Independent Commodity Intelligence Services

Styrene Butadiene Rubber (Asia-Pacific)

By Ai Teng Lim
19-Apr-2023

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

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 2-3 May will be assessed based on information collated up to 28 April. Please click here for the ICIS publishing schedule.

OVERVIEW

- **Weak demand fundamentals prevail**
- **Discussions softer in SE Asia and India**
- **Some uptick in domestic China**

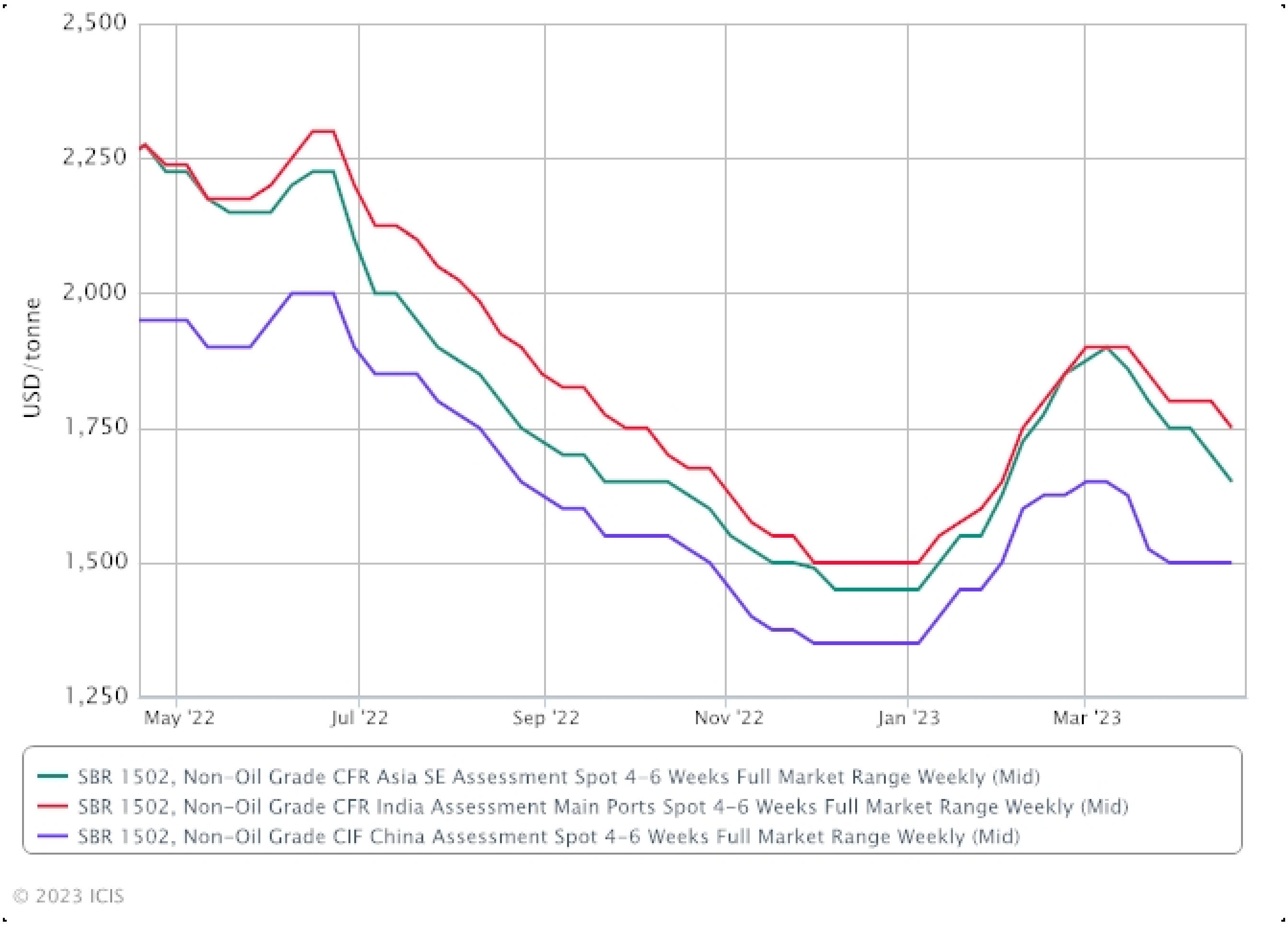
Discussions for Asian styrene butadiene rubber (SBR) imports were subdued amid weak demand, and spot trade liquidity stayed low as such.

End-users in southeast Asia and India kept to a cautious procurement approach, limiting themselves to purchasing only on a need-to basis and in smaller lots.

Most still lacked confidence in the longer-term recovery prospects of the regional automobile sector, citing concerns about how macroeconomic worries such as fresh interest rate hike risks could hamper end-user consumption for goods like cars.

SBR has wide applications in the automobile sector.

In China, buying tempo for US dollar-denominated SBR imports are similarly weak, but in the domestic China market, yuan-denominated values for SBR recovered some lost grounds this week, as prices in east China rose alongside an uptick in restocking purchases ahead of extended holidays in early May.



OUTLOOK

- **Spot supplies constrained by turnarounds**
- **Auto sector growth worries to weigh on Q2 outlook**
- **Buying may also slow with upcoming holidays in China**

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	n/c	1450-1550	n/c	1450-1600	65.77-70.31
CFR Asia SE	USD/tonne	-50	1600.00-1700.00	-50	1750.00-1850.00	72.57-77.11
CFR India Main Ports	USD/tonne	-50	1700.00-1800.00	-50	1800.00-1900.00	77.11-81.65
SBR 1712, Oil-Extended						
CIF China	USD/tonne	n/c	1400-1500	n/c	1400-1550	63.50-68.04
CFR Asia SE	USD/tonne	-50	1550.00-1650.00	-50	1700.00-1800.00	70.31-74.84
CFR India Main Ports	USD/tonne	-50	1650.00-1750.00	-50	1750.00-1850.00	74.84-79.38

China

CIF China assessments for both the non-oil 1502 grade and the oil-extended 1712 grade held steady on subdued talks and stable selling indications.

Import offers were heard at the high end of the range and above, broadly unchanged from the week prior. There were no concrete discussions surrounding these offers, market sources said.

Even though domestic prices in China are on the rise, local end-users were heard mostly still looking to buy from the domestic supply pool, rather than from the US dollar-denominated import market, in part to avoid currency risks, market sources said.

East China domestic SBR 1502 prices

Price (CNY/tonne)	This week’s close	Previous week’s close
E China Ex-Warehouse	11,600-11,700	11,200-11,400

Southeast Asia

CFR SE Asian assessments went down with softer buy-sell indications.

Non-oil 1502 grade cargoes from regular northeast Asian suppliers were heard available at the high end of the range, while buying indications were at the low end, similar to indicative offers on China-origin material, market sources said.

There is no discernible pick-up in buying momentum this week, compared to weeks prior. However, as natural rubber prices are trending up lately - and if this uptrend is sustained in the coming weeks - some market players said that it could help generate some fresh demand support for SBR, as end-users may now consider substituting natural rubber with more SBR.

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

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

Apr (1-19) 2023	Mar 2023	Feb 2023	Jan 2023	Dec 2022	Nov 2022	Oct 2022	Sep 2022
135.65	135.03	140.11	140.11	135.03	127.32	130.52	134.12

India

Like in southeast Asia, softer offers were heard for northeast Asia-origin imports of the non-oil 1502 grade materials, and this is captured at the high end of the CFR Indian assessments.

Buyers' response was patchy, and reflected at the low end of the assessed range. Local end-users were reluctant to pay more for Asia-origin import materials, as there will still ample availabilities in the spot market of more competitively priced supplies from non-Asian origins, market sources said.

Meanwhile, a major domestic producer kept its local prices for SBR steady, which market sources said underscored the reality that substantive SBR requirements in the country was broadly healthy, amid active requirements from the replacement tyre sector.

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

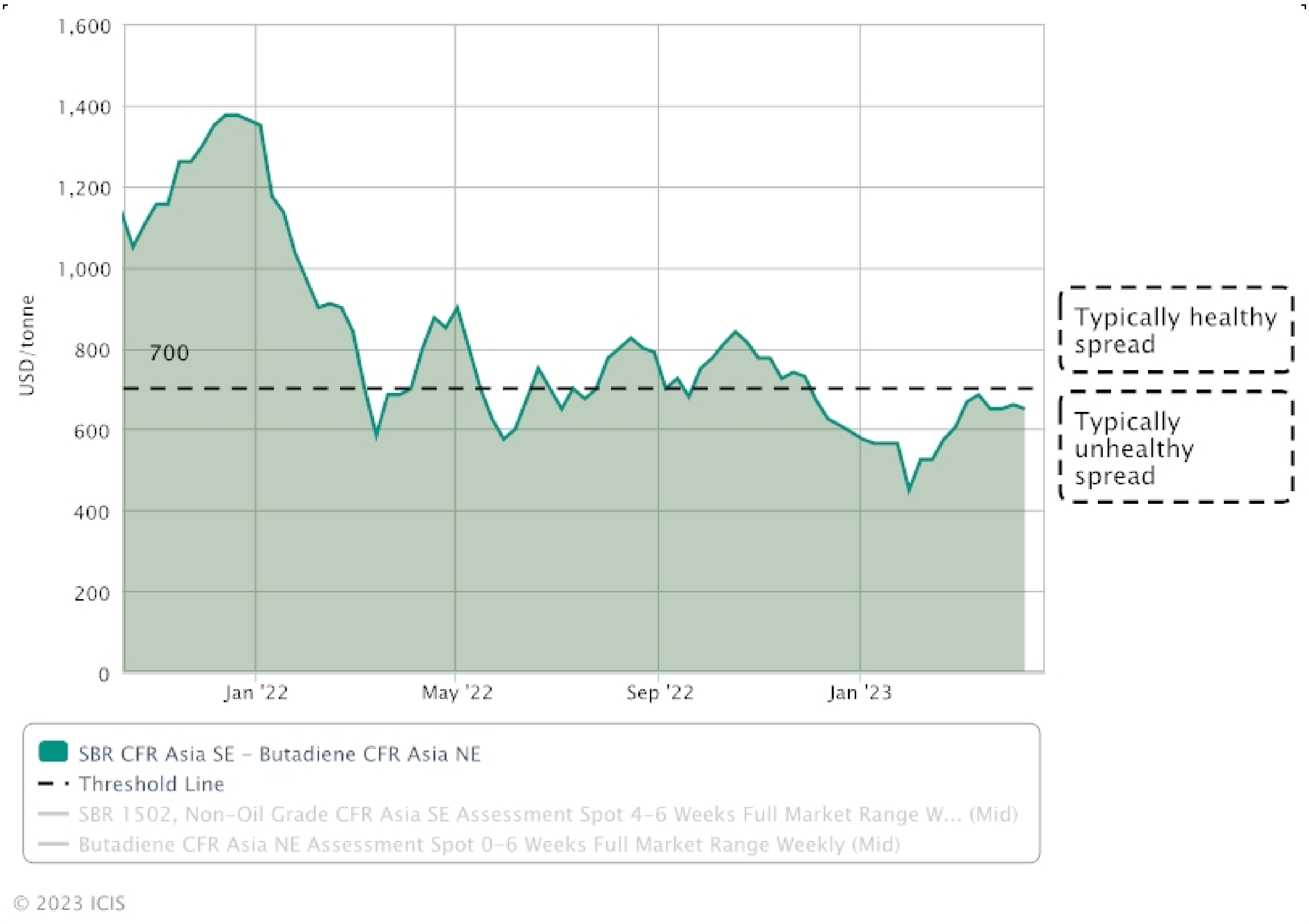
UPSTREAM

Butadiene

- Limited buying interest
- Lower offers for prompt shipment cargoes
- Overall liquidity curbed by wide buy-sell gap

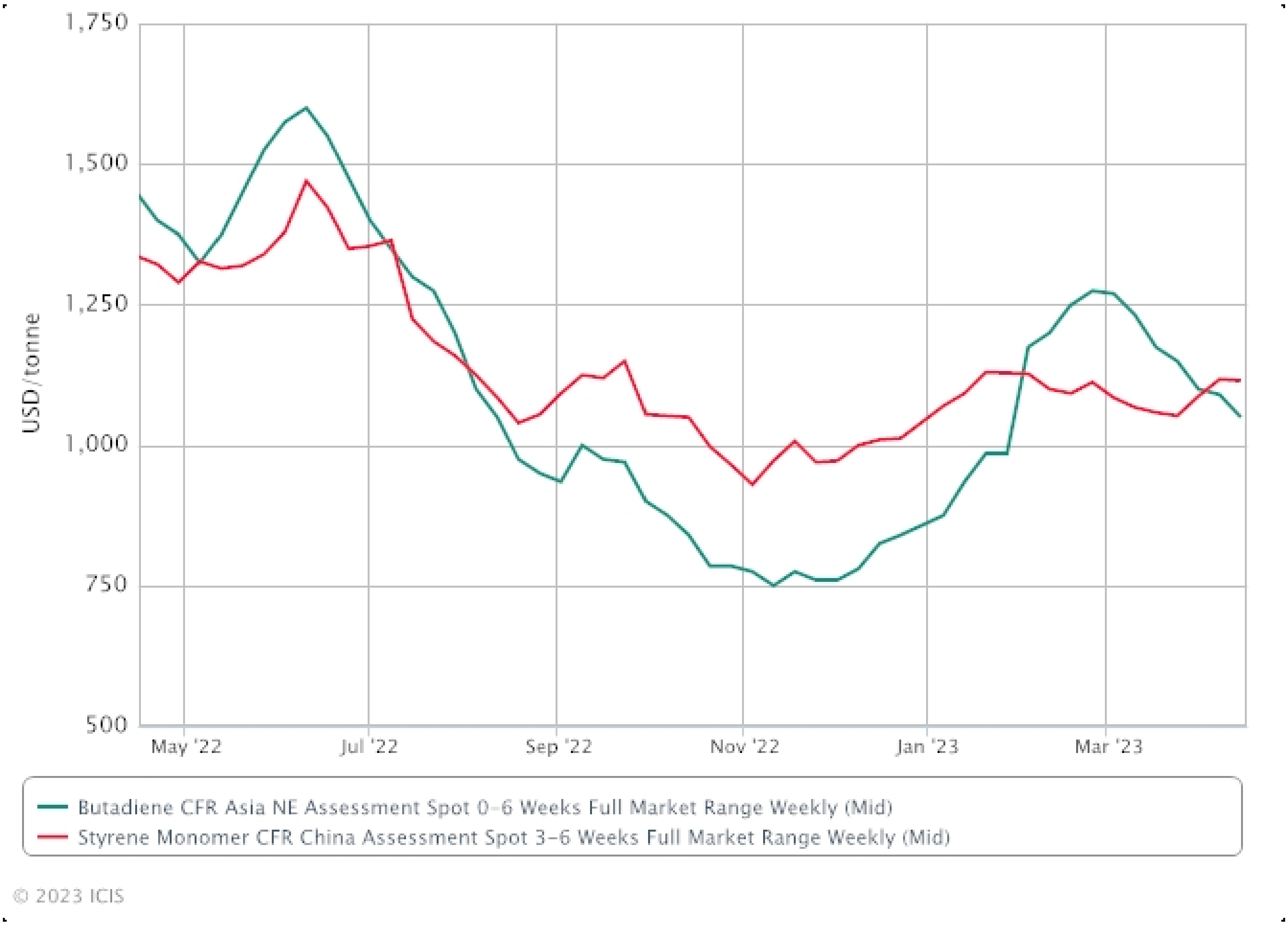
The chart below shows the spread between butadiene and SBR.

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



Styrene:

- China import market subdued
- Increasing concern over margins
- China-Korea export talks ongoing but cooling down



PRODUCTION

Several regional plants are due to shut for maintenance in the April to June period.

Click here for the Asian SBR Live Disruption Tracker.

OTHER REGIONS

Europe

- April contracts see little change so far due to feedstock moves
- Spot prices mixed
- Demand muted

US

- **SBR site turnaround begins**
- **Economic woes weigh on demand**
- **Feedstock prices steady to lower thus far in April**

ANALYTICS

ICIS Styrene Outlook

The European styrene market is expected to remain lengthy in Q2 due to ongoing constraints for derivative consumption and continuing pressure from imports. Technical issues at Repsol and BASF have caused a decrease in styrene production, with problems at the latter expected to continue until April. TotalEnergies has declared force majeure on PS production due to strikes and the impact on its

Gonfreville styrene unit is uncertain. Import volumes are expected to increase from the Middle East, Asia and the US. European styrene demand is forecast to improve over the next few weeks due to seasonal demand from the construction sector, although any recovery is expected to be weaker than previous years due to rising interest rates which have hindered construction investment and constrained consumer budgets.

By **Moritz Lank**, lead market analyst, moritz.lank@icis.com