Styrene Butadiene Rubber (Asia-Pacific)

By Ai Teng Lim
16-Aug-2023

Overview | Outlook | Prices | Upstream | Production | Other Regions

Please click here for full details on the criteria ICIS uses in making these price assessments.

OVERVIEW

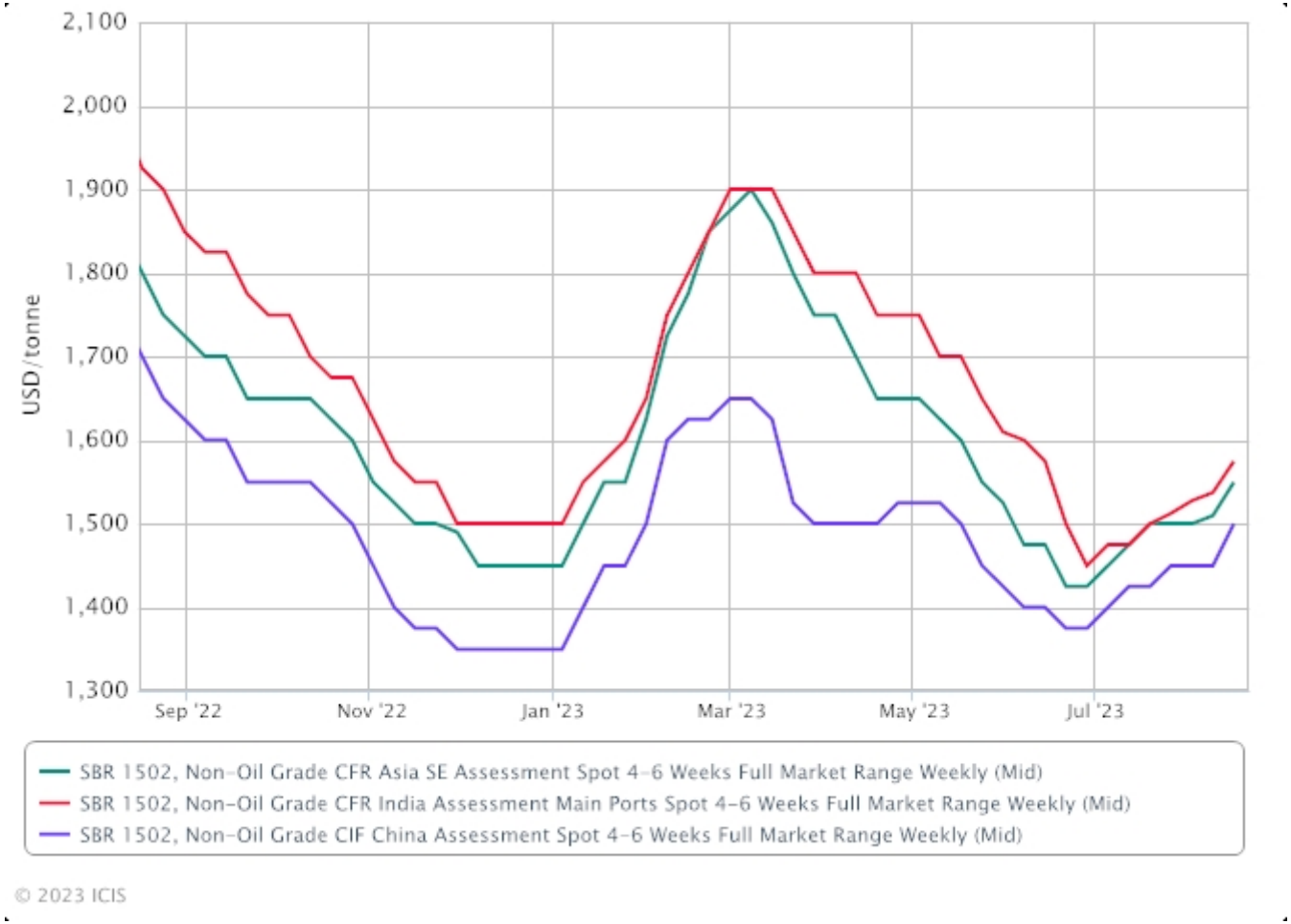
- **Cost pressure continues to weigh on markets**
- **India demand keeps pace ahead of festival period**
- **Further Q3 turnarounds being considered in NEA**

Asia's styrene butadiene rubber (SBR) market continues to face pressure from raw material cost factors, in spite of crude's recent dip.

Feedstock styrene continued its climb amid buoyant upstream headwinds. Players noted that the market was unlikely to see a significant reverse in upward pressure from butadiene soon unless the supply tightness in crude and naphtha eases.

In India, demand was supported by enquiries for restocking during the festival period, as well as better performance heard from the auto sector.

Demand activity in other regions was seen to be relatively quieter, with players noting a preference for domestic supply options at present where possible (such as in China).



OUTLOOK

- **India domestic demand to lend support in near term ahead of festival period**
- **Upward pressure may remain due to tightening US crude**
- **Buy-sell gap in SEA may persist, spot talks scant**

PRICES

SPOT PRICES

	Price Range	Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade			

CIF China	USD/tonne	+50	1450-1550	+50	1400-1450	65.77-70.31
CFR Asia SE	USD/tonne	+30	1500.00-1600.00	+50	1450.00-1550.00	68.04-72.57
CFR India Main Ports	USD/tonne	+25	1525.00-1625.00	+50	1450.00-1550.00	69.17-73.71
SBR 1712, Oil-Extended						
CIF China	USD/tonne	+50	1400-1500	+50	1350-1400	63.50-68.04
CFR Asia SE	USD/tonne	+30	1470.00-1570.00	+50	1400.00-1500.00	66.68-71.21
CFR India Main Ports	USD/tonne	+25	1495.00-1595.00	+50	1400.00-1500.00	67.81-72.35

China

Prices for the non-oil 1502 grade were firmer, tracking higher domestic discussion levels, with buying indications heard at the low end of the assessed range.

The high end was moved in line. Selling interest to China was heard above the assessed range.

Assessments for the oil-extended 1712 grade are adjusted with changes in the 1502 grade.

East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	11,750-11,900	11,700-11,900

Southeast Asia

CFR SE Asia prices were adjusted tracking higher prices discussed for material in the region, with selling interest at the high end.

The low end was formed from discussions heard at $1,500-1,600/tonne CFR SE Asia.

Players noted that the buy-sell gap remained wide due to slow demand in this region.

Assessments for the oil-extended 1712 grade are adjusted with changes in the 1502 grade.

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

Aug 2023 (1-16)	Jul 2023	Jun 2023	May 2023	Apr 2023	Mar 2023	Feb 2023	Jan 2023	Dec 2022
129.07	131.31	133.48	136.34	136.27	135.03	140.11	140.11	135.03

India

Buying interest for non-oil 1502 imports was heard higher this week and assessed at the low end of the range to the mid-$1,500s/tonne CFR India level.

Selling interest was driven mainly by cost pressure, with sellers targeting levels at and above the high end of the assessed range.

Assessments for the oil-extended 1712 grade are adjusted with changes in the 1502 grade.

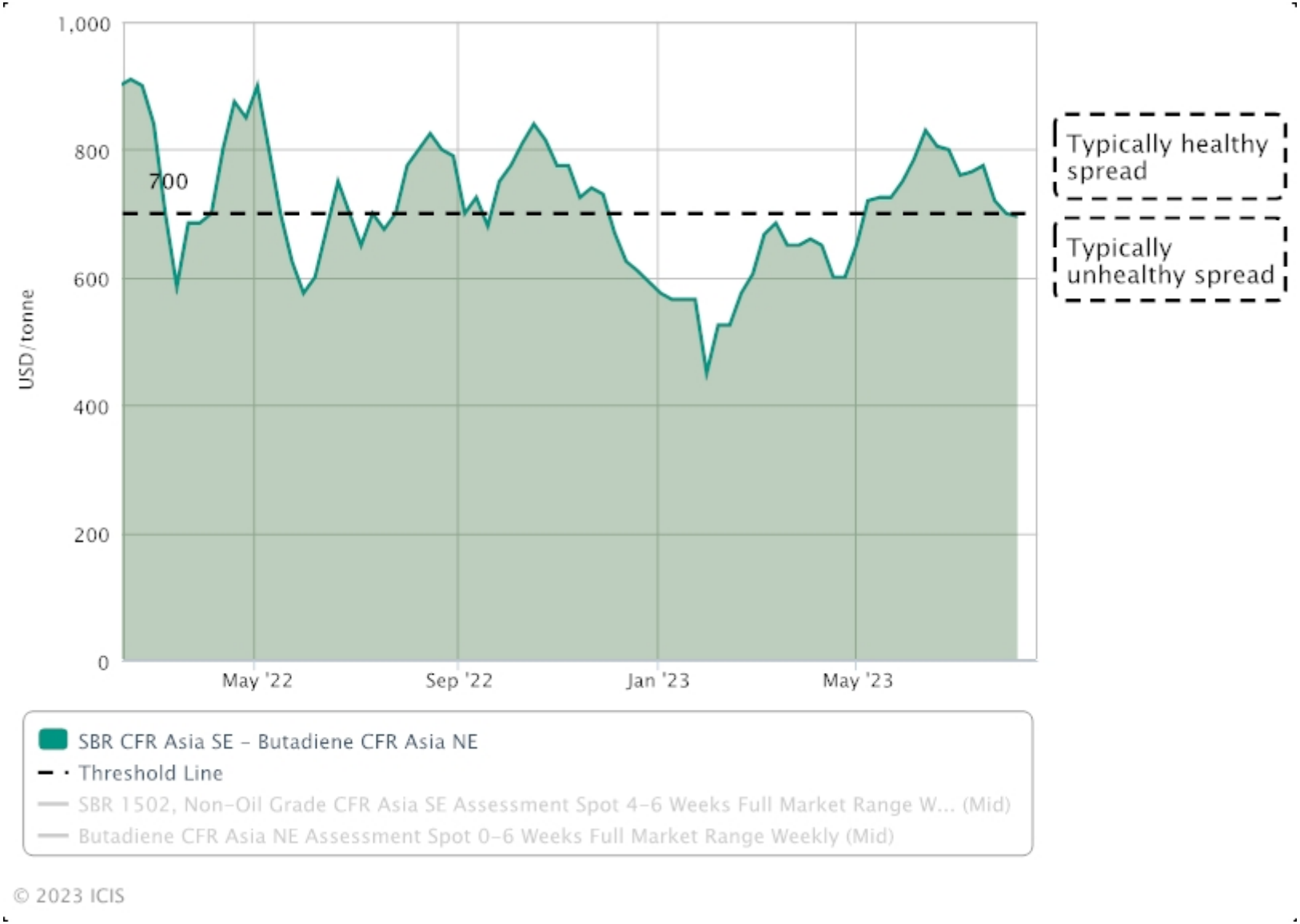
UPSTREAM

Butadiene

- Domestic China eases on weak economic data
- Buoyant crude and upstream markets bolster selling indications in Asia
- Buyers largely still cautious although some heard willing to consider higher values

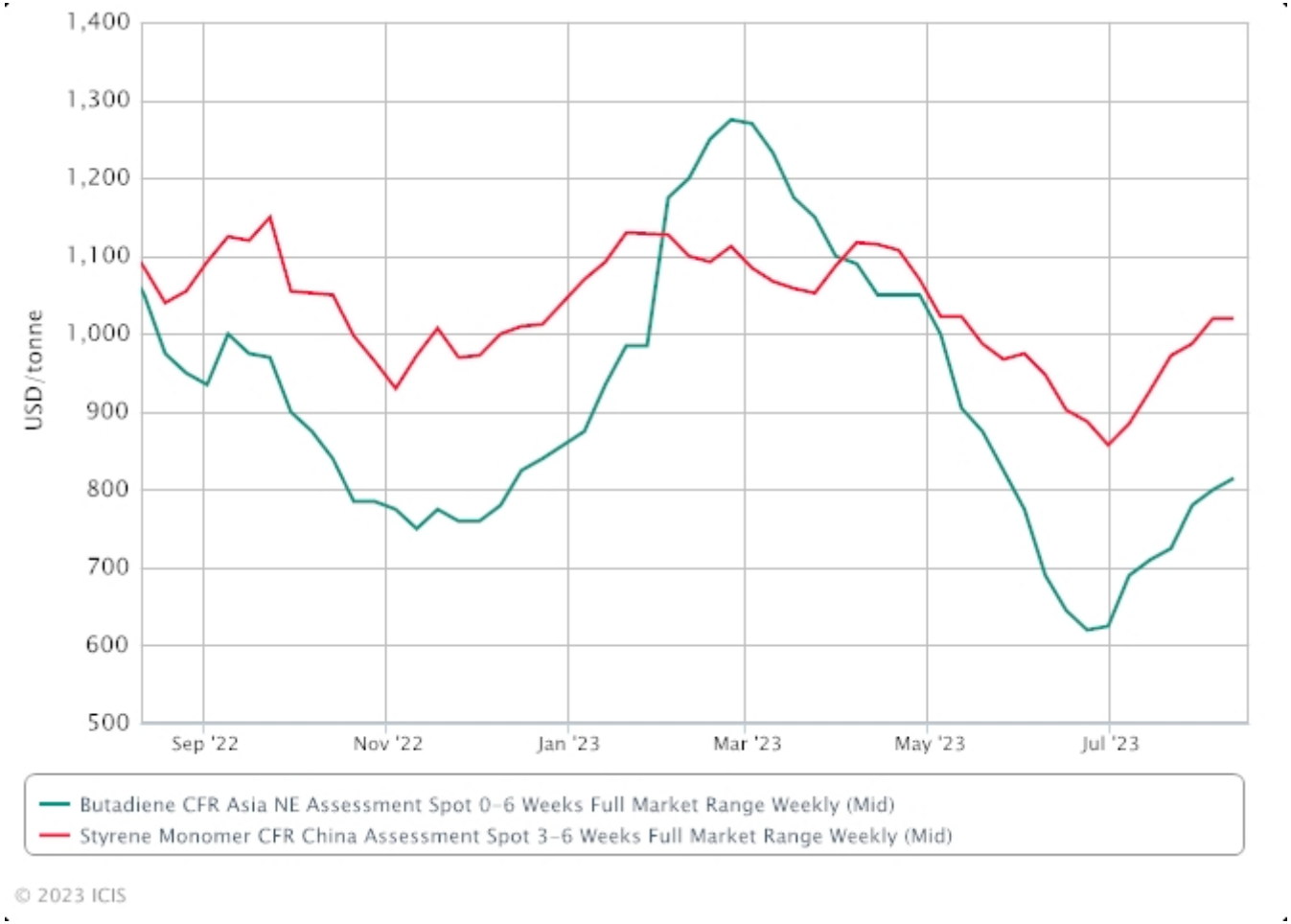
The chart below shows the spread between butadiene and SBR.

Feedstock spread – butadiene NE Asia and SBR SE Asia



Styrene

- Firm feedstock costs continue to support regional market
- Lack of concrete buy-sell interest hampers CFR China market liquidity
- Spot demand from South Korea and India seen, but discussions limited



PRODUCTION

Northeast Asia run rates in October are anticipated to be tighter, with a Korea-based producer heard to be considering a turnaround in around late September. Plan details were unconfirmed at the time of writing.

If confirmed, this would tighten northeast Asia supply further, with China's Shen Hua Chemical Industrial already scheduling a nearly month-long turnaround beginning later this month.

Click here for the Asian SBR Live Disruptions Tracker.

OTHER REGIONS

Europe

- Stable spot prices
- Summer holiday lull in full swing
- Market conditions appear largely unchanged

(Covering editor: Josh Quah)

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