



Styrene Butadiene Rubber (Asia-Pacific)

By Ai Teng Lim
13-Nov-2024

[Overview](#) | [Outlook](#) | [Prices](#) | [Upstream](#) | [Production](#) | [Other Regions](#) | [Analytics](#)

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

OVERVIEW

- **Softer feedstock prices weigh on SBR offers**
- **Buy-side response patchy**
- **Most hold back to wait and see**

Atmosphere in this week's Asian import market for styrene butadiene rubber (SBR) is more subdued this week, with many players pulling back to wait for volatility in upstream markets to subside before they deliberate on their next positions.

Feedstock butadiene (BD) market tumbled in recent weeks, losing nearly 10% since early November in the domestic ex-tank market in east China, according to ICIS data.

If BD supply lengthens with new capacity growth in China, market players said that the regional BD market may continue to stay under pressure in the near term.

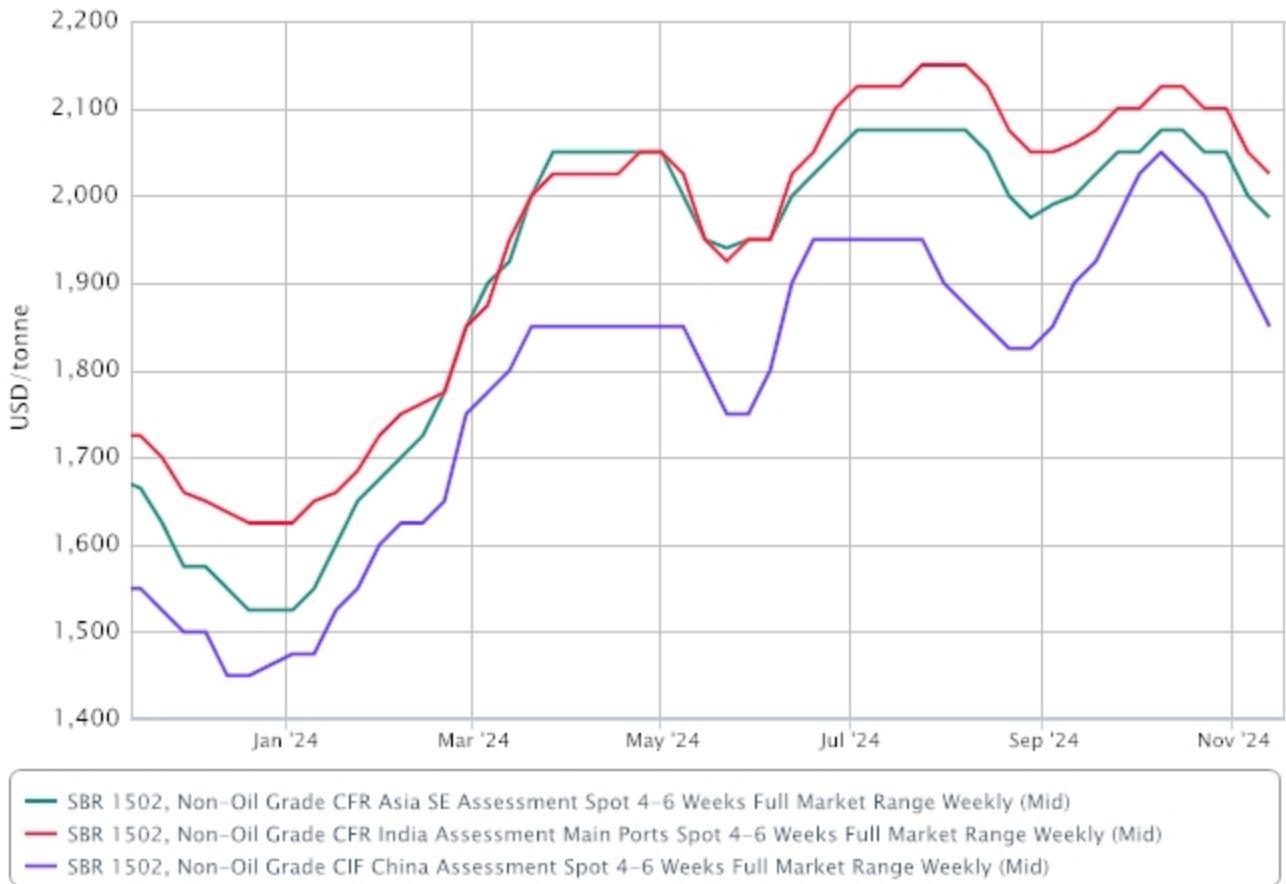
Against this backdrop, buyers of BD derivative products including SBR are unwilling to commit at this juncture, preferring to hold out for SBR sellers to transfer BD cost savings and lower SBR offers.

Many also believe that the longer they stave off their next SBR purchase, the more likely they could procure at lower prices.

While some sellers moderated offers to bridge the gap with buyers and keep some cargoes moving, most were not inclined to offer more discounts as yet. Firstly, many highlighted that their margins had been long compressed, and that therefore they are still not in a strong financial position to price down SBR too much.

Others said that spot availabilities are not abundant too, with many regional suppliers already fully sold out on contractual obligations. Regional output is also not optimal yet, with some plants still shut on extended maintenance.

Spot trade liquidity is expected to remain muted as long as such buy-sell differences prevailed, market players said.



© 2024 ICIS

OUTLOOK

- Extended feedstock declines to [weigh on offers](#)
- Downstream demand hazy, pending clarity on auto sector growth
- Buy-sell disparity to widen

PRICES

SPOT PRICES

		Price Range		Four Weeks Ago	US CTS/lb	
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	-50	1800-1900	-50	2000-2050	81.65-86.18
CFR Asia SE	USD/tonne	-50	1900.00-2000.00	-50	2000.00-2150.00	86.18-90.72

CFR India Main Ports	USD/tonne	-50	1950.00-2050.00	-50	2050.00-2200.00	88.45-92.99
SBR 1712, Oil-Extended						
CIF China	USD/tonne	-50	1750-1850	-50	1950-2000	79.38-83.91
CFR Asia SE	USD/tonne	-50	1850.00-1950.00	-50	1950.00-2100.00	83.91-88.45
CFR India Main Ports	USD/tonne	-50	1900.00-2000.00	-50	2000.00-2150.00	86.18-90.72

China

CIF China assessments for the non-oil 1502 grade fell as buy-sell indications softened in line with extended losses in the yuan-denominated domestic China market.

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

Domestic prices in east China continued to decline, in part due to sustained losses seen for spot trades in feedstock butadiene (BD).

East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	15,100-15,300	15,300-15,700

Southeast Asia

CFR SE Asian assessments for the non-oil 1502 grade also dropped at the high end with lower offers heard against buying indications capped at the low end.

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

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

Nov (1-13) 2024	Oct 2024	Sep 2024	Aug 2024	Jul 2024	Jun 2024	May 2024	Apr 2024	Mar 2024	Feb 2024	Jan 2024
201.48	207.08	196.02	179.89	168.65	176.00	170.03	162.99	165.36	156.66	154.20

Source: Malaysian Rubber Board

India

CFR prices for the non-oil 1502 grade fell at the high end with lower offer heard for northeast Asia-origin

materials, while the low end tracks buying indications for similar materials.

Substantive discussions are limited with some end-users increasingly leaning towards buying non-Asia origin materials, much of which are offered at prices substantially cheaper.

CFR prices for the oil-extended 1712 grade are also adjusted in line with changes for the 1502 grade.

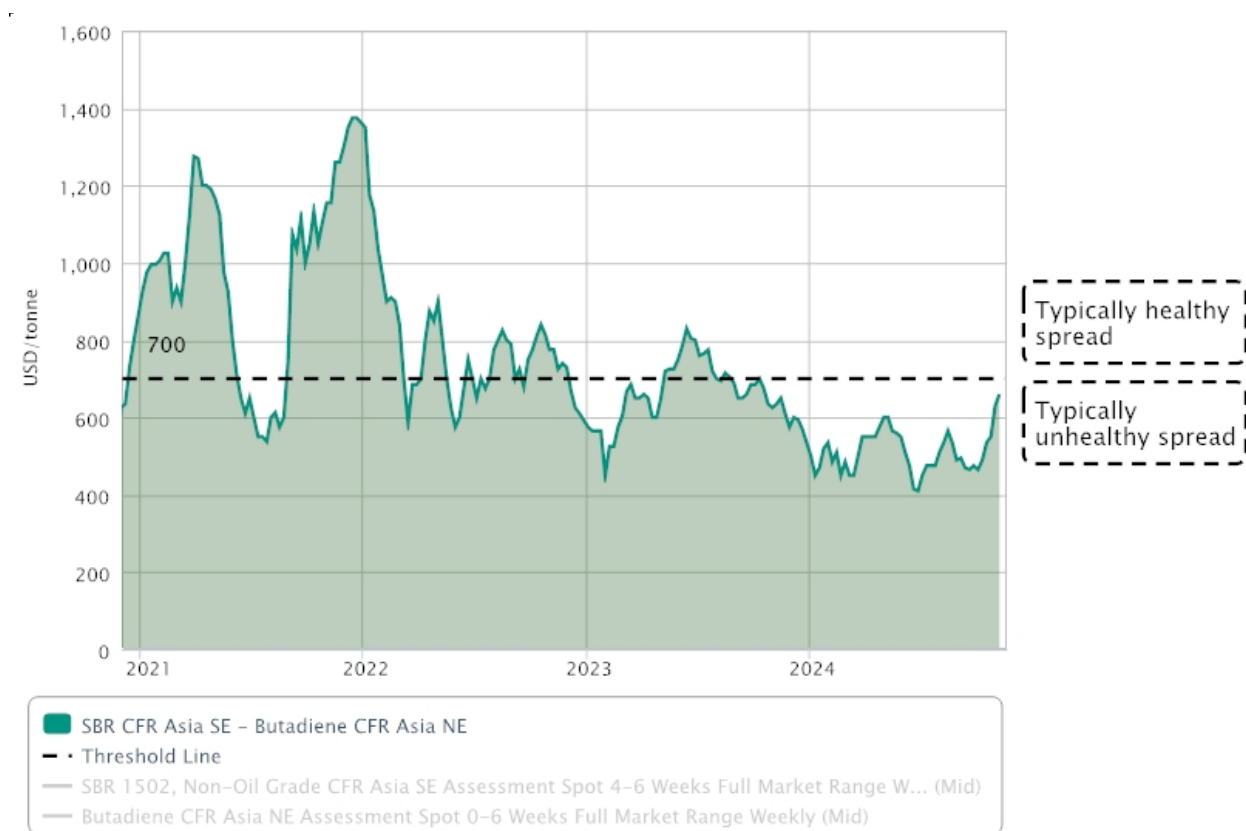
UPSTREAM

Butadiene

- Floundering domestic China weighs on import sentiment
- Fresh spot supplies surface
- But most buyers already amply covered

The chart below shows the price spread between butadiene and SBR, which while still in the unhealthy zone, has risen substantially of late in favor of the SBR makers.

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

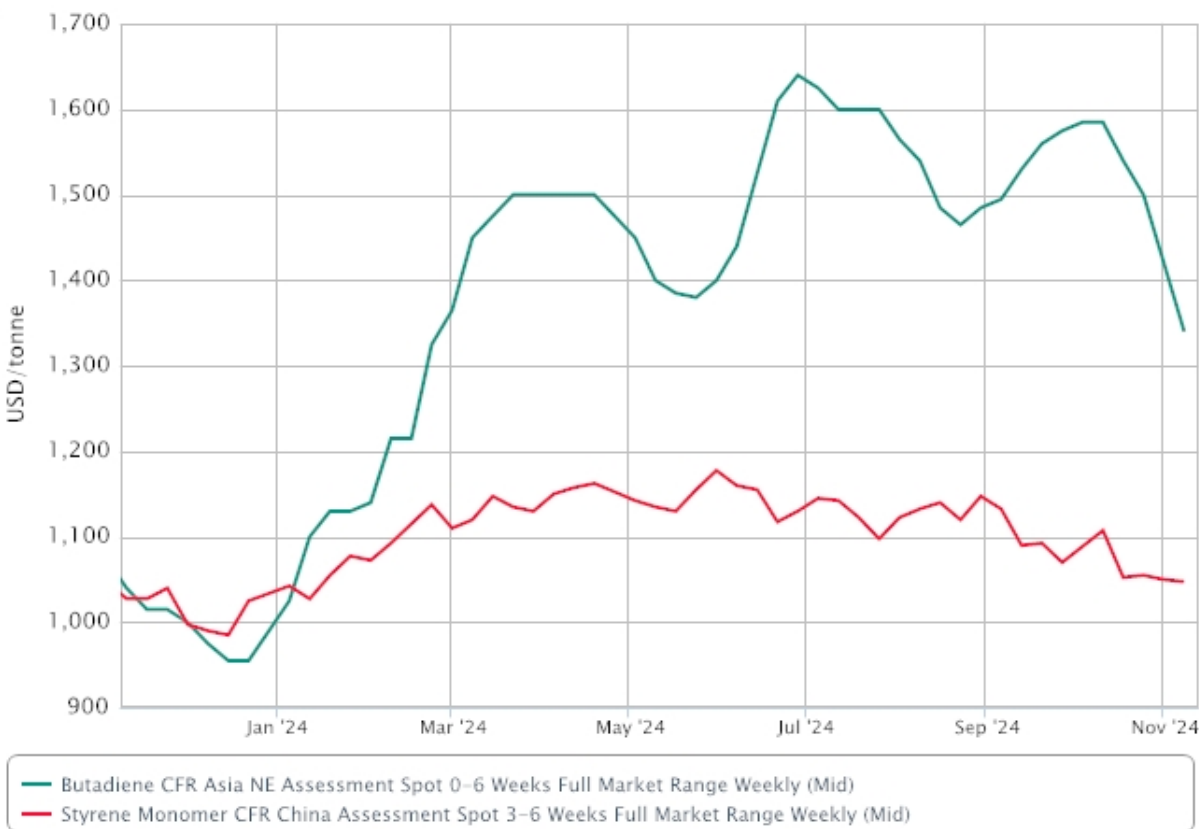


© 2024 ICIS

Styrene:

- Constrained supply, low inventory continue supporting China's SM market
- Market players await further clarity over policy, economic data after risk events in US, China

- Regional spot demand stays sluggish; temporary oversupply persists outside China



© 2024 ICIS

PRODUCTION

135,000 tonnes/year worth of SBR production capacity in Tokuyama, Japan, is [shut](#) for turnarounds from mid-September to end November.

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

OTHER REGIONS

Europe

- Prices steady
- November styrene contract settles
- Fundamentals unchanged

ANALYTICS

ICIS outlook for the downstream automotive sector

Volatile trade relations and policy continue to be major headwinds for the automotive sector this year. The industry is preparing for structural change. However, there is a degree of skepticism among

manufacturers regarding mandatory targets for ramping up the charging and refueling infrastructure for electric vehicles.

According to the US Census Bureaus, US light vehicle sales increased by 3.3% month on month in September to 15.7 million (this is still below the pre-pandemic level of 17.2 million in September 2019, down approximately 8.1%). The finished inventory to sales ratio (calculated by dividing inventory by sales) decreased month on month from 1.601 to 1.359 in August 2024. For context, the ratio was 0.672 and 0.601 respectively in September 2021 and 2022.

According to the European Automobile Manufacturers' Association (ACEA), EU passenger car registration decreased by 6.1% in September compared with same month last year. The association reported double-digit losses in France (-11.1%) and Italy (-10.7%). The German market contracted by 7.0%. On the positive side, Spain and Italy reported growth of 4.7% and 2.1%, respectively.

China automotive output in 2024 is expected to grow 8.0% compared with 2023; Q4 2024 is forecast to grow by 2.2% compared with Q4 2023 (Oxford Economics). The Indian festive season is forecast to give a much-needed boost to the industry. On the negative side, dealers are struggling with higher inventory and lower profitability, as reported by the Federation of Automobile Dealers Associations (FADA). India automotive output in 2024 is expected to grow 6.6% compared with 2023; Q4 2024 is forecast to grow by 0.7% compared with Q4 2023 (Oxford Economics). FADA reported cautious optimism ahead of India's festive season, though strategic inventory management is crucial before capitalizing on it.

By **Jincy Varghese**, ICIS demand analyst, jincy.varghese@icis.com

Styrene Butadiene Rubber (Asia-Pacific) | 13-Nov-2024. ICIS accepts no liability for commercial decisions based on the content of this report. Unauthorised reproduction, onward transmission or copying of the Styrene Butadiene Rubber (Asia-Pacific) Report in either its electronic or hard copy format is illegal. Should you require a licence or an additional copy of the Styrene Butadiene Rubber (Asia-Pacific) Report, please contact ICIS at sales.uk@icis.com

ICIS, Quadrant House, The Quadrant, Sutton, Surrey, SM2 5AS. United Kingdom. ICIS accept no liability for commercial decisions based on the content of this report. Copyright violation is a serious offence. Any distribution or forwarding of information that is not expressly permitted by your subscription agreement is a copyright violation. ICIS uses software to monitor unauthorised electronic redistribution of reports.

© 2024 Reed Business Information Limited. ICIS is a member of RELX Group.



www.icis.com