



Styrene Butadiene Rubber (Asia-Pacific)

By Ai Teng Lim
15-May-2024

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

ICIS is currently consulting readers about the methodology used for this report. To respond, [click here](#). All prices in the weekly analysis on 22 May will be assessed based on information collated up to 21 May. Please click [here](#) for the ICIS publishing schedule.

OVERVIEW

- **Sentiment down with upstream losses**
- **Buying interest tepid**
- **Discounts capped on spot supply limitations**

Discussions in this week's Asian import market for styrene butadiene rubber (SBR) [trended lower](#) with softer offers and even weaker buying interest.

Reduction of feedstock butadiene ([BD](#)) prices gave SBR sellers room to dish out some discounts on June shipment supplies, in a bid to induce buying and demand.

But discounts may be capped as production margins are deemed still far from healthy, market players said.

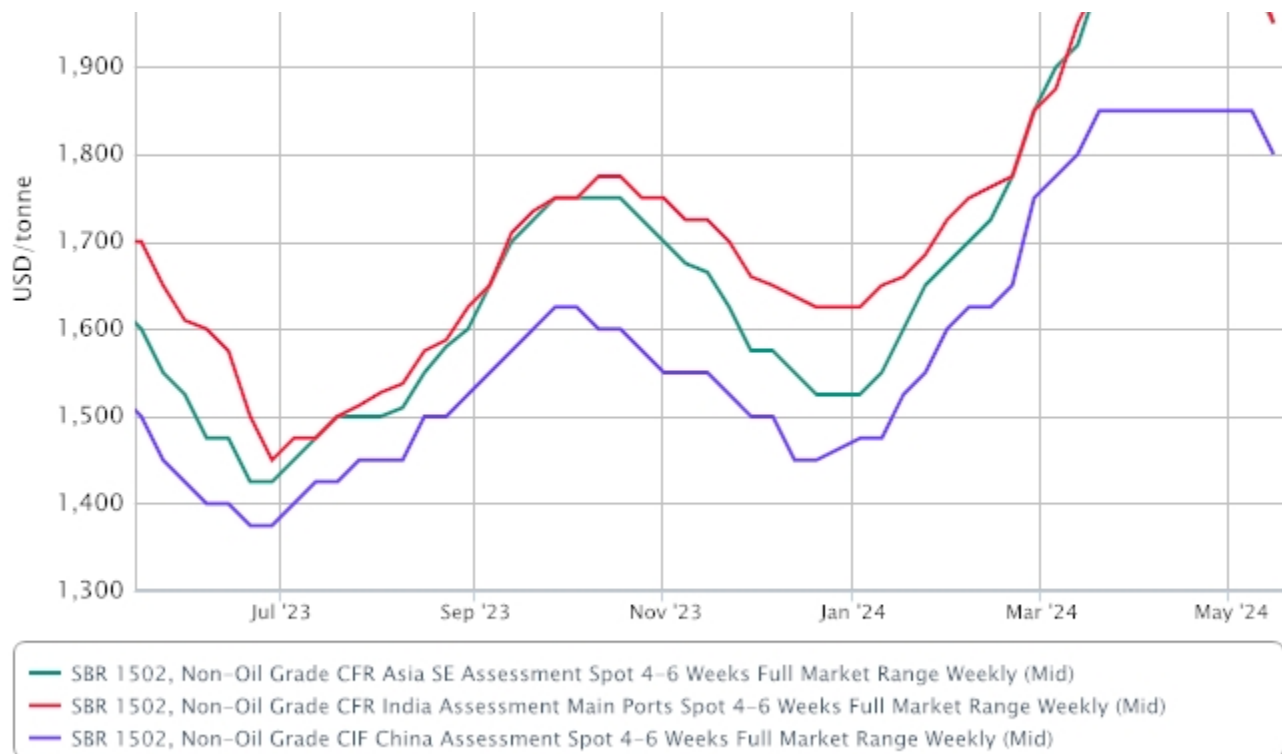
Spot availabilities are also limited, amid ongoing turnarounds, which sellers believe would provide some support for current offers.

But buying interest is tepid, with many end-users still on the sidelines, cautious about not over-committing on new purchases until they have more clarity on what is in store in the broader macroeconomic landscape.

Latest news of [US tariff hikes](#) on China imports, including for electric vehicles, triggered concerns about this could impact next on downstream demand in Asia for raw materials used in the automotive sector, including SBR.

In India, buy-side pricing appetite for Asia-origin imports is further dented by continued availability of very competitively-priced materials from non-Asia origins.





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OUTLOOK

- Demand uncertainties may heighten with fresh trader barriers
- Other geopolitical issues like the Middle East conflicts could weigh further on sentiment
- Spot supplies may be snug for the near term

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	-50	1750-1850	-50	1800-1900	79.38-83.91
CFR Asia SE	USD/tonne	-50	1900.00-2000.00	-50	2000.00-2100.00	86.18-90.72
			0			
CFR India Main Ports	USD/tonne	-100	1850.00-2050.00	-50	1950.00-2100.00	83.91-92.99
			0			
SBR 1712, Oil-Extended						
CIF China	USD/tonne	-50	1700-1800	-50	1750-1850	77.11-81.65
CFR Asia SE	USD/tonne	-50	1850.00-1950.00	-50	1950.00-2050.00	83.91-88.45
			0			
CFR India Main Ports	USD/tonne	-100	1800.00-2000.00	-50	1900.00-2050.00	81.65-90.72
			0			

China

CIF China prices for the non-oil 1502 grade were down, tracking lower offers at the high-end, and buying indications capped at the low-end.

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

Domestic China prices were stable on broadly unchanged demand-supply balance in the local market.

East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	13,200-13,300	13,200-13,300

Southeast Asia

CFR SE Asia prices for the non-oil 1502 grade were lower, with offers heard at the high-end and up, against, buying indications capped at the low-end.

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

Recent uptick in natural rubber prices, however, boosted confidence among sellers, in the hope that this could bolster buying interest for SBR as a cheaper substitution product to natural rubber.

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

May (1-15) 2024	Apr 2024	Mar 2024	Feb 2024	Jan 2024	Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023
164.29	162.99	165.36	156.66	154.20	146.31	148.42	145.26	142.65	130.22

Source: Malaysian Rubber Board

India

CFR Indian prices were assessed in a wider range, reflecting the growing buy-sell gulf.

The high-end for the non-oil 1502 grade assessment is dropped, tracking offers heard for NE-Asia-origin materials.

But buying indications fell deeper, with some buyers turning to tap instead on supplies from non-Asia-origin materials given that these are competitively priced vis-à-vis Asia-origin materials.

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

UPSTREAM

Butadiene

- Demand still underwhelming
- Discussions softer early week as sellers moderated expectations
- Supply anxieties reignited following [Thai tank fire](#) late week

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](#)

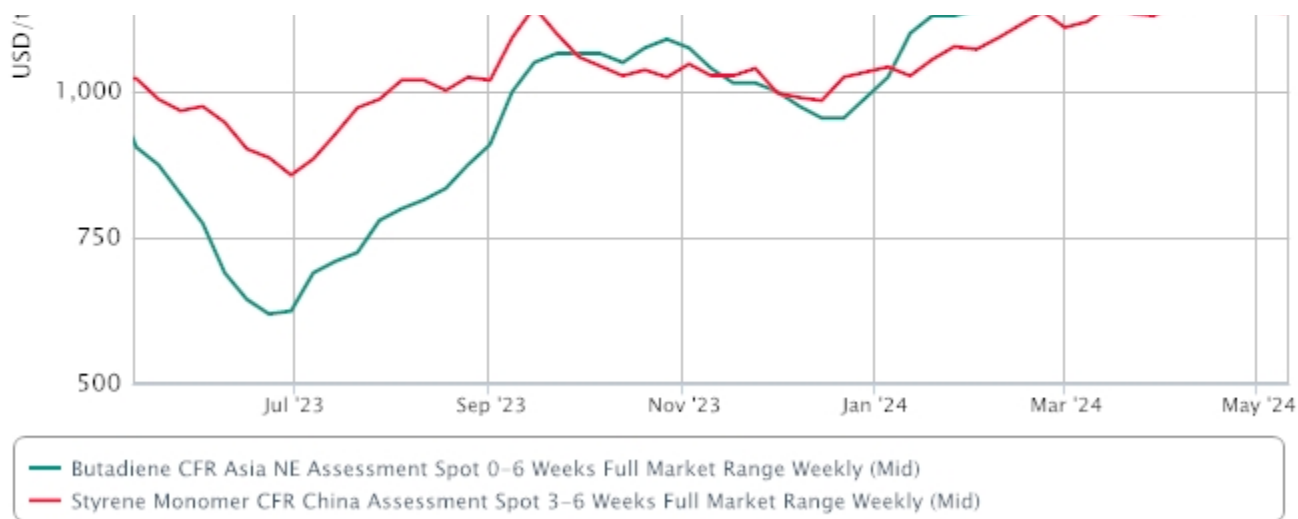


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Styrene

- Market sentiment softened amid cautious expectations on forward cost supports
- Overall regional supply remained tight amid various plant maintenance
- Intra-NE Asia discussions remained active, buyers and sellers were price-wise sensitive





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PRODUCTION

A 100,000 tonne/year unit in Taiwan has [shut](#) for a month-long maintenance and expected to resume end-May.

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

OTHER REGIONS

Europe

- Spot price range widens on mixed offer levels
- Europe styrene May contract drops with feedstock
- Demand muted

ANALYTICS

ICIS outlook on downstream automotive sector

Sustainability is important, but so is being competitive. That was the sentiment expressed in a recent interview with Harald Seidel, director general of the European Automobile Manufacturers' Association (ACEA) and CEO of DAF Trucks. The automotive outlook for 2024 remains concerning as uncertainty remains at unprecedented levels, presenting challenges for both decision-making and risk management, especially in the context of the transition to electric vehicles.

According to the US Census Bureau, US light vehicle sales decreased by 1.3% month on month in April, with total sales of 15.5 million units (up by 3.7% year on year and down by 10.1% on the same period in 2019). Macroeconomic stressors continue to weigh heavy on automotive demand. Another challenge affecting the US auto industry is the impact of the Baltimore bridge disaster, which will lead to significant trade disruptions.

In an automotive round table discussion held earlier this month, 13 original equipment manufacturer CEOs met

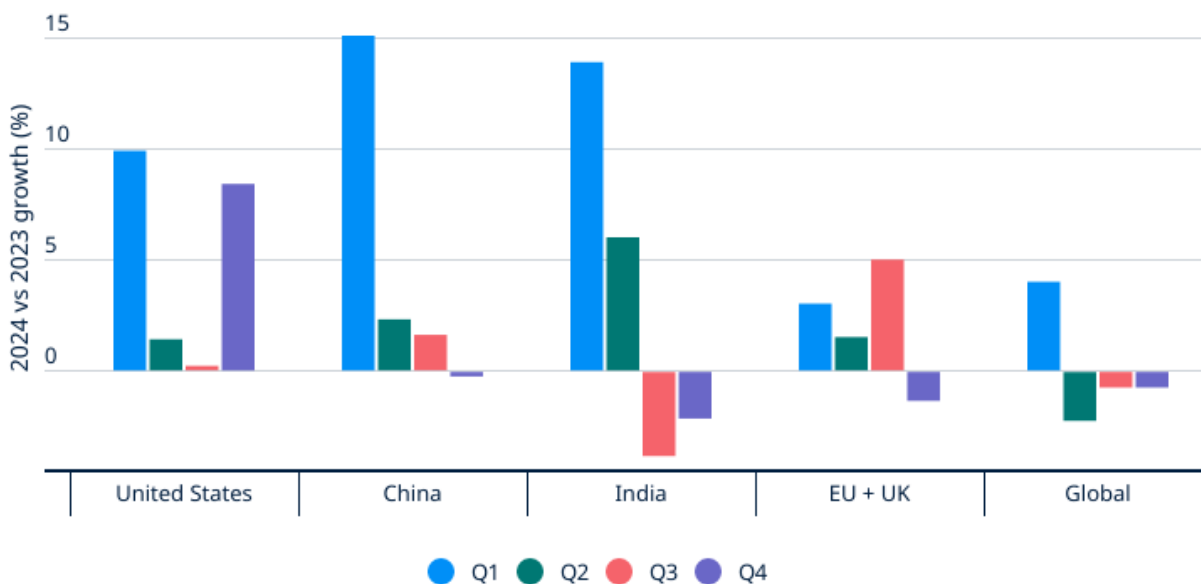
the EU Commissioner for Climate Action Wopke Hoekstra to discuss the future of the sector in the region. Car manufacturers are committed to decarbonization and are making appropriate investments. The group urged support from the government in the form of charging and hydrogen refilling infrastructure, a sufficient supply of critical raw materials, better access to finance, and market incentives. According to ACEA, EU passenger car registrations decreased by 5.2% year on year in March. The fall is primarily attributed to reduced activity because of Easter holidays. The association further reports that Germany posted the biggest decline, with -6.2%, followed by Spain (-4.7%), Italy (-3.7%), and France (-1.5%).

China is doubling down on its investments in electric vehicles. According to the Rhodium Group's China Cross-Border Monitor, Chinese outbound foreign direct investment (OFDI) is booming. Although investment in both mergers and acquisitions (M&A) and greenfield projects were down 5% in 2023 year on year (2022 did exceptionally well), the independent research group further reports that approximately 80% of the total investments were battery manufacturing related.

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Motor vehicle sector growth by region

2024 vs 2023



SOURCE: Oxford Economics

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