



## Styrene Butadiene Rubber (Asia-Pacific)

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

### OVERVIEW

- **Domestic China muted post-holiday**
- **Buyers in SE Asia wait and see**
- **India softer with lower deals**

Discussions were thin in Asia's spot market for styrene-butadiene-rubber (SBR), as demand concerns linger.

Sentiment remains weak within China as domestic trades started on a [slow note](#) on 8 October following a week-long holiday. Buying interest for imports was also curbed, as the recent depreciation of the Chinese yuan currency against the US dollar has made imports unduly expensive.

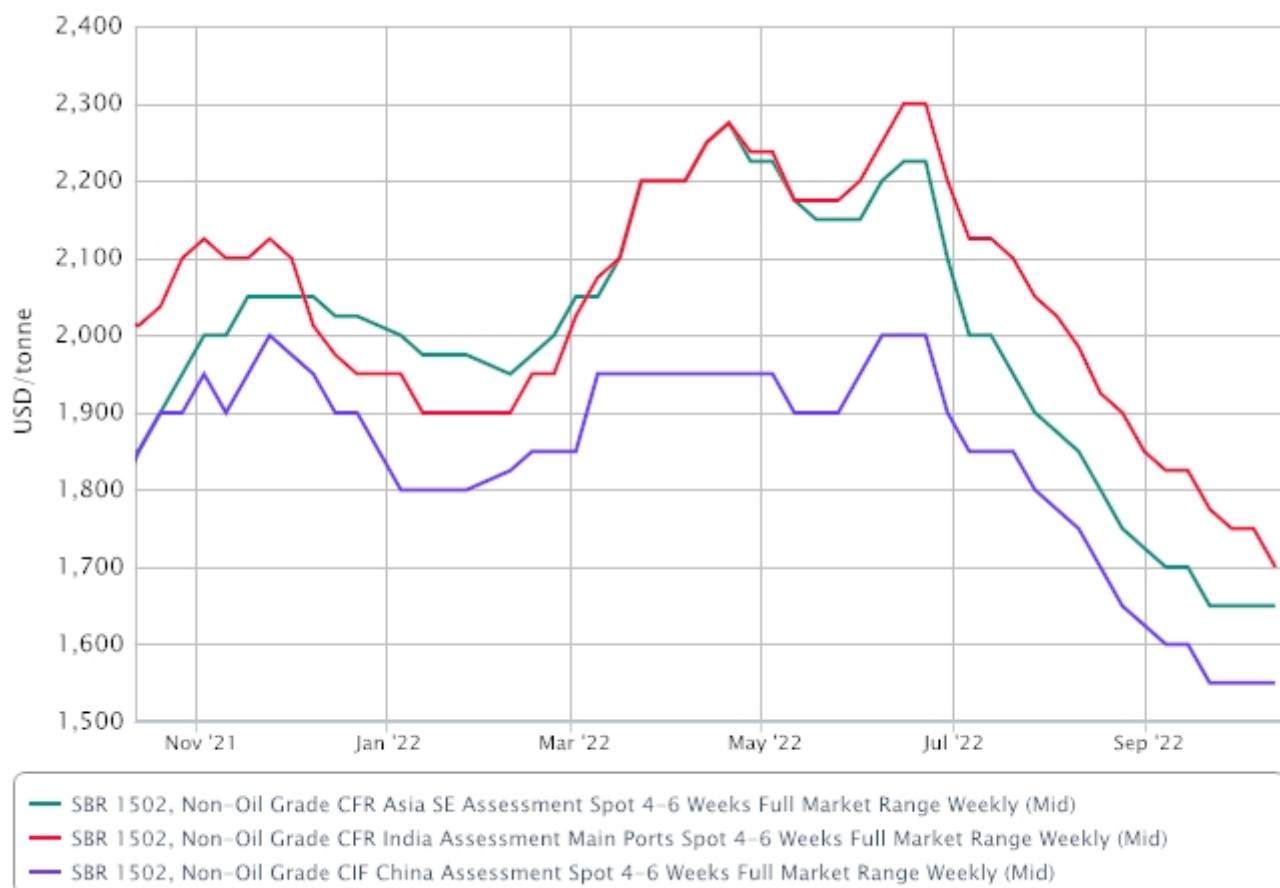
But there were pockets of optimism detected, with some market players heard hopeful that China may introduce [fresh stimulus packages](#) after the mid-October Congress meeting to spur end-use spending. If so, this may boost not just downstream operations within China, but also those in outlets like southeast Asia which are typically reliant on exports of finished goods to China.

Some producers were heard therefore content to keep current expectations unchanged for now, and review only when there is more clarity later on how the China market may trend further out.

In India, demand sentiment is buoyed to some extent by anticipation that downstream operations will pick up more pace once the extended Diwali festivities are over in late October.

Local supplies also tightened with a domestic plant turnaround, fuelling expectations that this could create gaps for imports to fill.

But meanwhile, India-based end-users still hesitated to commit on fresh import bookings, prompting some sellers to widen discounts to induce sales and keep cargoes moving.



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## OUTLOOK

- Supply to stay snug with regional turnarounds
- But bearish [economic growth outlook](#) will weigh on demand
- Buyers likely to stay cautious 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	n/c	1500-1600	n/c	1550-1650	68.04-72.57
<b>CFR Asia SE</b>	USD/tonne	n/c	1600.00-1700.00	n/c	1650.00-1750.00	72.57-77.11
<b>CFR India Main Ports</b>	USD/tonne	-50	1650.00-1750.00	-50	1750.00-1900.00	74.84-79.38
<b>SBR 1712, Oil-Extended</b>						
<b>CIF China</b>	USD/tonne	n/c	1450-1550	n/c	1450-1550	65.77-70.31
<b>CFR Asia SE</b>	USD/tonne	n/c	1550.00-1650.00	n/c	1550.00-1650.00	70.31-74.84
<b>CFR India Main Ports</b>	USD/tonne	-50	1600.00-1700.00	-50	1650.00-1800.00	72.57-77.11

## China

CIF China assessments for the non-oil 1502 and oil-extended 1712 grades were rolled on range-bound indications.

Domestic China prices for the 1502 grade were rangebound, amid a slow start to post-holiday trade in the yuan-denominated market.

### East China domestic SBR 1502 prices

Price (CNY/tonne)	12 Oct	30 Sep*
E China Ex-Warehouse	11,600-11,700	11,600-11,700

## Southeast Asia

CFR SE Asia assessments for both the non-oil 1502 and the oil-extended 1712 grades were kept unchanged, taking into consideration stable offers and muted buy-side response.

Market players also noted that as long as natural rubber prices were still at low points, this would continue to keep demand for synthetic rubbers like SBR under pressure, as end-users may use more natural rubber in lieu of synthetic rubbers to optimise margins.

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

Oct (1-12) 2022	Sep 2022	Aug 2022	Jul 2022	Jun 2022	May 2022	Apr 2022	Mar 2022	Feb 2022	Jan 2022
136.16	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, with the high end dropped with lower discussions and deals heard for northeast Asia-origin cargoes.

Substantive discussions were limited for other cargoes, with buyers heard looking to start negotiating at minimally \$50/tonne lower week on week. The low end was dropped to reflect such buy-side sentiment.

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

## UPSTREAM

### Butadiene (BD)

- Buying appetite low
- Sellers wait and see
- Buy-sell gap widens again

The chart below shows the spread between butadiene and SBR.

Downstream spread – butadiene NE Asia and SBR SE Asia



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**Styrene**

- Sluggish buying interest post-holiday
- Losses in futures market
- Buyers wait-and-see



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## PRODUCTION

SBR spot availabilities are expected to stay snug in the September to November window, given a heavy wave of plant maintenances in [northeast](#) and [south](#) Asia.

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

## OTHER REGIONS

### Europe

- Upstream styrene increases €9/tonne
- October contract talks ongoing
- Spot prices stable

### US

- Supply sufficient despite production constraints, outages
- Feedstocks may continue to face downward pressure
- Demand healthy but destocking period, recession concerns weigh on outlook

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