



Styrene Butadiene Rubber (Asia-Pacific)

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[Overview](#) | [Outlook](#) | [Prices](#) | [Upstream](#) | [Production](#) | [Other Regions](#)

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

OVERVIEW

- **Buying interest picks up early in the week**
- **Buyers pull back after offers rise**
- **Many retreated to wait and see**

Sentiment was mixed in the Asia spot import market for styrene butadiene rubber (SBR), being relatively more upbeat at the beginning of the week but turning more cautious and subdued towards the end of the week, among buyers.

There were healthy buying enquiries early in the week, with more end-users seemingly keen to take in some additional spot volumes.

They perceived the market as having bottomed out and wanted to make bookings before prices rose further, market players said.

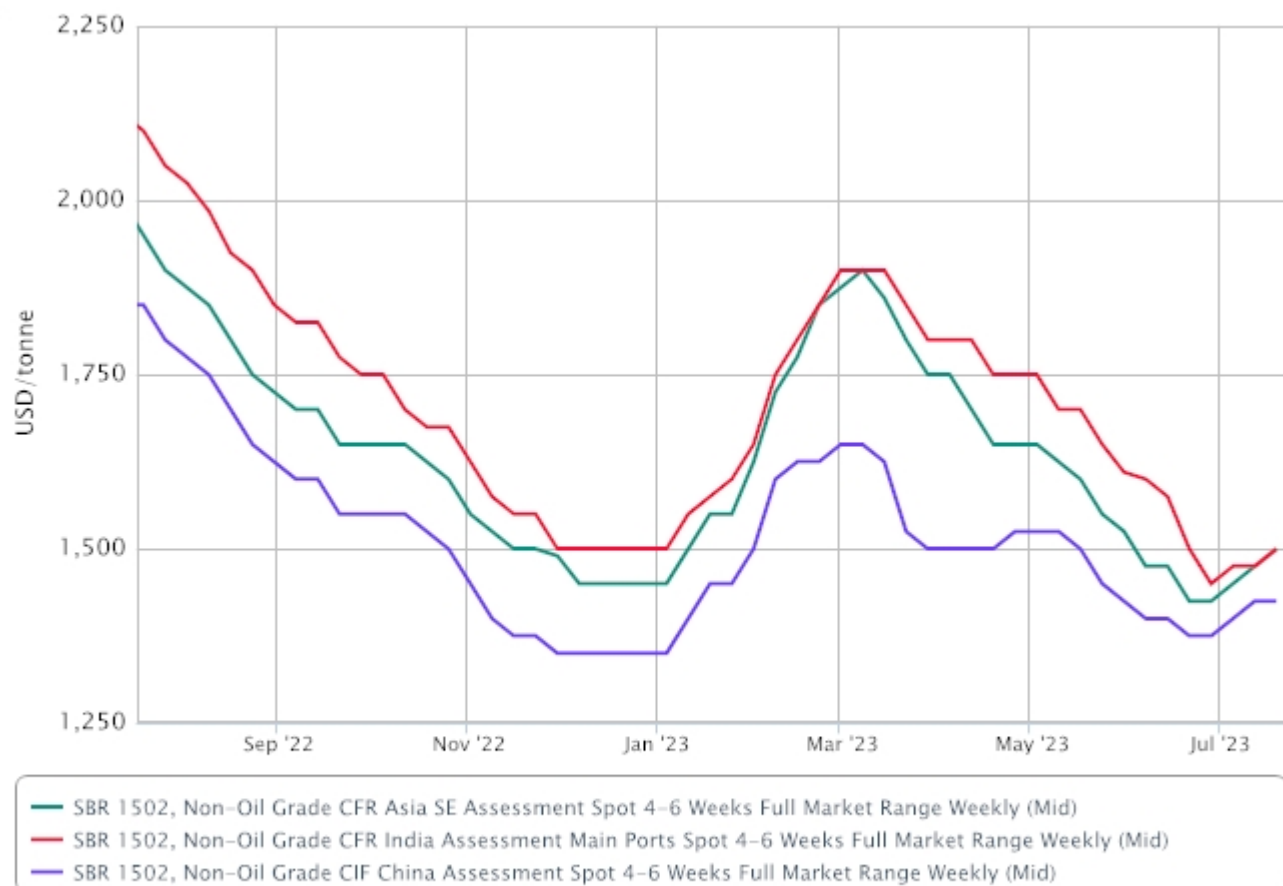
At the same time, sellers started pricing up, on the grounds that they needed to recover rising costs and protect margins.

They were also of the belief that buyers with concrete requirements might be willing to raise bids to secure volumes, as regional SBR supply is balanced to tight.

However, buyers' reactions fell short of sell-side expectations. Most remained resistant to the higher offers, citing affordability concerns as conditions in their own downstream markets had not improved commensurately.

Substantive SBR requirements are limited to begin with, amid typically slower tyre plant operations during the summer.

Coupled with the reality that non-Asia cargo availabilities are abundant, some buyers said that would rather wait and see how economic recovery in China pans out before committing to their next procurement.



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OUTLOOK

- Demand recovery **contingent** on China's economic growth
- Regional spot supplies could remain broadly balanced
- Inflow of deep-sea origin materials likely to continue

PRICES

SPOT PRICES

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

CFR India Main Ports	USD/tonne	n/c	1400.00- 1500.00	+50	1400.00-1500.00	63.50-68.04
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China

CIF China assessments held steady on rangebound indications heard.

Substantive trade has been limited, with most end-users already amply covered by domestic supply.

Assessments for the oil-extended 1712 grade were also steady, in line with stable 1502 grade assessments.

Domestic prices in east China for the non-oil 1502 grade edged down, as buying tempo eased.

East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China EXWH	11,600-11,700	11,700-11,800

Southeast Asia

CFR SE Asia assessments for the non-oil 1502 grade were stable to firm, with the high end lifted alongside firmer offers heard for cargoes from regular suppliers in northeast Asia.

Some transactions materialised at the lower end, market sources said.

Assessments for the oil-extended 1712 grade were adjusted up at the high end, in line with 1502 grade changes.

Natural rubber Standard Malaysian Rubber (SMR) 20 reference price (US cents/kg FOB Malaysia)

Jul (1-19) 2023	Jun 2023	May 2023	Apr 2023	Mar 2023	Feb 2023	Jan 2023	Dec 2022
131.87	133.48	136.34	136.27	135.03	140.11	140.11	135.03

India

CFR India assessments were also up at the high end, with firmer offers for northeast Asia-origin cargoes.

However, buying indications were unchanged, tempered also by the continued availability of competitively priced cargoes of non-Asia origin.

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

UPSTREAM

Butadiene

- Domestic China supported on prompt production constraints
- Import talks into China kept buoyant as a result
- Outlook in wider Asia less upbeat

The chart below shows the spread between butadiene and SBR.

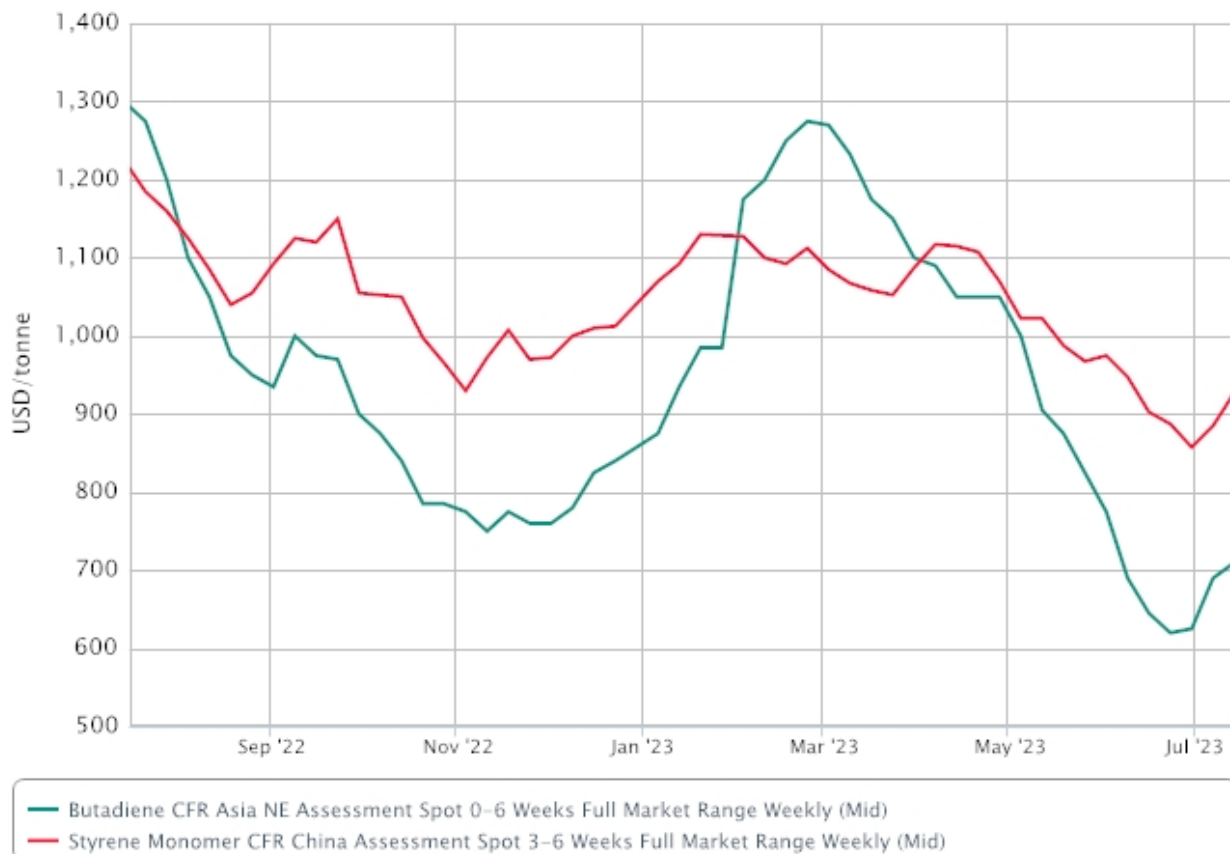
Downstream spread – butadiene NE Asia and SBR SE Asia



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Styrene

- Lack of concrete discussions in China import market but sentiment strong
- Subdued demand in other regional import markets
- China export market quiet



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PRODUCTION

A 100,000 tonne/year unit in east China has [shut](#) in early July for a month-long maintenance.

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

OTHER REGIONS

Europe

- US antidumping duties to stay for SBR imports from Brazil, Mexico, Poland, S Korea
- Spot prices assessed stable this week
- Demand remains quiet

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