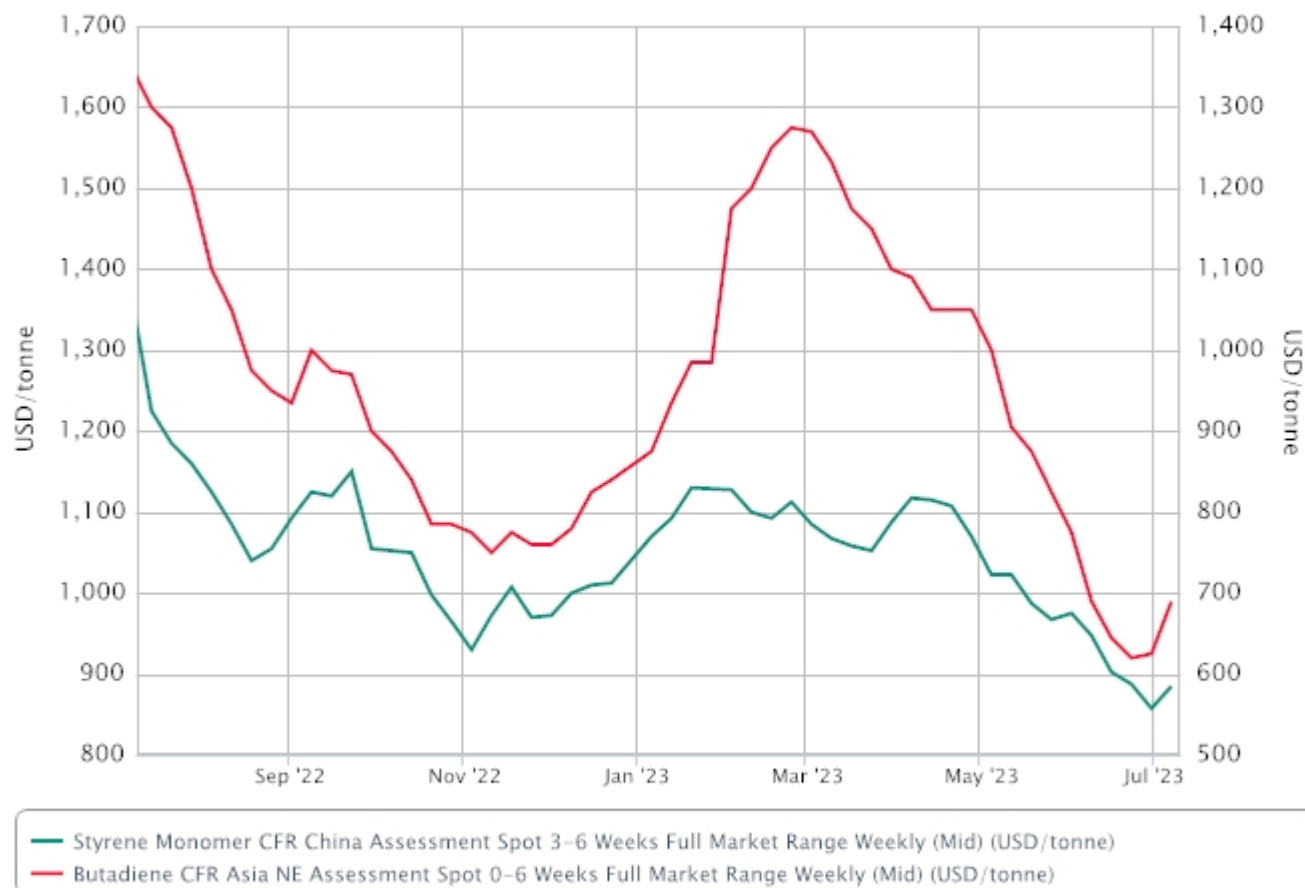
[Downstream spread – butadiene NE Asia and SBR SE Asia](#)



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**Styrene:**

- Improved regional market sentiment
- Chinese market participants eye export opportunities
- Weak yuan adds to market uncertainties



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## PRODUCTION

A 100,000 tonnes/year unit in east China has [shut](#) in early July for a month-long maintenance.

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

## OTHER REGIONS

### Europe

- Styrene July decreases
- Contract talks for SBR ongoing
- Spot prices roll over

### US

- June SBR prices fall to two-year lows, tracking feedstock BD decline
- BD prices sink sharply as available supply outpaces weak demand
- Demand slumps on weak tyre demand, keeping buyers cautious

## ANALYTICS

### ICIS Downstream Automotive Outlook

Global light vehicle sales increased by 2.3% month on month in April to 86m units/year from 84m units/year in March (Oxford Economics). But negatives continue to outweigh positives for the sector. Now for 2023, the outlook continues to be challenging as a result of the cost-of-living crisis, as car buyers are expected to postpone their purchases.

According to the US Census Bureau, light vehicle sales in the country decreased by 6.5% month on month in May with total sales of 15.0m units (up 19.6% year on year and 12.4% down from 2019). High inflation, slumping consumer confidence and tighter monetary policy will weigh upon consumer demand for automobiles. The outlook for 2023 remains concerning.

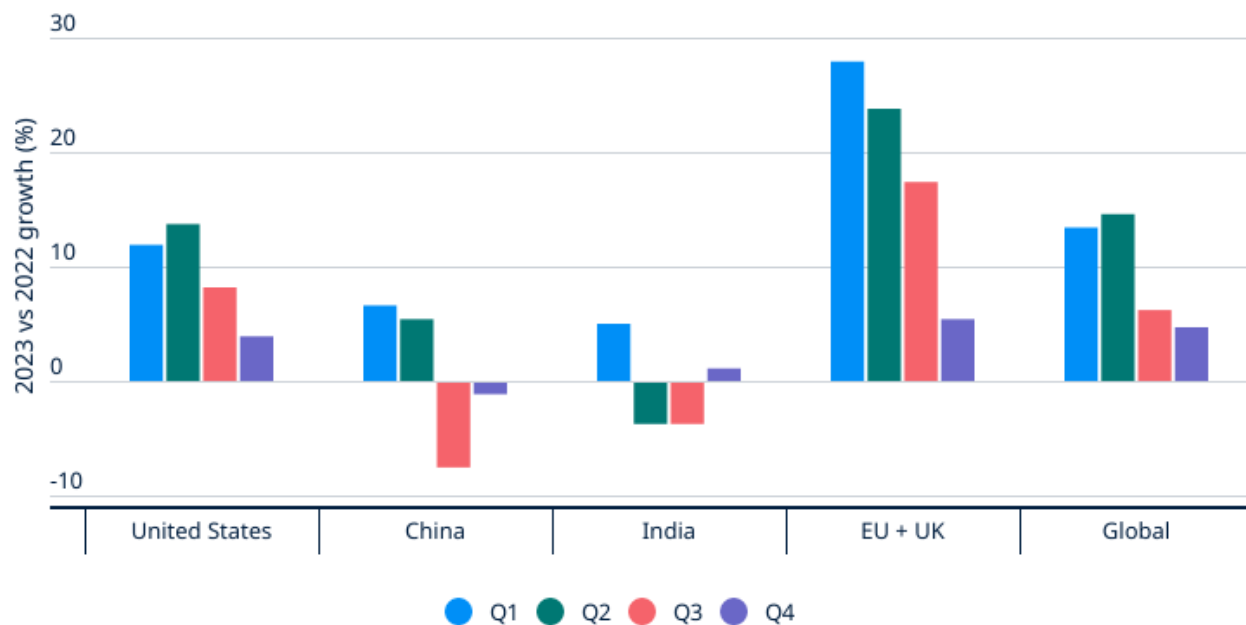
According to the European Automobile Manufacturers' Association (ACEA), EU passenger car registrations decreased by 26% in April (from 1.10m in March to 800,000 in April). However, they grew by 17% in April year on year. The ACEA said Spain (33.7%) saw the biggest gain, followed by Italy (26.9%), France (16.7%) and Germany (7.9%). Commercial vehicle registrations grew by 7.7% to 355,553 in the first quarter of 2023 year on year (the growth being largely a function of a lower base). The outlook for 2023 remains challenging (especially for the commercial segment) on the back of reduced industrial activity.

Chinese automotive output is forecast to shrink during the second half of the year (Oxford Economics). This contradicts the view that pent-up demand growth was expected after the reopening of the economy. However, the actual impact is something we must wait to see. Currently, Chinese auto stakeholders are primarily focusing on the development of new energy vehicles (NEVs) and intelligent connected vehicles (ICVs) including autonomous vehicles.

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## Motor vehicle sector growth by region

2023 vs 2022



SOURCE: Oxford Economics

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