



## 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.

The weekly pricing analysis will not be published on 27 December 2023. Please click [here](#) for the ICIS publishing schedule.

### OVERVIEW

- **Buying interest tepid for spot cargoes**
- **No lack of supplies too**
- **Spot discussions eclipsed by term talks**

Sentiment remains downbeat in the Asian spot import market for styrene-butadiene-rubber (SBR), amid a weak outlook on [global demand](#).

There was also no lack of spot availabilities, and buyers infer from this that they could take their time to shop and bargain.

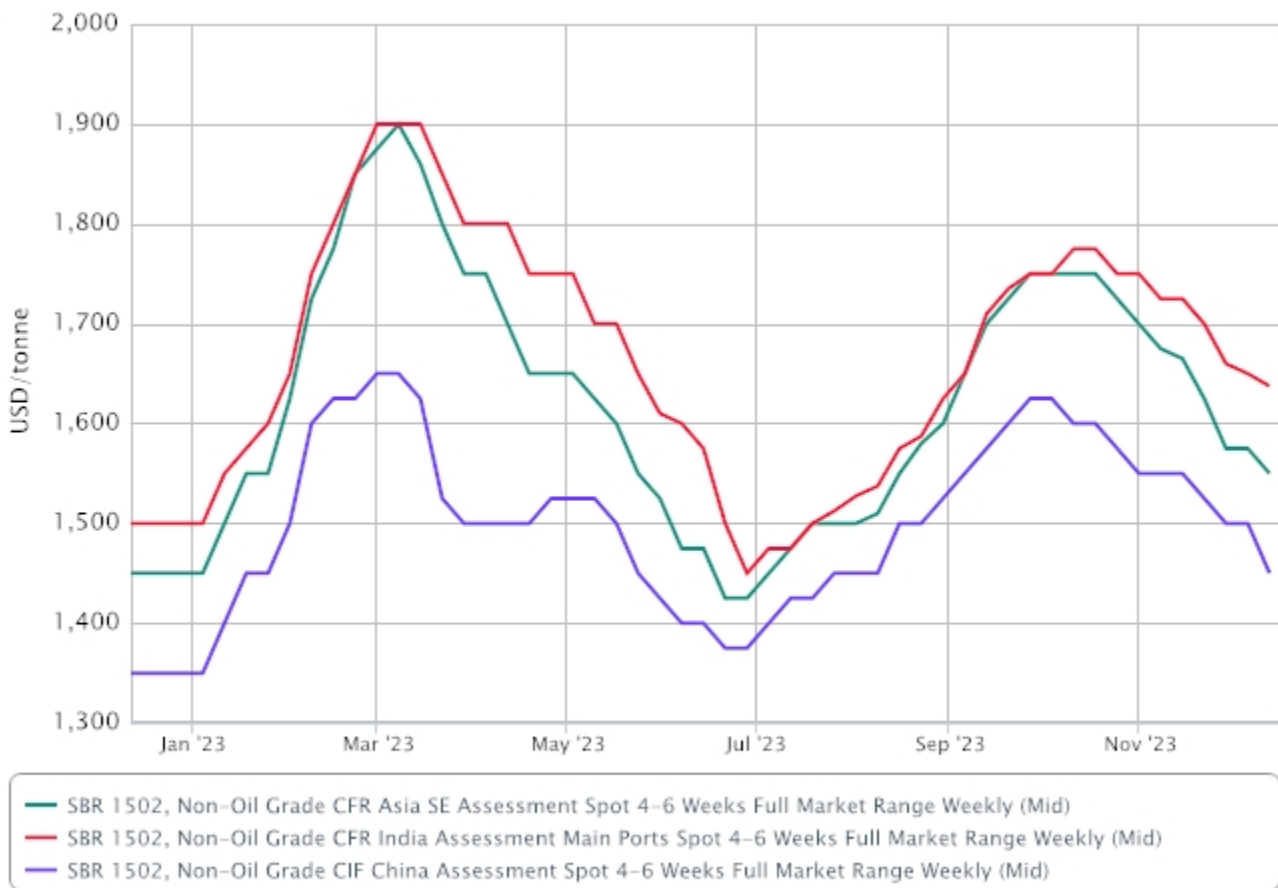
Furthermore, as feedstock [butadiene](#) prices are seemingly on a downtrend, SBR buyers were even more convinced that it would be to their advantage to wait, as offers could soften more in due course should feedstock costs continue to weaken.

Substantive spot requirements were not active to begin with at this time of year, as many downstream factories will soon be winding down for year-end holidays, market players said.

Some lower spot offers did surface, amongst sellers seeking to protect market share. But there were no sweeping changes, so as to not affect ongoing term negotiations.

But based on how 2024 term talks are progressing, sellers were themselves rather assured too, market sources said, that substantive downstream requirements are broadly healthy, since buyers are requesting for similar, if not more, volumes, compared to the current year.

However, potential sellers acknowledged too that pricing wise, buy-sell gap remains wide, which is one key factor delaying term settlement.



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## OUTLOOK

- Near-term spot requirements on seasonal lull
- Extended losses in feedstock market to weigh on SBR offers
- Players likely to keep to a cautious procurement stance

## 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	1400-1500	-50	1500-1600	63.50-68.04
<b>CFR Asia SE</b>	USD/tonne	-50	1500.00-1600.00 0	n/c	1630.00-1700.00	68.04-72.57
<b>CFR India Main Ports</b>	USD/tonne	n/c	1600.00-1675.00 0	-25	1700.00-1750.00	72.57-75.98
<b>SBR 1712, Oil-Extended</b>						
<b>CIF China</b>	USD/tonne	-50	1350-1450	-50	1450-1550	61.24-65.77
<b>CFR Asia SE</b>	USD/tonne	-70	1450.00-1550.00 0	-20	1600.00-1670.00	65.77-70.31

<b>CFR India Main Ports</b>	USD/tonne	-20	1550.00-1625.00	-45	1670.00-1720.00	70.31-73.71
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## China

CIF China assessments for the non-oil 1502 grade are adjusted down, with lower offers at the high-end, and weaker buying indications at the low-end.

Buying interest for US-dollar-denominated imports is also diluted by recent losses in the yuan-denominated domestic China market.

Domestic prices of SBR in east China sunk deeper, under the weight of slow buying and massive yuan-denominated losses seen for feedstock BD.

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

### East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	11,200-11,300	11,400-11,600

## Southeast Asia

CFR SE Asian assessments for the non-oil 1502 grade fell at the low-end with weaker buying indications. Some offers were heard at the higher-end.

Recent declines in natural rubber prices also weighed down demand in southeast Asia for SBR imports, market players said.

There were no substantive discussions or indications for the oil-extended 1712 grade, and assessments for the 1712 grade were adjusted down first in line with 1502's changes, and then in reflection of a wider pricing differential with 1502.

Market players said that as prices of distillate oils have eased of-late, this has also mitigated cost pressures for 1712 grades, giving in turn 1712 grade sellers more room to price down. The price gap between 1502 and 1712 grades is now pegged at minimally \$50/tonne, up by about \$20/T from previously.

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

Dec 2023	(1-13) Nov 2023	Oct 2023	Sep 2023	Aug 2023	Jul 2023	Jun 2023
143.87	148.42	145.26	142.65	130.22	131.31	133.48

Source: Malaysian Rubber Board

## India

CFR Indian assessments for the non-oil 1502 grade were lower at the high-end with a softer offer heard for NE Asian materials

Some transactions had taken place at around the low-end, market sources said.

But substantive discussions are limited otherwise, as most end-users do not want to take positions currently, preferring to wait until the year-end holiday season is over before they redeliberate on fresh spot trades.

Assessments for the oil-extended 1712 grade are also adjusted down, first in line with 1502 grade changes at the high-end, and next taking into account, as with SE Asia, a wider pricing differential of \$50/tonne between the two grades.

## UPSTREAM

### Butadiene

- Wider losses in domestic China market
- [Buying appetite](#) curtailed in line for spot imports
- Players more preoccupied with term negotiations too

The chart below shows the spread between butadiene and SBR, which remains in the unhealthy zone.

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



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### Styrene

- Limited discussions across import markets
- Tight supply in China leads to some domestic market gains
- But import prices receive mostly minimal support



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### PRODUCTION

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

### OTHER REGIONS

#### Europe

- December styrene drops significantly
- Demand slowing in cases
- December contract talks underway; spot prices stable

### ANALYTICS

#### ICIS butadiene outlook

There are few signs that the BD industry will improve in 2024. Global BD prices are unlikely to reach values seen in 2023 due to an expected decline in energy and feedstocks prices, weaker US appetite and increased global capacity. Dark clouds will continue to threaten Germany's BD industry in the years to come. Several tyre makers are rethinking the future of their production assets in the country. Michelin is due to close three sites in Karlsruhe, Trier and Homburg by the end of 2025. Goodyear is mulling the closure of its tyre plants in Fulda and Furstenwalde. The elastomer and BD markets will be affected as a result. Tyre imports for passenger and light commercial vehicles could rise from an annual average of 24m units seen over the last few years to sustain German demand. In theory, the BD arbitrage window between the US and Europe should remain closed, which will cause an excess of product in the latter. The US BD market is expected to become more self-sufficient next year following a scheduled expansion of BD capacity in Houston, Texas, and the closure of an ADN unit in Orange, Texas, in early October 2023. In 2024, all BD greenfield facilities will be built in Asia, with two new units completed in China. In China, total derivative capacity expressed as a BD equivalent will exceed total BD capacity by about 1.3m tonnes. Seven new ABS trains, which will add 2.46m tonnes/year at full capacity, should start production in China in H1 2024. Two will be installed at existing petrochemical complexes operated by Hengli Petrochemical and Zhejiang Petroleum & Chemical. As a result, the two will cut spot and term BD supply to the market.

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