



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

- **Softer upstream weighs on sentiment**
- **Lower deals in SE Asia**
- **Losses cushioned by supply limitations**

Discussions in this week's spot market for styrene-butadiene-rubber (SBR) were more downbeat, as buying appetite shrunk after recent upstream declines.

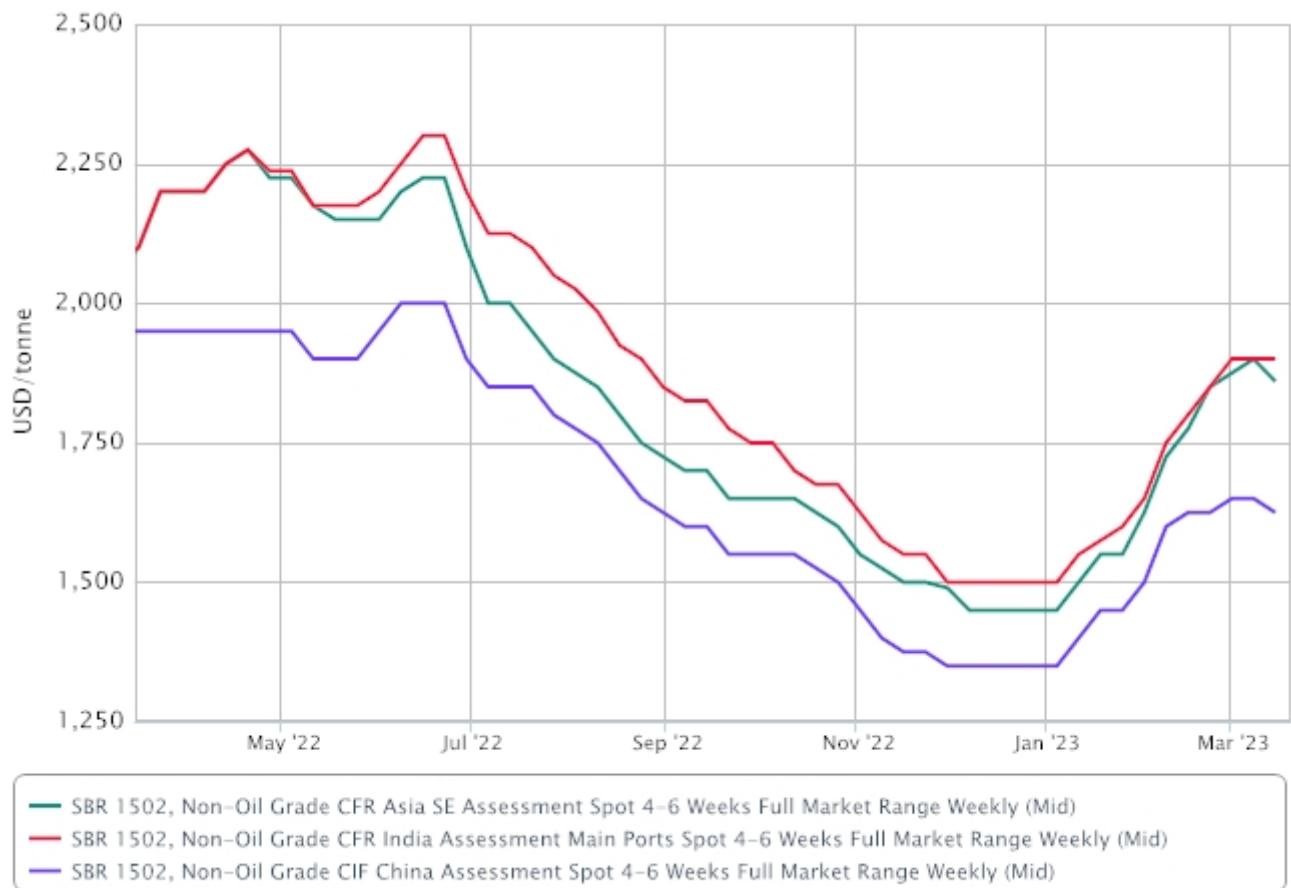
Most end-users pulled back to wait and see if SBR spot offers will soften further, given expectations that feedstock [butadiene](#) (BD) prices may continue to decline.

Those who still had room to take in some spot volumes for current production needs limited themselves to buying only small lots.

Also, after a recent slide in natural rubber prices, demand for synthetic rubber such as SBR has also fallen, players said.

Some sellers moderated targets to close deals, but most are optimistic the market may still correct upwards once a regional demand recovery gains traction.

Spot availability is not abundant amid low inventories among regional makers as well as an upcoming April maintenance closure. SBR sellers expect this to provide some support to spot offers moving forward.



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OUTLOOK

- Snug spot supply in near term
- Upstream losses, if sustained, to weigh on sentiment
- Demand depends on China [economic growth outlook](#)

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	-50	1550-1700	n/c	1550-1700	70.31-77.11
CFR Asia SE	USD/tonne	-50	1800.00-1920.00	-30	1700.00-1850.00	81.65-87.09
CFR India Main Ports	USD/tonne	n/c	1850.00-1950.00	n/c	1750.00-1850.00	83.91-88.45
SBR 1712, Oil-Extended						
CIF China	USD/tonne	-50	1500-1650	n/c	1500-1650	68.04-74.84
CFR Asia SE	USD/tonne	-50	1750.00-1870.00	-30	1650.00-1800.00	79.38-84.82
CFR India Main Ports	USD/tonne	n/c	1800.00-1900.00	n/c	1700.00-1800.00	81.65-86.18

China

The CIF China assessment for non-oil 1502 grade was down at the low end on softer buying indications heard.

Domestic China prices were lower on slow downstream buying interest.

The assessment for oil-extended 1712 grade was adjusted in line with the change in non-oil 1502 grade.

East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	11,550-11,700	11,600-11,800

Southeast Asia

The CFR SE Asia assessment for non-oil 1502 grade was adjusted to capture the full spectrum of deals heard for March and April shipments from northeast Asia.

Offers for April shipments were also heard within the range.

The assessment for oil-extended 1712 grade was adjusted with the change in 1502 grade.

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

Mar 15) 2023	(1- Feb 2023	Jan 2023	Dec 2022	Nov 2022	Oct 2022	Sep 2022	Aug 2022
137.50	140.11	140.11	135.03	127.32	130.52	134.12	149.74

India

CFR India prices for non-oil 1502 grade were kept unchanged on rangebound talks for northeast Asia-origin material.

Domestic supply of SBR 1502 is snug as production hiccups earlier this month affected output at a local unit. The problems have been resolved and operations restored, market sources said.

Regional makers reported healthy enquiries from India for April import shipments, but no transactions materialised in the week.

End-users will only look to finalise fresh import bookings after the new financial year begins next month, sources said.

The continued availability of competitively-priced deep-sea origin material also eroded buying appetite in India for Asia-origin material.

The assessment for oil-extended 1712 grade was also unchanged in line with the stable 1502 grade assessment.

UPSTREAM

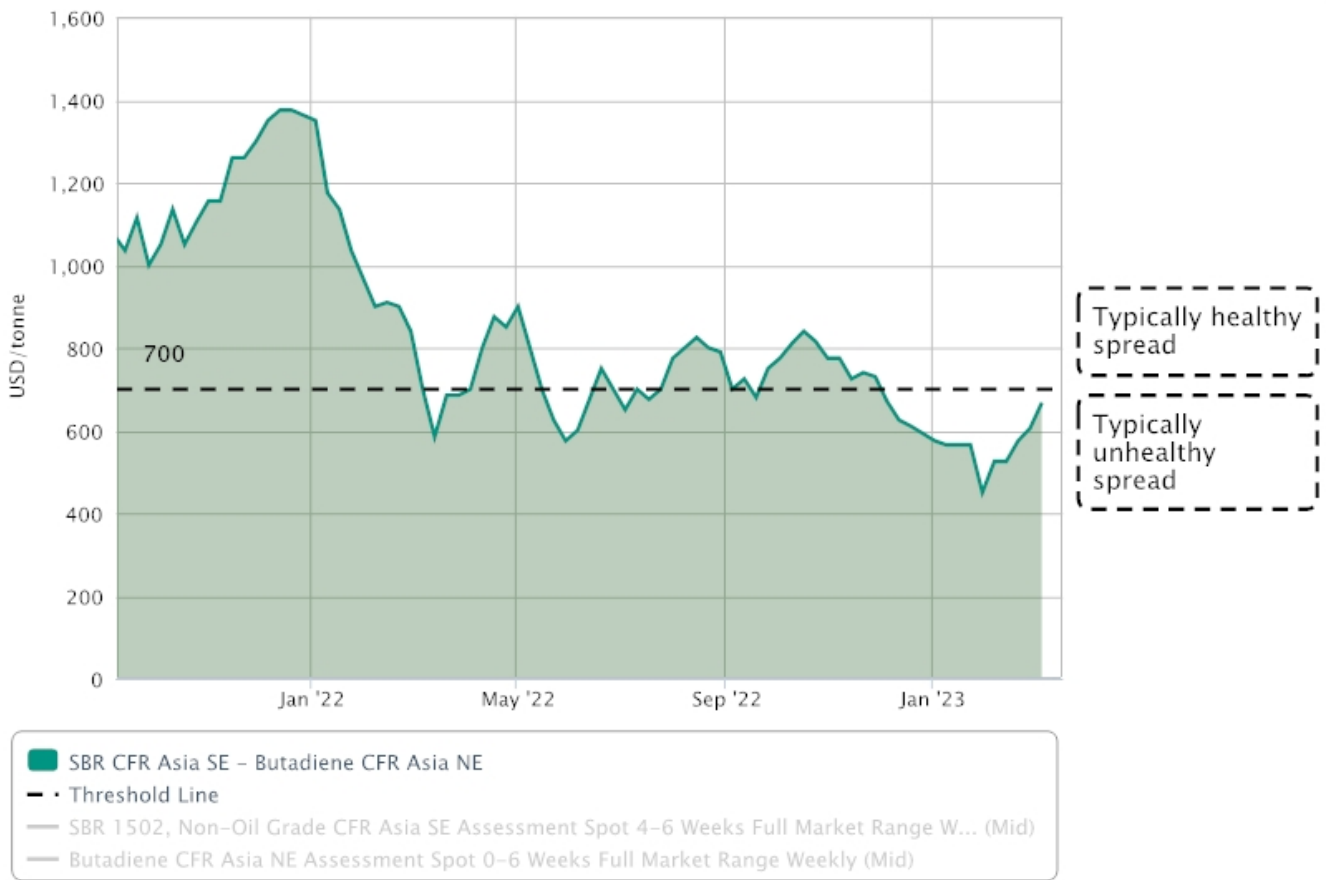
Butadiene (BD)

- Divergent sentiment as domestic China fluctuates

- Discussions for prompt import parcels down
- Views mixed on demand-supply outlook

The chart below shows the spread between BD and SBR.

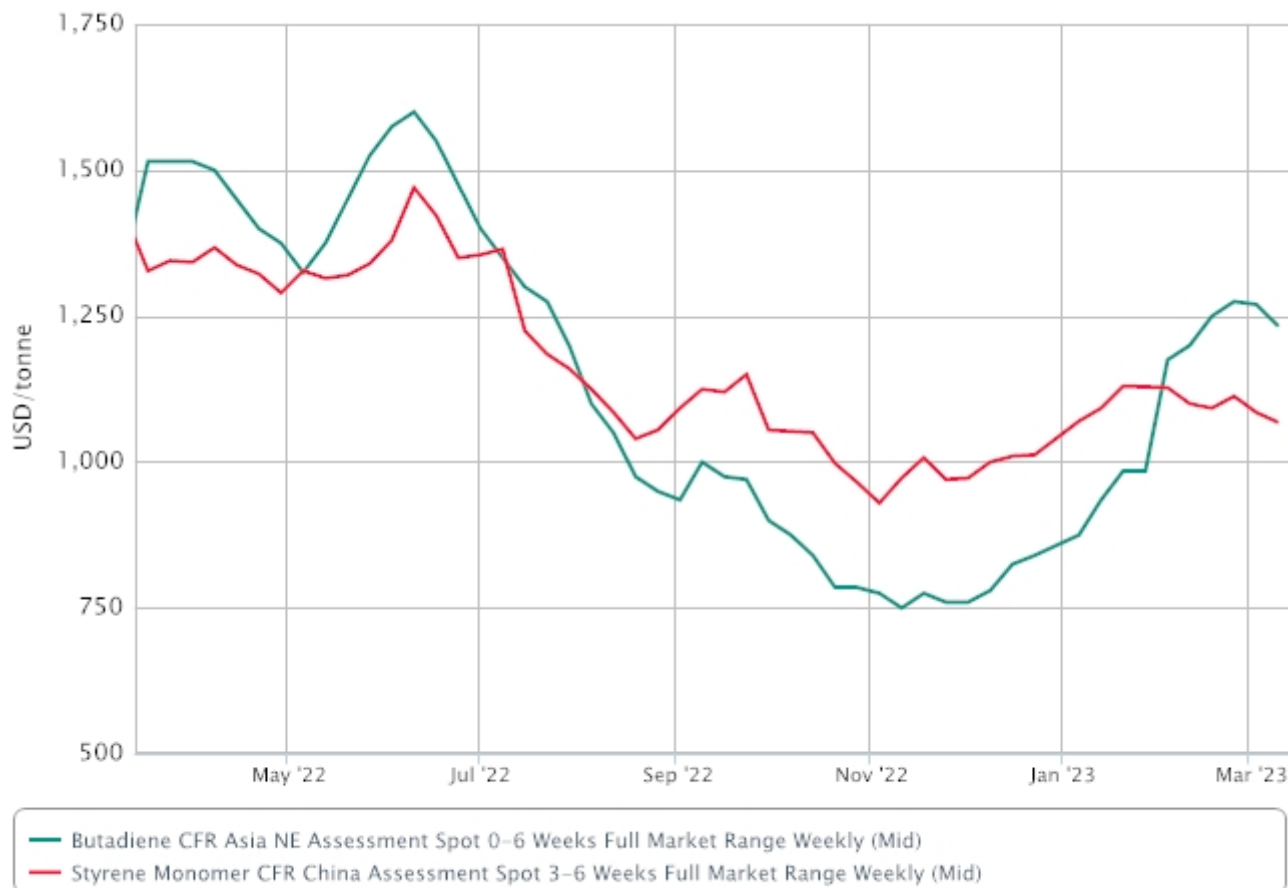
[Downstream spread – butadiene NE Asia and SBR SE Asia](#)



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Styrene

- Import appetite largely lukewarm
- CFR China sellers actively offer, responses mixed
- Export opportunities for Chinese producers remain slim



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PRODUCTION

Regional supplies are poised to remain tight due to an [upcoming](#) April maintenance in northeast Asia.

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

OTHER REGIONS

Europe

- March contract talks continue
- Spot prices roll over
- Mostly steady market fundamentals

US

- March contracts flat with mostly steady feedstocks
- Spot prices steady
- March BD contracts flat

ANALYTICS

ICIS Outlook on GDP

It is almost a year since Russia invaded Ukraine, with no resolution in sight. Geopolitical tensions are forecast to weigh heavily on the global economy. IMF (International Monetary Fund) projects global GDP for 2023 at 2.9%, which is a 0.2% higher than the previous forecast. Growth is expected to rebound to 3.1% in 2024. The upward

revision was primarily driven by the opening of the Chinese economy. However, potential risk to the downside remains such as emergence of a new COVID-19 variant, labour shortages, high risk of debt distress from developing economies. In addition, geopolitical tensions between Russia and Ukraine are expected to be drawn out. Currently, risk outweighs growth drivers. In addition, the central bank is required to maintain balance between managing inflation by raising interest rates, and not compromising on recovery.

US GDP in 2023 is forecast to grow 1.4% year on year, which is 0.4% higher than the previous IMF forecast. Similarly, 2024 is forecast to grow at 1.4% year on year. The optimistic forecast reflects potential pent-up demand and stronger private consumption and investment. In addition, with the signing of Inflation Reduction Act, approximately \$370bn in investments will be deployed to tackle energy costs, local manufacturing, health care and green infrastructure.

According to IMF, the euro area is project to grow at 0.7% year on year in 2023 (an increase of 0.2% from previous update). 2024 is predicted to be a much stronger year with 1.6% expansion of the economy year on year.

As China has scrapped its quarantine requirements and other movement restrictions, the economy is forecast to grow 5.2% year on year in 2023 (an upward revision of 0.8% from previous update). 2024 is forecast to grow 4.5% year on year. India is forecast to grow 6.1% and 6.8% in 2023 and 2024, respectively.

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