



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

- **Buying interest tepid**
- **Softer feedstock prices weigh on sentiment**
- **Offers steady nonetheless on spot supply constraints**

Discussions in the Asia spot import market for styrene butadiene rubber (SBR) imports faltered under tepid buying interest.

Buyers pressed for discounts, seeing how upstream feedstock butadiene (BD) markets had trended down of late.

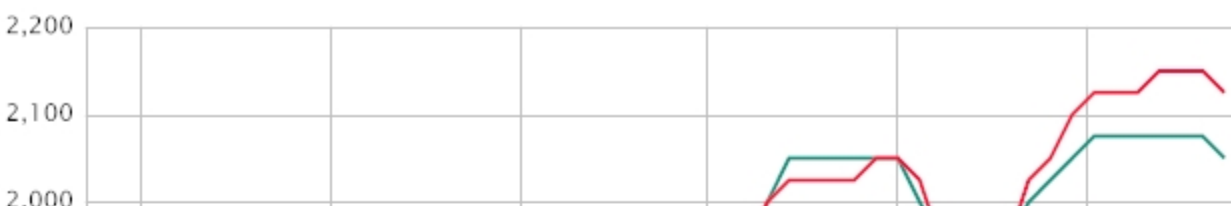
They were wary in the first place about committing to fresh spot purchases as uncertainties lingered about how growth in key downstream sectors like automotive may hold up if broader macroeconomic headwinds fail to ease soon.

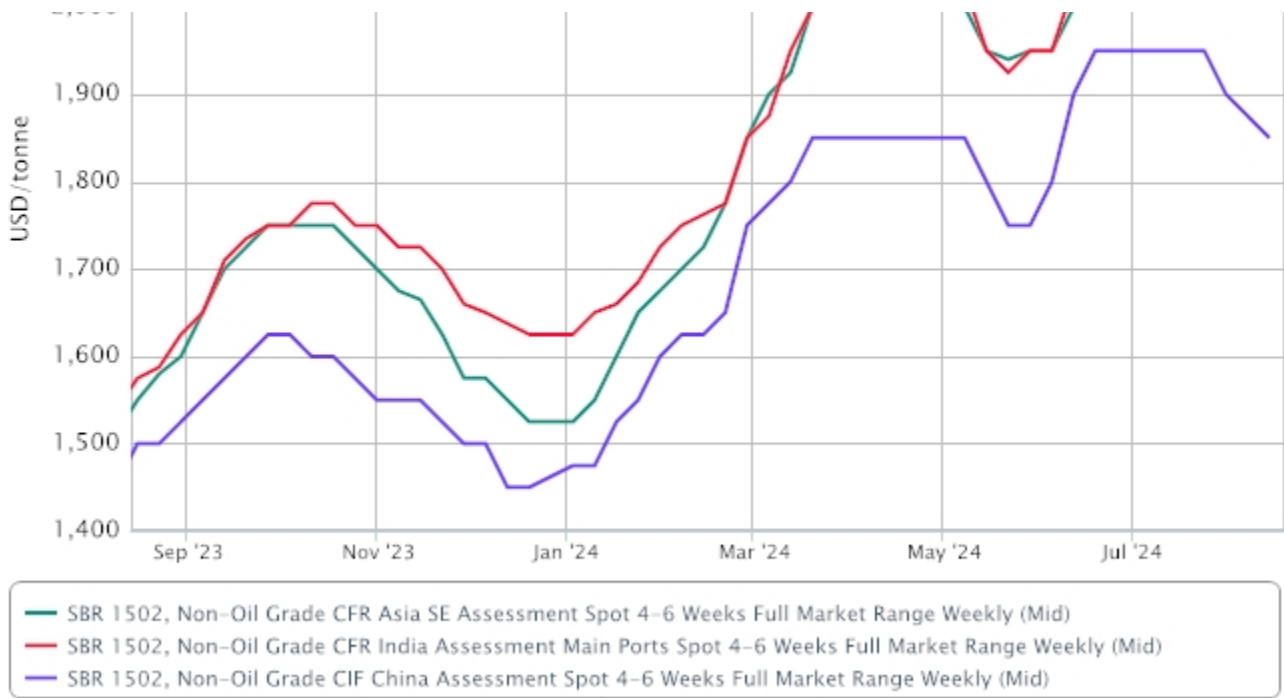
Recent slew of bearish economic indicators, including subdued 2024 exports growth forecast for key regional economies like Singapore, did little to boost market confidence too.

However, for regional SBR makers, many do not have much surplus volumes for spot sales as they were either fully committed to prior contractual obligations or preoccupied with rebuilding inventories ahead of upcoming maintenance closures in H2 2024.

As such, most held fast to their existing targets, notwithstanding the weak buy-side response.

Market players said that this buy-sell stalemate may extend well into H2 2024, or until there is more clarity on the growth situation for regional economies.





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OUTLOOK

- Upstream [crude oil](#) volatilities to weigh on demand sentiment
- Players also await clearer directions from feedstock butadiene market
- Buy-sell stalemate to stretch

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	-50	1800-1900	n/c	1900-2000	81.65-86.18
CFR Asia SE	USD/tonne	-50	2000.00-2100.00	n/c	2050.00-2100.00	90.72-95.25
			0			
CFR India Main Ports	USD/tonne	-50	2050.00-2200.00	n/c	2050.00-2200.00	92.99-99.79
			0			
SBR 1712, Oil-Extended						
CIF China	USD/tonne	-50	1750-1850	n/c	1850-1950	79.38-83.91
CFR Asia SE	USD/tonne	-50	1950.00-2050.00	n/c	2000.00-2050.00	88.45-92.99
			0			
CFR India Main Ports	USD/tonne	-50	2000.00-2150.00	n/c	2000.00-2150.00	90.72-97.52
			0			

China

The CIF China prices for the non-oil 1502 grade continued to trend down with tepid buying interest for US dollar-denominated imports.

But no fresh offers were heard, and the high end was rolled over as such.

Local end-users continued to tap on the domestic supply pool, and domestic prices in China held steady with healthy stream of purchases.

The CIF China prices for the oil-extended 1712 grade were adjusted in line with changes for the 1502 grade.

East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	14,700-14,900	14,700-14,900

Southeast Asia

The CFR SE Asia assessment for the non-oil 1502 grade was down at the low end, with subdued buying indications.

Spot offers held steady at the high end.

The CFR SE Asia prices for the oil-extended 1712 grade were adjusted with changes in the 1502 grade assessment.

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

Aug (1-14) 2024	Jul 2024	Jun 2024	May 2024	Apr 2024	Mar 2024	Feb 2024	Jan 2024
175.48	168.65	176.00	170.03	162.99	165.36	156.66	154.20

Source: Malaysian Rubber Board

India

The CFR India assessment for the non-oil 1502 grade was stable to soft, with the low end adjusted down to reflect bearish buy-side sentiment in a thinly traded week.

Selling indications on northeast Asia-origin materials held steady at the high end and up.

But buy-side response was tepid, with many end-users still remaining on the sidelines for now and expecting to resume spot discussions only after the monsoon season is fully over in the coming weeks.

The CFR India assessment for the oil-extended 1712 grade was adjusted in line with changes to the 1502 grade.

UPSTREAM

Butadiene

- SE Asia sees sudden spurt of spot offers
- Buy-side's supply anxieties assuaged
- Most reverted to wait-and-see stance

The chart below shows the spread between butadiene and SBR .

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

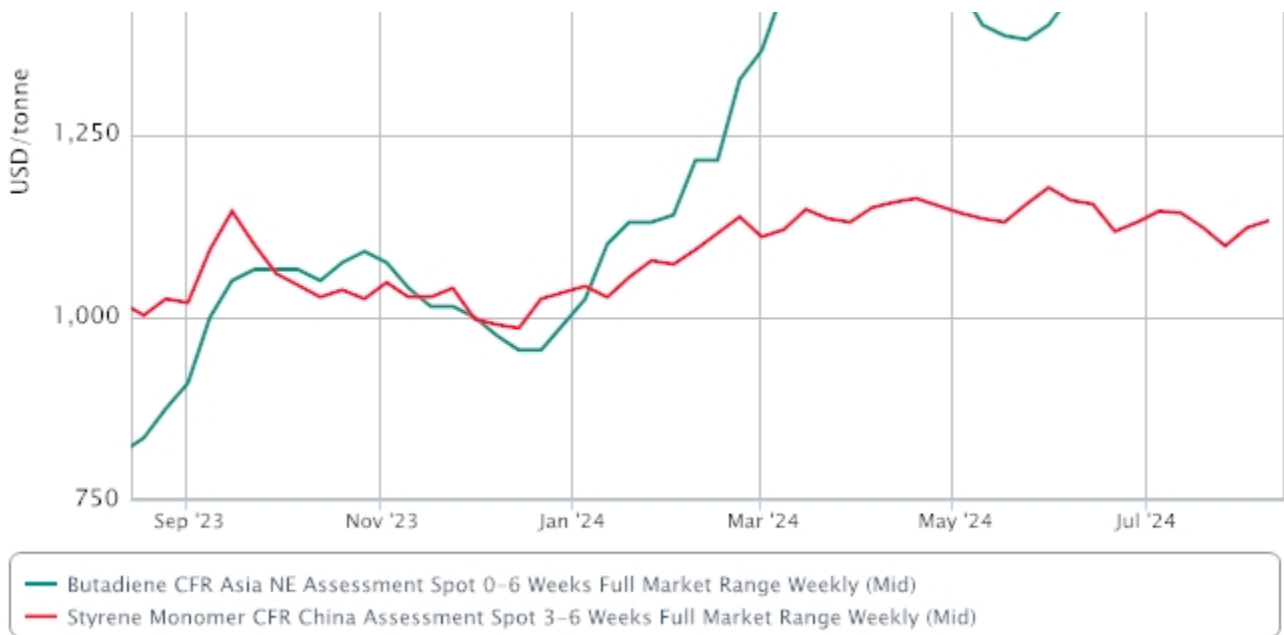


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Styrene

- Stable fundamentals keep China SM market in tight balance
- Bearish macro sentiment and recession fears weigh on China SM market's mood
- Regional suppliers continue looking for export opportunities; S Korea Sept import talks slow





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PRODUCTION

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

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

OTHER REGIONS

Europe

- SBR market appears steady
- Spot prices unchanged
- Upstream styrene contract increases in August

ANALYTICS

ICIS crude outlook

Global oil market dynamics are set to shift, influenced by a recent 12 million-barrel reduction in US crude inventories and OPEC+'s tight supply controls. In the US, refining capacity is nearing 95%, while gasoline and crude inventories are declining. Meanwhile, geopolitical risks in the Middle East and Ukraine, along with the hurricane season, pose potential supply disruptions. Exports of gasoline, gasoil and jet fuel from China are expected to decrease slightly, by about 0.5% in August, as refiners focus on domestic demand. India is forecast to increase crude imports to over 6.5 million barrels/day and will likely drive future demand. Non-OPEC+ producers are expanding output, enhancing global capacity and contributing to market stability. The US inflation trend and

potential interest rate adjustments will also be key to shaping market movements, with a 25 basis point cut anticipated in September.

By **David Jorbenaze**, senior analyst, david.jorbenaze@icis.com

ICIS naphtha outlook

The naphtha markets in Europe and Asia are expected to remain volatile in August due to fluctuations in crude oil prices following growing geopolitical tensions and macroeconomic developments. In Europe, strong demand for blending and reduced supply, exacerbated by a possible hurricane disruption in the US, is anticipated. Heatwaves are likely to boost Eurobob gasoline prices, while the arbitrage window to Asia remains narrow due to limited regional availability and high freight costs. In Asia, naphtha prices are poised to be supported by a seasonal increase in demand, although an increase in petrochemical demand remains uncertain. Naphtha exports from Russia to Asia are set to peak as refineries recover from drone attacks, which will further support prices amid the ongoing driving season.

By **David Jorbenaze**, senior analyst, david.jorbenaze@icis.com

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