



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.

The CIF China prices in the weekly analysis on 25 January will be assessed based on information collated up to 20 January. Please click [here](#) for the ICIS publishing schedule.

OVERVIEW

- **Cost pressures heighten**
- **Offers up in line**
- **Supplies also tightened**

Discussions in Asia's spot market for styrene-butadiene-rubber (SBR) trended up as offers [climbed](#) with rising cost pressures.

As spot supplies could tighten further following an unplanned outage in northeast Asia this week, sellers also expected this to give further upside support to spot discussions.

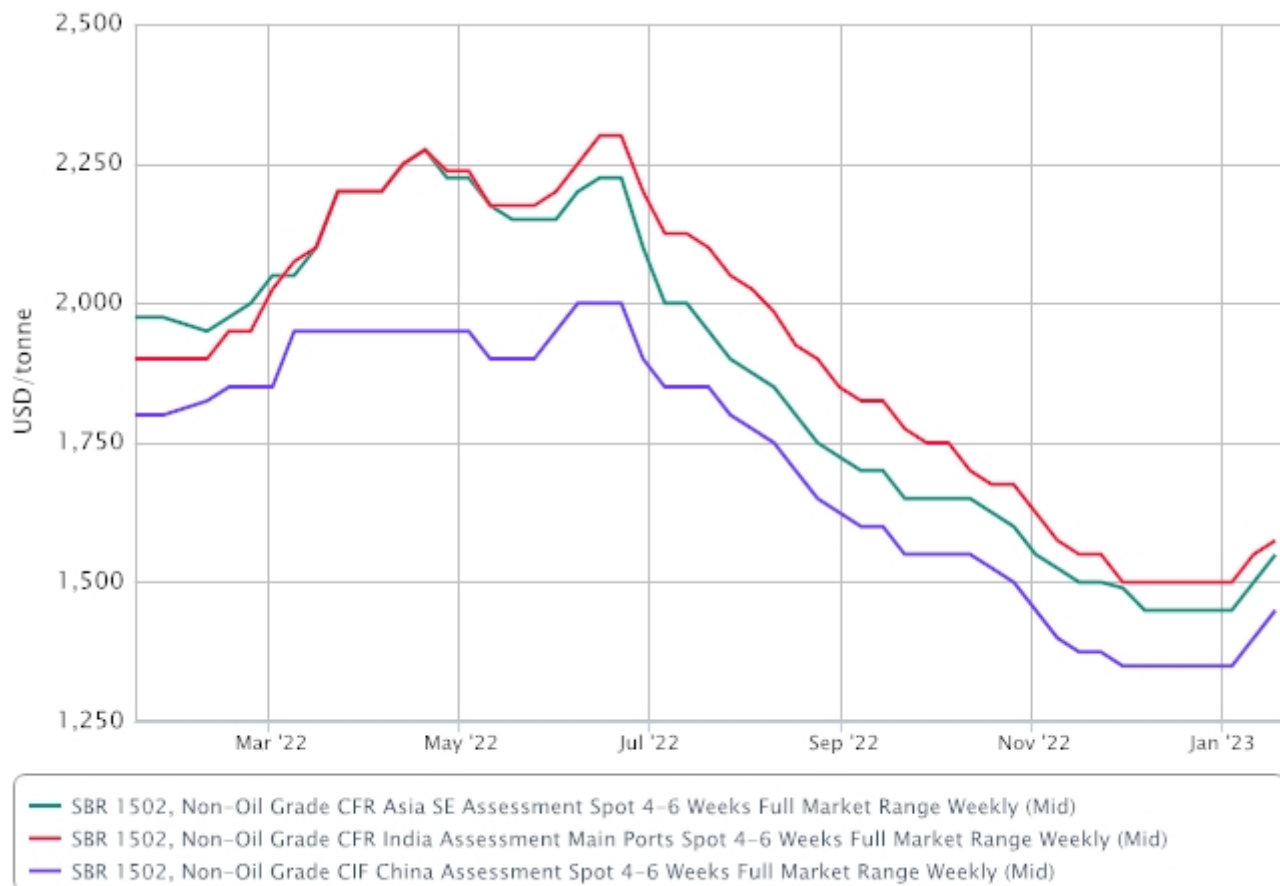
But substantive negotiations are limited, amid generally lacklustre demand fundamentals across Asia.

In China, many downstream users are already winding down operations ahead of the upcoming Lunar New Year holidays.

The China market will be shut from 21 to 27 January, but market players said that trade momentum may pick up perhaps even later – possibly into February when the CNY festivities are fully over.

In SE Asia, end users held back, saying that they wanted to have more clarity on post holiday situation in China before they review and finalise their own production plans.

In India, end users were heard still amply covered with prior purchases, and as downstream offtake has been, and remains patchy in nature, they were not in a hurry to commit on fresh import bookings either, market sources said.



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OUTLOOK

- Upstream cost pressures may not ease soon
- Supply may stay tight in nature for the near term
- Anticipated post-pandemic [recovery](#) in China to drive demand

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	+50	1400-1500	+50	1300-1400	63.50-68.04
CFR Asia SE	USD/tonne	+50	1500.00-1600.00	+50	1400.00-1500.00	68.04-72.57
CFR India Main Ports	USD/tonne	n/c	1500.00-1650.00	+50	1450.00-1550.00	68.04-74.84
SBR 1712, Oil-Extended						
CIF China	USD/tonne	+50	1350-1450	+50	1250-1350	61.24-65.77
CFR Asia SE	USD/tonne	+50	1450.00-1550.00	+50	1350.00-1450.00	65.77-70.31
CFR India Main Ports	USD/tonne	n/c	1450.00-1600.00	+50	1400.00-1500.00	65.77-72.57

China

CIF China assessments for the non-oil 1502 grade were up with firmer offers.

But spot trade discussions were curbed with many players already exiting the market ahead of the upcoming Lunar New Year holiday.

CIF China assessments for the oil-extended 1712 grade were adjusted up with changes for the 1502 grade.

Domestic SBR prices in east China trended up with firmer feedstock butadiene (BD) prices.

East China domestic SBR 1502 prices

Price (CNY/tonne)	18 Jan	11 Jan
E China Ex-Warehouse	11,200-11,300	10,850-10,950

Southeast Asia

CFR SE Asian assessments for the non-oil 1502 grade were up with firmer offers and discussions.

Sellers held fast to elevated targets citing the need to recoup higher production costs.

Also, because natural rubbers have gone up recently, market players said that this is likely to boost buying interest for synthetic rubbers, as end users may look to using more of the latter, at the expense of natural rubber, to improve the economics.

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

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

Jan (1-18) 2023	Dec 2022	Nov 2022	Oct 2022	Sep 2022	Aug 2022	Jul 2022	Jun 2022
136.76	135.03	127.32	130.52	134.12	149.74	158.83	164.15

India

CFR Indian assessment for the non-oil 1502 grade is adjusted with deals and discussions heard for northeast Asia-origin materials.

Transactions were heard at both ends of the range, market sources said.

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

UPSTREAM

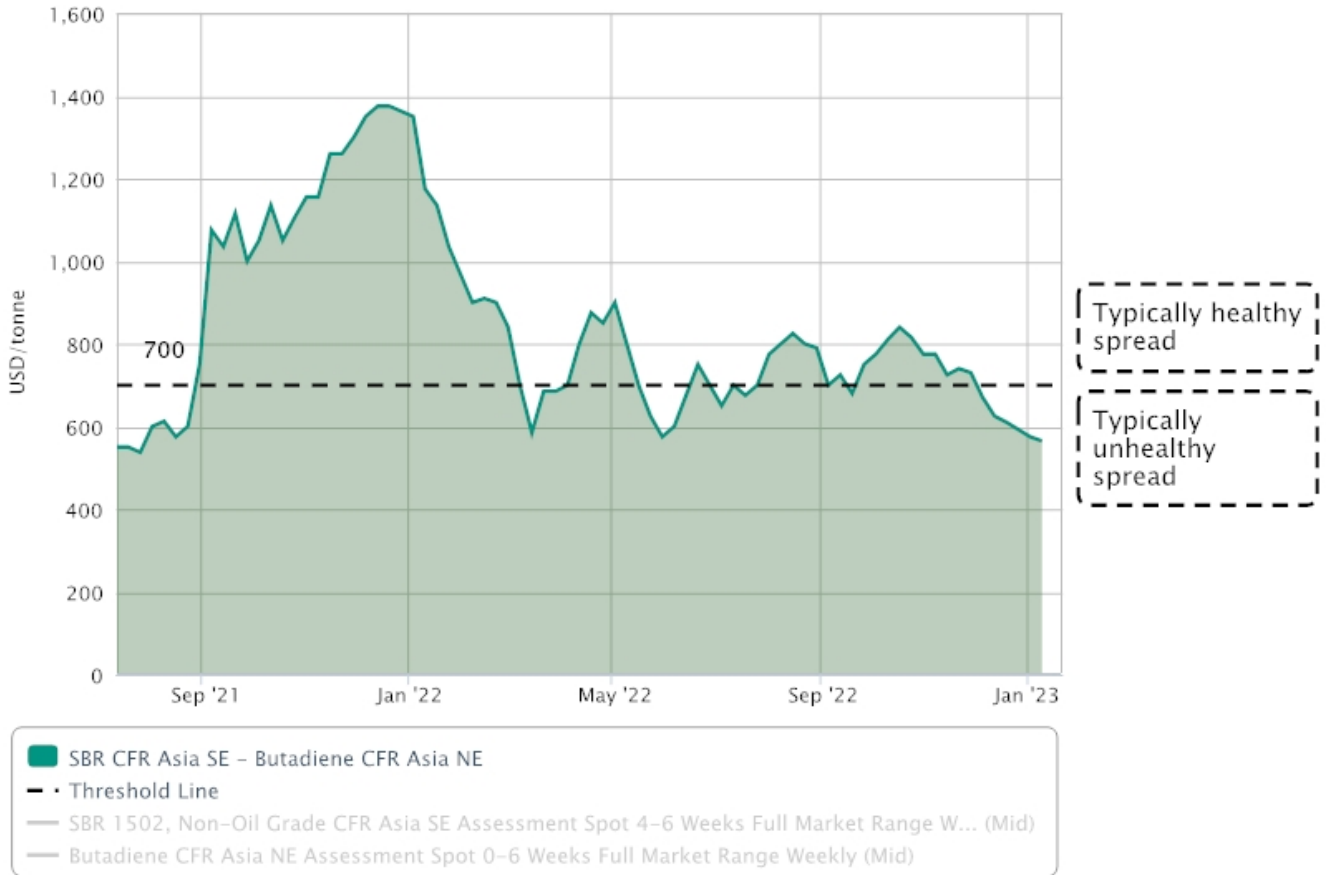
Butadiene (BD)

- Domestic China extends gains
- This lends support to China import talks

- Wider Asian discussions also up, but still trails China

The chart below shows the spread between butadiene and SBR.

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



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Styrene (SM)

- Forward supply concerns in China's domestic market
- Import discussions higher
- Demand in the rest of Asia stays overall tepid



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PRODUCTION

SBR spot availability in the region is poised to tighten on an [outage](#) and an [upcoming](#) maintenance closure.

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

OTHER REGIONS

Europe

- Demand remains slow
- January SBR contract talks ongoing
- Dry (1500) grade spot prices stable to soft

US

- Prices steady
- Demand weak
- Supplies sufficient

ANALYTICS

ICIS Styrene Outlook

Styrene supply tightened at the end Q4 and begins 2023 looking more vulnerable to shocks as several European plants remain offline due to poor demand and unfavourable economics. A steady inflow from the US is expected to resume in mid-February and March with the resumption of operations at key US units in January. Volatility in the European gas market and weak derivative consumption will likely cap domestic production in the near term.

Styrene demand remains weak, with seasonal factors limiting consumption into the construction sector. A mild winter may encourage more activity, but economic headwinds have reduced consumer spending and damaged overall market confidence. This is expected to continue during Q1, with the return of seasonal demand in Q2 likely to be much weaker than normal.

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