



## Styrene Butadiene Rubber (Asia-Pacific)

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

### OVERVIEW

- **Weak upstream curtails buying interest**
- **Demand also lacklustre in nature**
- **Sellers resistant to widening discounts**

Sentiment in Asia's spot import market for styrene-butadiene-rubber (SBR) was sullen as extended losses in the upstream butadiene (BD) market dented buying interest.

Feedstock BD prices [dived](#) deeper last week, leaving most SBR end-users even more convinced that such cost savings for SBR makers should translate into lower offers.

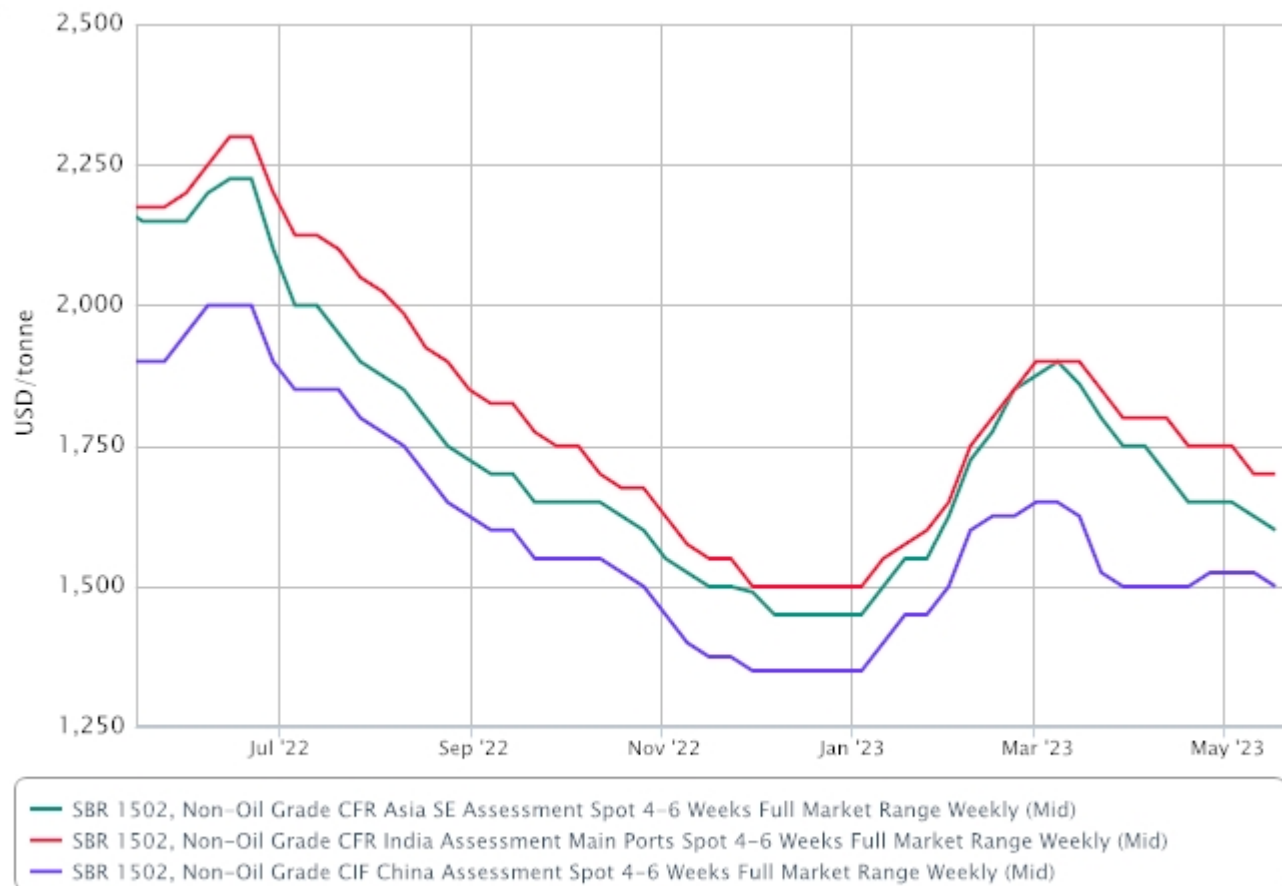
Substantive requirements were limited to begin with. SBR buyers said they were, therefore, in no hurry to procure and could wait until prices eased more to their advantage.

In China, downstream demand conditions remain sluggish and domestic yuan-denominated prices in east China fell with slow domestic sales.

SBR has heavy automotive applications and latest data showing an 11.9% month-on-month decline in China's [April car sales](#) served little to boost confidence about the likelihood of any near-term improvement in SBR offtake.

In southeast Asia and China, SBR buyers also pulled back and pressed for deeper discounts. However, sellers were resistant, citing cost pressures.

Despite the softer feedstock costs, production margins were still unhealthy, market players said.



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## OUTLOOK

- **Bearish demand conditions** may stretch throughout Q2
- **Spot availabilities** may lengthen once turnarounds are completed
- **Upstream market performance** to also impact sentiment

## PRICES

### SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
<b>SBR 1502, Non-Oil Grade</b>						
<b>CIF China</b>	USD/tonne	-50	1450-1550	n/c	1450-1550	65.77-70.31
<b>CFR Asia SE</b>	USD/tonne	-50	1550.00-1650.00	n/c	1600.00-1700.00	70.31-74.84
<b>CFR India Main Ports</b>	USD/tonne	n/c	1650.00-1750.00	n/c	1700.00-1800.00	74.84-79.38
<b>SBR 1712, Oil-Extended</b>						
<b>CIF China</b>	USD/tonne	-50	1400-1500	n/c	1400-1500	63.50-68.04
<b>CFR Asia SE</b>	USD/tonne	-50	1500.00-1600.00	n/c	1550.00-1650.00	68.04-72.57
<b>CFR India Main Ports</b>	USD/tonne	n/c	1600.00-1700.00	n/c	1650.00-1750.00	72.57-77.11

### China

The CIF China assessment for the non-oil 1502 grade was stable to soft, with the low end adjusted down as buying indications fell with weaker domestic yuan values.

The high end is unchanged to reflect broadly stable selling indications from regular suppliers in northeast Asia.

Assessments for the oil-extended 1712 grade were adjusted in line with changes to the 1502 grade.

Domestic prices in east China were down as buying momentum fizzled out with midweek losses seen in the upstream BD market.

#### East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China EXWH	11,500-11,600	11,900-12,000

#### Southeast Asia

The CFR SE Asia assessment for the non-oil 1502 grade was unchanged at the high end, tracking deals heard closed earlier in the trading week.

Discussions started trending down thereafter, alongside declines in the upstream BD market.

Buyers held back in anticipation of softer offers that could come with lower feedstock costs. Their buying indications also weakened and are reflected at the low end.

Sellers were mostly resistant and kept selling indications similar to what had been achieved in recent spot trades.

They were also hopeful that the recent rise in natural rubber prices could help bolster SBR demand, if end-users were to buy more SBR as a cheaper substitute to natural rubber.

Assessments for the oil-extended 1712 grade were adjusted with changes to the 1502 grade.

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

May 2023	(1-17) Apr 2023	Mar 2023	Feb 2023	Jan 2023	Dec 2022
137.60	136.27	135.03	140.11	140.11	135.03

#### India

CFR India assessments were flat on broadly rangebound talks.

Northeast Asia suppliers held firm to existing offers, even though these were met with limited buy-side response.

Buyers mostly retreated, saying they would hold back import purchases until there was more clarity on how upstream BD might trend in the near term.

Meanwhile, local end-users continued to tap more heavily on the domestic supply pool, possibly at the expense of imports too, market sources said.

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

## UPSTREAM

### Butadiene (BD)

- Downside pressures rise on spot talks
- Poor buying appetite
- No spot supply constraints either

The chart below shows the spread between BD and SBR.

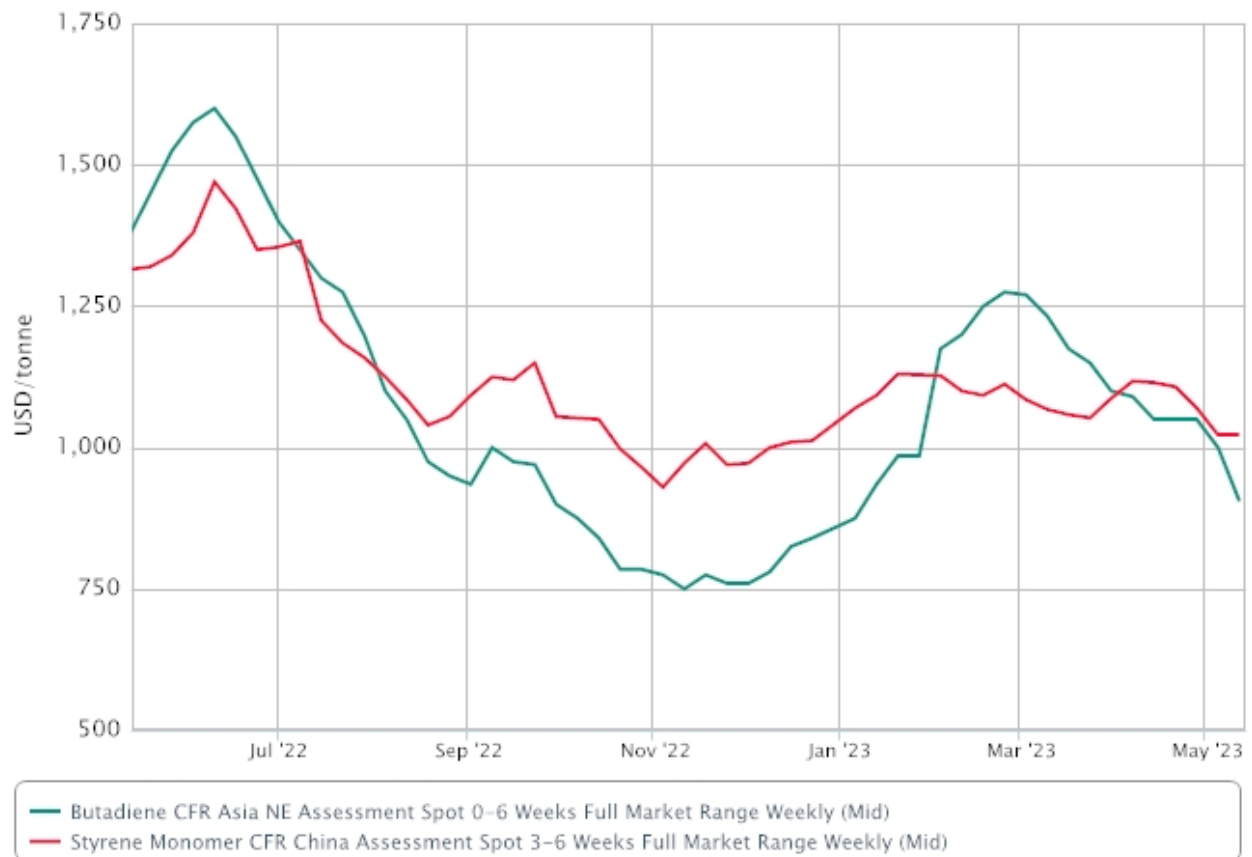
[Downstream spread – butadiene NE Asia and SBR SE Asia](#)



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### Styrene:

- Significant volatility in CFR China market tracking feedstock fluctuations
- Slightly improved liquidity seen in H2 of the week
- Slow downstream demand hampers regional market sentiment



## PRODUCTION

Several regional plants are shut for maintenance in the [April](#) to [June](#) window.

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

## OTHER REGIONS

### Europe

- May price talks ongoing
- Stable supply, demand balance
- Sentiment bearish on outlook

### US

- May contracts fall tracking feedstock declines
- Spot price offer levels deteriorate
- Feedstock constraints not a concern

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