



## 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.

All prices in the weekly analysis on 1 May will be assessed based on information collated up to 30 April. Please click [here](#) for the ICIS publishing schedule.

### OVERVIEW

- **Buy-sell tussel intensifies gulf**
- **Demand picture murky**
- **But offers steady on cost push factor**

Discussions are limited in the Asian spot import market for styrene-butadiene-rubber (SBR) with buyers and sellers widely divided in their respective pricing outlook.

On the demand front, end-users retreated into the sidelines, stating that except for limited need-based procurement, they would not buy more SBR to build inventory until there is more clarity or certainty about how the broader macroeconomic landscape may pan out.

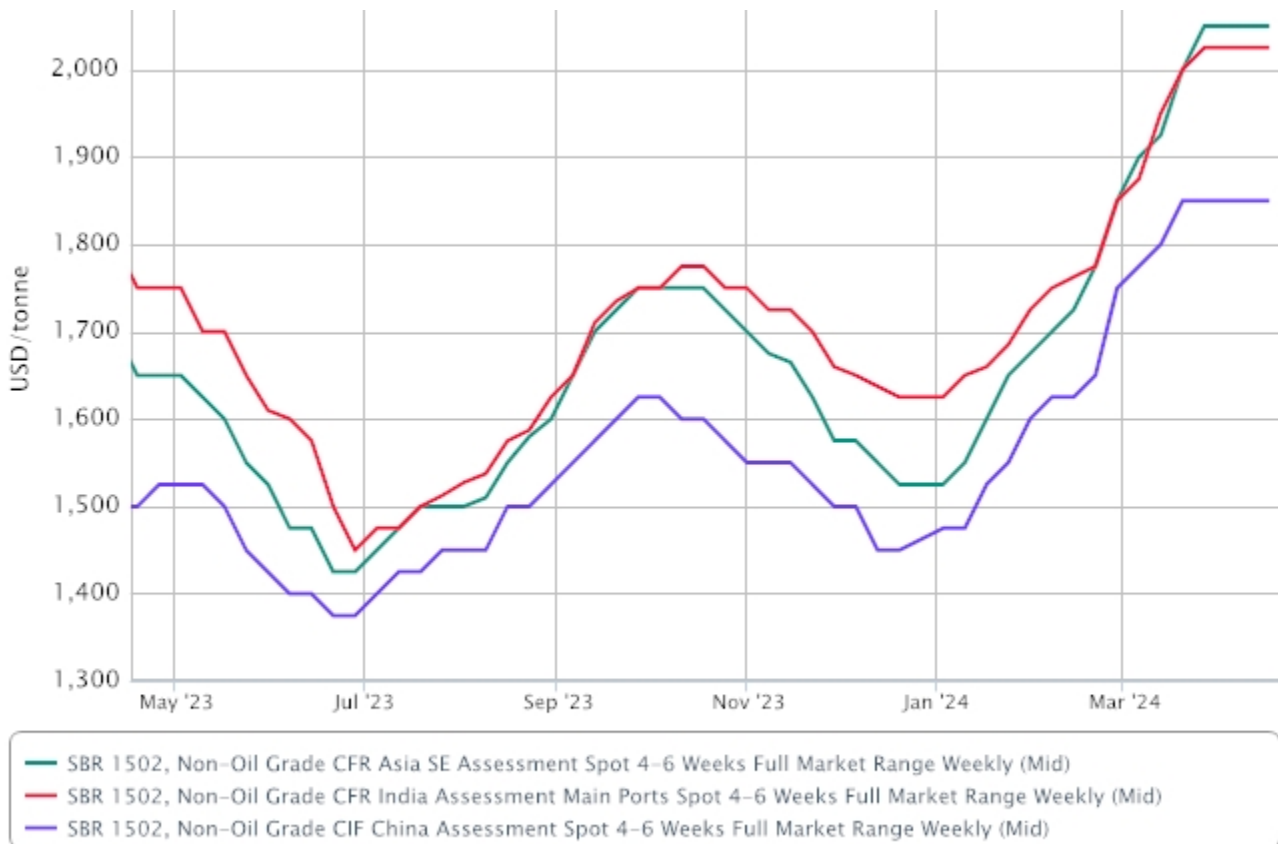
The picture is murky about the latter, market players said, citing for instance a mixed bag of uplifting manufacturing indices vis-à-vis persistent external economic headwinds.

Taking the major China outlet as a case in point, the country's [PMI](#) rose in March, signalling potentially vibrant downstream operations, but its [ratings outlook](#) was downgraded as debts piled up and this dented consumer sentiment.

But from the sellers' perspectives, spot availabilities in the region are tight to begin with, amid upcoming plant turnarounds, and this is expected to keep existing offers well-supported, market players said.

Upstream costs are also firm, and sellers said that there is no room to price down either if they wanted to preserve their frail bottomlines.

2,100



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## OUTLOOK

- Spot supply to stay snug with upcoming turnarounds
- Demand to hinge on [economic growth prospects](#)
- Uncertainty may deepen with [volatility](#) in the crude market

## PRICES

### SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
<b>SBR 1502, Non-Oil Grade</b>						
<b>CIF China</b>	USD/tonne	n/c	1800-1900	n/c	1800-1900	81.65-86.18
<b>CFR Asia SE</b>	USD/tonne	n/c	2000.00-2100.00	n/c	1950.00-2050.00	90.72-95.25
<b>CFR India Main Ports</b>	USD/tonne	n/c	1950.00-2100.00	n/c	1950.00-2050.00	88.45-95.25
<b>SBR 1712, Oil-Extended</b>						
<b>CIF China</b>	USD/tonne	n/c	1750-1850	n/c	1750-1850	79.38-83.91
<b>CFR Asia SE</b>	USD/tonne	n/c	1950.00-2050.00	n/c	1900.00-2000.00	88.45-92.99

<b>CFR India Main Ports</b>	USD/tonne	n/c	1900.00-2050. 00	n/c	1900.00-2000.00	86.18-92.99
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## China

CIF China prices for the non-oil 1502 grade are assessed flat, taking into account broadly stable selling indications heard.

But there was no follow-up discussions as local end-users continued to steer clear of US dollar denominated imports, relying instead on yuan-denominated domestically produced materials. The latter, on a US dollar parity basis, are substantially cheaper than imports, market players said.

CIF China prices for the oil-extended 1712 grade are also rolled alongside unchanged 1502 grade assessments.

Domestic prices in east China softened as buying tempo among end-users tapered on downstream margin worries.

### East China domestic SBR 1502 prices

<b>Price (CNY/tonne)</b>	<b>This week's close</b>	<b>Previous week's close</b>
E China Ex-Warehouse	13,100-13,400	13,300-13,600

## Southeast Asia

CFR SE Asian prices for the non-oil 1502 grade were also unchanged, in line with stable offers heard.

Concrete requirements were scant this week as not all players have returned from extensive holidays in the week prior, such as the Eid celebrations in Indonesia/Malaysia, and the Songkran festival in Thailand.

CFR SE Asian assessments for the oil-extended 1712 grade were stable with unchanged 1502 grade assessments.

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

<b>Apr (1-17) 2024</b>	<b>Mar 2024</b>	<b>Feb 2024</b>	<b>Jan 2024</b>	<b>Dec 2023</b>	<b>Nov 2023</b>
164.08	165.36	156.66	154.20	146.31	148.42

Source: Malaysian Rubber Board

## India

Substantive trade discussions were also muted in India, with many end-users heard reluctant to commit on fresh bookings until after the national elections are over in late April.

There were no concrete offers too, with regular northeast Asian suppliers also in wait-and-see mode,

pending clearer directions on how upstream cost may trend for themselves. The high-end of CFR Indian assessments for the non-oil 1502 grade is kept unchanged as such.

Some discussions were heard on China-origin 1502 grade materials at the lower-end, although it was not clear if any transactions materialised.

CFR India assessments for the oil-extended 1712 grades were also unchanged with stable 1502 grade assessments.

## UPSTREAM

### Butadiene

- Discussions slower with holiday market closures
- Sellers hold firm to expectations
- Buy-side sentiment uneven

The chart below shows the spread between butadiene and SBR, which remains in the unhealthy zone.

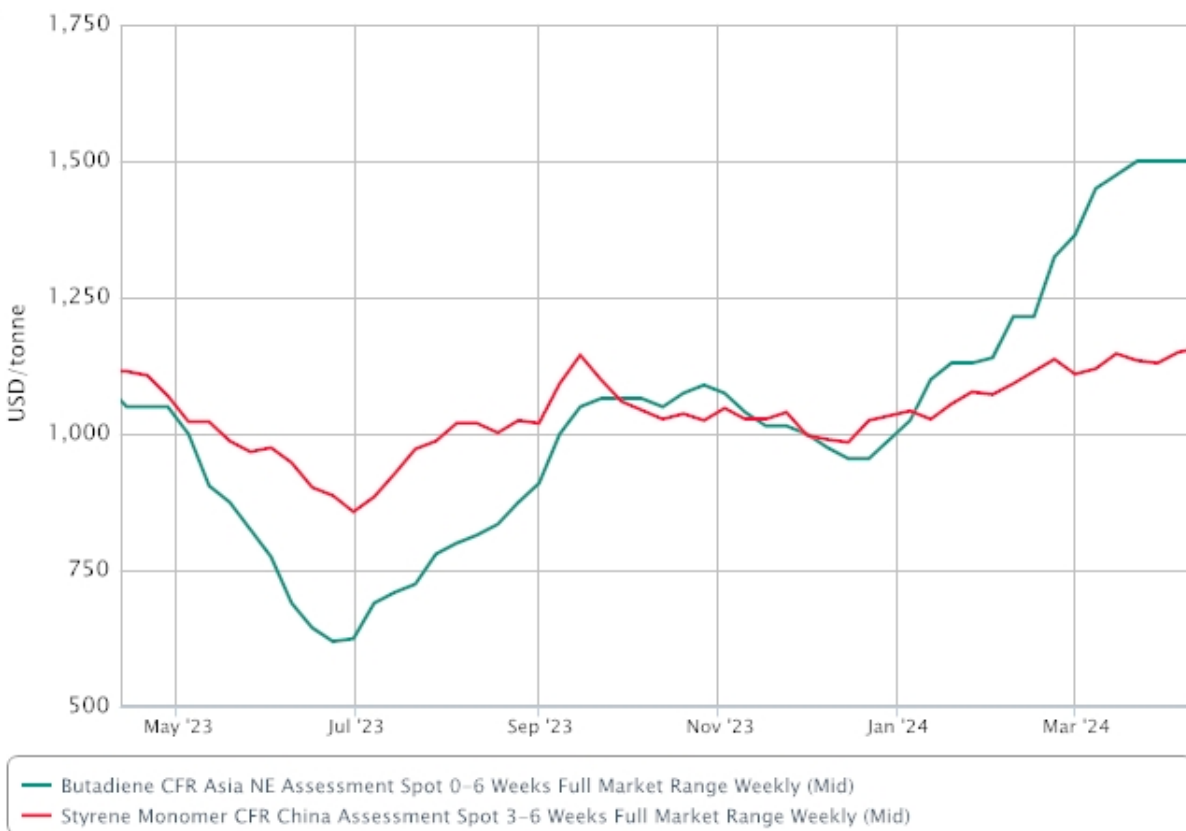
[Downstream spread – butadiene NE Asia and SBR SE Asia](#)



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### Styrene

- Regional SM movements continue closely tracking feedstock market volatilities
- China market players remain keen on export discussions
- Overall Asia spot supply remains tight amid production crunch, operation cuts



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## PRODUCTION

A plant in east China, with a total nameplate capacity of 170,000 tonnes/year, has [shut](#) one of its three lines, for a month-long maintenance from 20 March. It also plans to shut its two other lines, in turns, for respective month-long servicing between June and August 2024, market sources said.

Another 100,000 tonnes/year [unit](#) in Taiwan is also on track to shut for maintenance in May.

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

## OTHER REGIONS

### Europe

- Spot prices stable-to-firm
- Some tightness in supply observed
- Mixed demand depending on source

## ANALYTICS

### ICIS butadiene outlook

US BD is currently the most affordable product worldwide, but an increase in prices is forecast in April due mainly to an imbalance between supply and demand. Market fundamentals are expected to improve going forward. TPC Group, a leading BD producer in the US, is on track to expand its capacity in Houston from 426,000 tonnes/year to 508,000 tonnes/year in Q3 2024.

Although the BD price spread between the US and Europe is likely to remain in negative territory in 2024, relatively higher prices in Asia, driven by planned turnarounds over the next two months, could support additional trade flows from Europe on paper. The issue is that BD availability in Europe remains limited. European cracker operators typically move to maximum LPG cracking at the expense of naphtha between Q2 and Q3 to benefit from more favourable cracking economics. The use of propane compared with naphtha results in lower BD production per tonne of ethylene. In addition, Aramco lowered its April OSPs for propane by \$15/tonne to \$615/tonne and for butane by \$20/tonne to \$620/tonne, and these adjustments have implications for the global LPG prices.

The BD industry in northern Asian countries remains under pressure from significant competition with Chinese players and low profitability. Korean producers are likely to run BD plants at around 70% throughout 2024, far lower than 90% posted in 2021, according to the ICIS Supply and Demand Database. Likewise, a bleak scenario is likely to characterise the BD market in Japan with operating rates expected to average about 65% this year, that is well below 79% in 2021.

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