



## 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.

### OVERVIEW

- **Offers climb with cost push**
- **Supply also snug in nature**
- **But buy-sell gap widens crimping trade**

Discussions in this week's Asian import market for styrene butadiene rubber (SBR) are stymied and dampened by a widening buy-sell gap.

Offers climbed as sellers sought to cope with and mitigate mounting cost pressures. On the one hand, feedstock [butadiene](#) (BD) continued to rise and and on the other hand, [high ocean freight rates](#) have eaten deeper into the frail production margins.

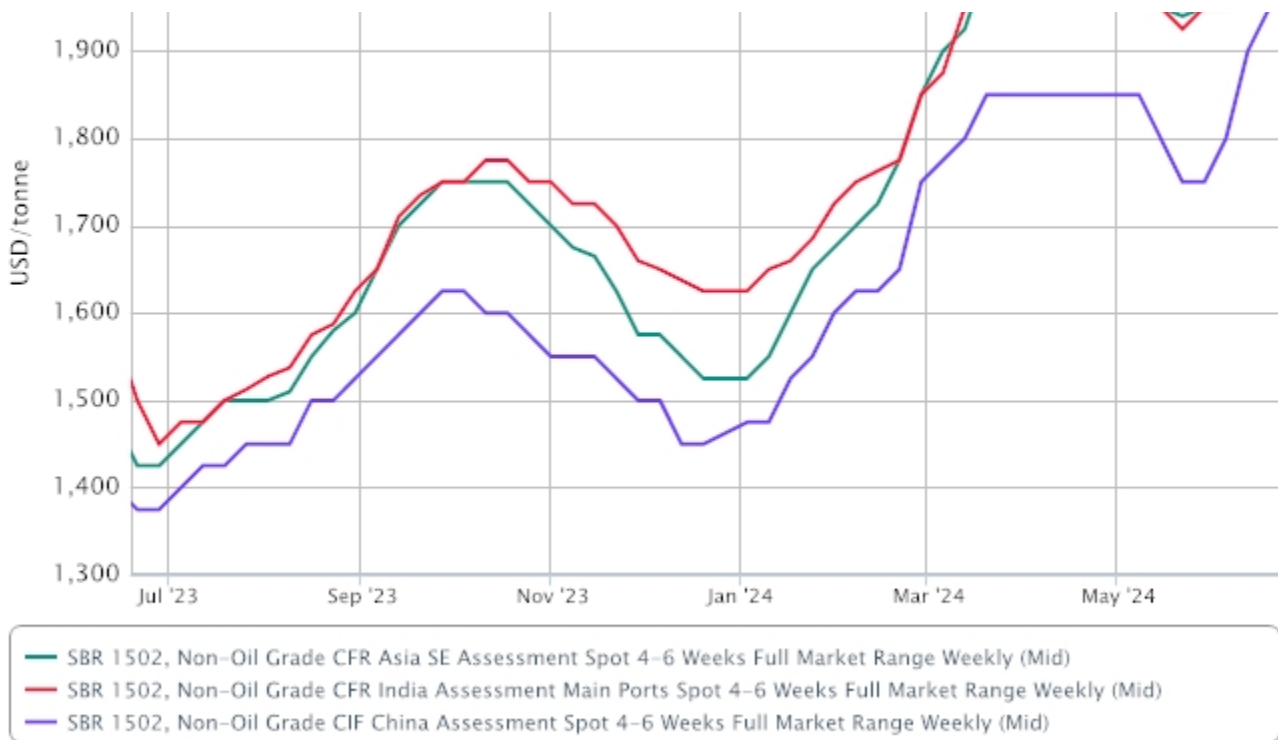
Spot availabilities are also limited, not just due to ongoing plant maintenance, but also due to the anticipated capacity changes in future.

But buy-side response is tepid, with many still highly resistant to paying more for SBR for fear of affordability issues in their own downstream markets.

Even though many end-users have started to make more active enquiries on forward import shipment, market players said that this was more just potential buyers' attempts to lock in some vessel space before it runs out, and not really representative of any significant pick-up in substantive requirements.

Buyers are watchful instead on how their own downstream markets, in particular the automotive sector, may hold up amid [brewing trade disputes](#) between China and several western economies.





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## OUTLOOK

- [Mixed outlook](#) in near term
- Upstream cost movements key to how offers will trend
- Demand will hinge on [automotive sector growth](#) prospects

## 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	1900-2000	+50	1700-1800	86.18-90.72
<b>CFR Asia SE</b>	USD/tonne	n/c	1950.00-2100.00	+50	1900.00-1980.00	88.45-95.25
<b>CFR India Main Ports</b>	USD/tonne	n/c	1950.00-2150.00	+50	1850.00-2000.00	88.45-97.52
<b>SBR 1712, Oil-Extended</b>						
<b>CIF China</b>	USD/tonne	+50	1850-1950	+50	1650-1750	83.91-88.45
<b>CFR Asia SE</b>	USD/tonne	n/c	1900.00-2050.00	+50	1850.00-1930.00	86.18-92.99
<b>CFR India Main Ports</b>	USD/tonne	n/c	1900.00-2100.00	+50	1800.00-1950.00	86.18-95.25

**China**

CIF China prices for the non-oil 1502 grade extended gains as sellers hiked offers, which is reflected at the high end of the assessment. Buying indications tracked at the low end were also elevated alongside prior gains in the domestic yuan-denominated market.

CIF China prices for the oil-extended 1712 grade are adjusted up, in line with changes for the 1502 grade.

Domestic China prices however corrected downwards as buying tempo eased.

**East China domestic SBR 1502 prices**

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	15,100-15,300	15,500-15,700

**Southeast Asia**

CFR SE Asia assessments for the non-oil 1502 grade were up at the high end with firmer offers heard.

But buy-side response was thin and the low end was rolled over in the absence of fresh and substantive negotiations.

CFR SE Asia prices for the oil-extended 1712 grade were also adjusted up at the high end alongside changes for the 1502 grade.

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

Jun (1-19) 2024	May 2024	Apr 2024	Mar 2024	Feb 2024	Jan 2024	Dec 2023
178.96	170.03	162.99	165.36	156.66	154.20	146.31

**India**

CFR India prices for the non-oil 1502 grade were stable to firm, with the high end up with higher offers heard for northeast Asian materials.

But buyers continued to stay on the sidelines and the low end was unchanged as such. Substantive requirements may taper too with the approach of the monsoon season, market players said.

CFR India prices for the oil-extended 1712 grade is adjusted with changes for the 1502 grade.

**UPSTREAM****Butadiene**

- Supply constraints persist in China

- Domestic China market well supported as such
- Sentiment buoyant among import sellers

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

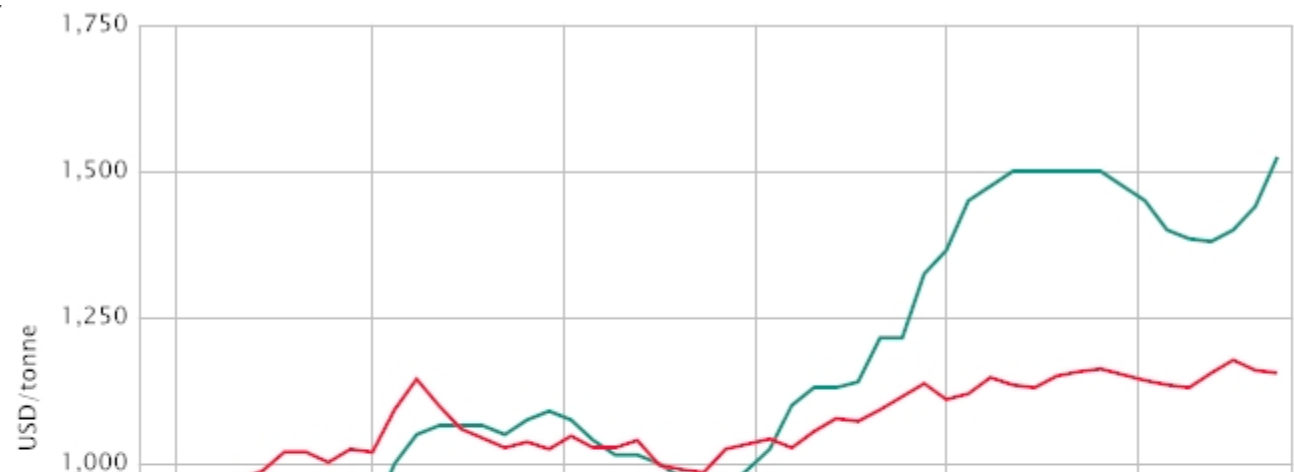
[Downstream spread – butadiene NE Asia and SBR SE Asia](#)

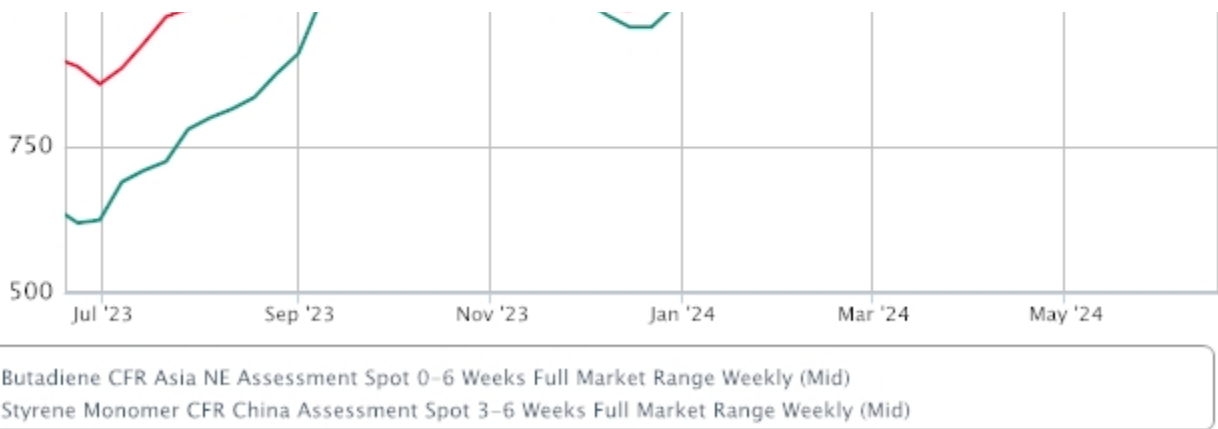


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**Styrene**

- Feedstock benzene market situation remains key factor impacting regional SM market
- Downstream SM users show some resistance towards higher SM levels
- China export talks remain limited amid concerns over policy uncertainties





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## PRODUCTION

Japan's [Zeon](#) plans to discontinue a portion of its emulsion-SBR production at the Tokuyama site in 2026, according to the company's report published on 11 June. Its total SBR production capacity at Tokuyama is 135,000 tonnes/year, according to ICIS data.

In China, two [lines](#) in Xinjiang, each with 60,000 tonnes/year worth of production capacity, have shut from mid-May to H1 July for maintenance.

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

## OTHER REGIONS

### Europe

- SBR 1500 dry-grade spot prices firmer
- Market conditions largely unchanged
- EU proposes hefty tariffs on China BEVs after unfair subsidies inquiry

## ANALYTICS

### ICIS butadiene outlook

ICIS forecasts a slightly worse outlook for US butadiene (BD) consumption in 2024 compared with November 2023 projections. Downstream demand is now expected to fall 4.3% year on year against a forecasted 3.9% dip in the previous outlook, remaining below pre-pandemic levels when consumption amounted to above 1.8 million tonnes. Across the board, this less favourable outlook for the BD industry is likely to be dictated by a strict monetary policy. On the production front, TPC Group aims to expand its Houston BD plant's 517,000 tonne/year capacity by 20% in 2024.

ICIS has revised down the 2024 European BD demand forecast by about 4.7% compared with the November 2023 outlook which showed a decline of 3.9% year on year. European BD derivative consumption is likely to hit almost 1.9 million tonnes, far lower than pre-Covid levels. That said, the European Central Bank (ECB) in June cut interest rates for the first time since September 2019 even

though inflation in the eurozone edged higher in May. This could prove beneficial to private consumption growth going forward. ExxonMobil' steam cracking plant along with its BD extraction unit in Port Jerome, France, is in the process of decommissioning. Total regional capacity will decrease to 3.02 million tonnes/year in 2025 from 3.11million tonnes/year. Europe may see a contraction in BD trade flows to deep-sea as a result.

Based on a spring update of the ICIS Supply and Demand Database, Asian BD demand this year is set to grow by 3.7%, lower than the 6.2% projection made in November 2023. Slowing demand is likely to be due to a worse-than-expected global economic growth and trade disruptions. Congestion at ports and a lack of containers and ships, which are largely triggered by ongoing tensions in the Red Sea created higher container prices and disrupted the export of tires and goods. For 2024, Chinese polybutadiene rubber demand growth rate has been cut by half to 1.5% from a previous forecast. BD production in southeast Asia will increase, largely because of Long Son Petrochemical's plant at Long Son in Vietnam running at full capacity. The petrochemical complex includes a 110,000 tonne/year BD plant and does not have a derivative unit, which means all BD output will be sold in the spot market.

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