



## Styrene Butadiene Rubber (Asia-Pacific)

By Ai Teng Lim  
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[Overview](#) | [Outlook](#) | [Prices](#) | [Upstream](#) | [Production](#) | [Other Regions](#) | [Analytics](#)

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

### OVERVIEW

- Offers [up](#) with upstream cost push
- Need-based procurement still ongoing
- Players cautiously optimistic

Discussions were more upbeat this week as need-based procurement activities resumed after more players returned from extended Lunar New Year holidays.

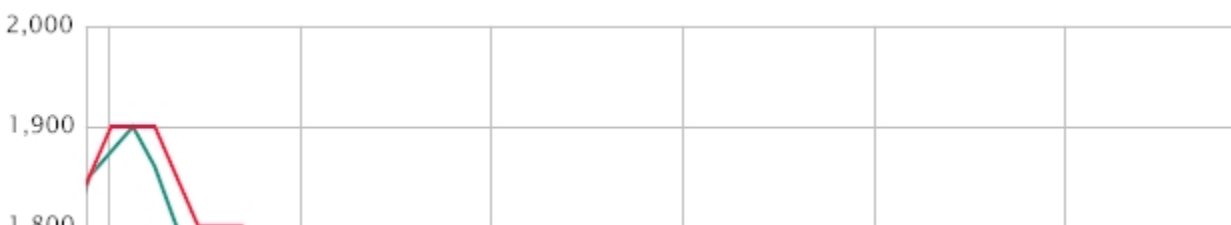
Sellers continued to push for higher targets, citing the need to recoup feedstock butadiene (BD) cost increases and protect margins.

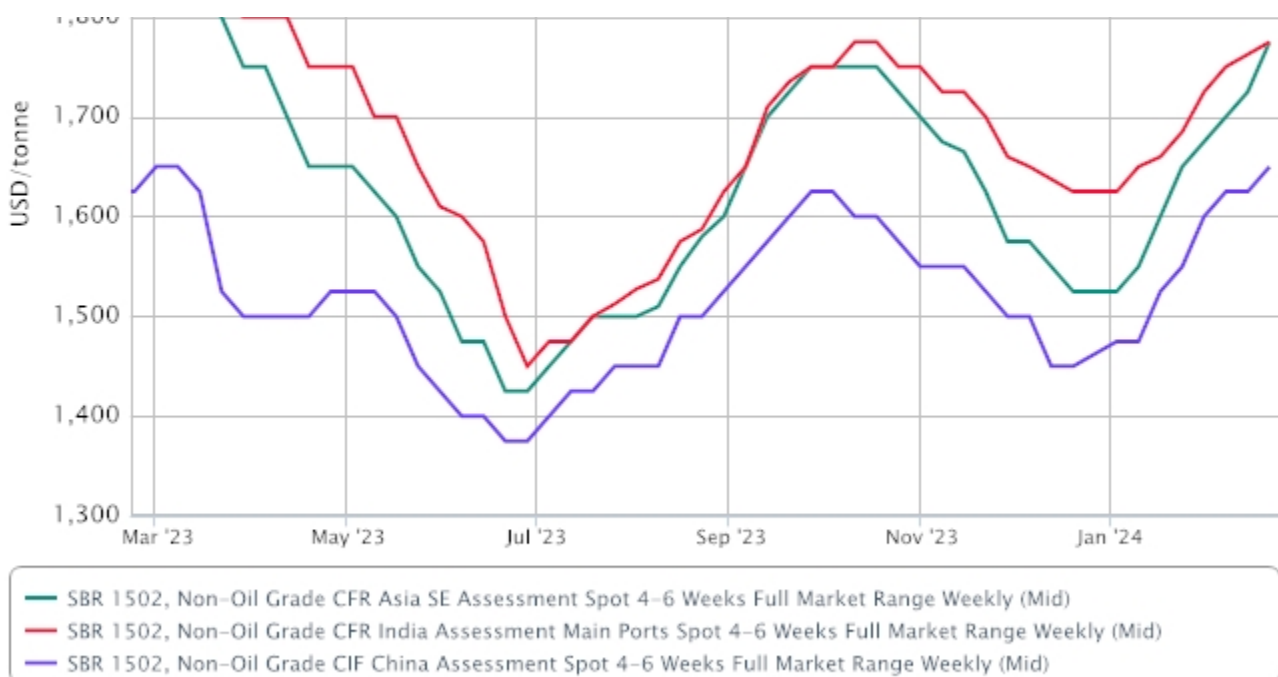
Buying interest is positive, although procurement volumes are still mostly limited to small lots, sufficient to keep ongoing downstream operations going but not really for stockpiling purposes.

Styrene-butadiene rubber (SBR) prices in the yuan-denominated domestic China market were up too, and this also boosted expectations of a robust post-holiday economic recovery for the country, which is a major regional automotive hub.

SBR has heavy applications in the automotive sector, and the demand outlook is also quite rosy in nature for India, another key auto market in Asia, riding on anticipations of [strong growth prospects](#) there.

That said, spot trade liquidity may stay curbed in the near-term, as long as divergent buy-sell considerations wear down negotiations. Buyers are cautious not to over-commit too soon, lest they be unable to transfer costs in time to downstream markets. Sellers on the other hand are mindful not to sell low to protect their bottomlines.





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## OUTLOOK

- Buy-sell gap could widen
- Spot supplies to stay snug for the near term
- Demand growth will hinge on automotive sector recovery pace

## PRICES

### SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
<b>SBR 1502, Non-Oil Grade</b>						
<b>CIF China</b>	USD/tonne	n/c	1600-1700	+50	1500-1600	72.57-77.11
<b>CFR Asia SE</b>	USD/tonne	+50	1750.00-1800.00	+50	1600.00-1700.00	79.38-81.65
<b>CFR India Main Ports</b>	USD/tonne	+25	1750.00-1800.00	n/c	1650.00-1720.00	79.38-81.65
<b>SBR 1712, Oil-Extended</b>						
<b>CIF China</b>	USD/tonne	n/c	1550-1650	+50	1450-1550	70.31-74.84
<b>CFR Asia SE</b>	USD/tonne	+50	1700.00-1750.00	+50	1550.00-1650.00	77.11-79.38
<b>CFR India Main Ports</b>	USD/tonne	+25	1700.00-1750.00	n/c	1600.00-1670.00	77.11-79.38

### China

CIF China prices for the non-oil 1502 grade were stable-to-firm, with the high-end up on higher offers heard.

Transactions were limited, with import trade talks off to a slow start after a prolonged holiday market closure.

But as domestic SBR prices in China gained post-holiday, this helped to keep sentiment generally upbeat in nature.

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

### East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close*
E China Ex-Warehouse	12,750-12,850	12,500-12,600

\*As of 9 February, as China was shut from 10-17 February.

### Southeast Asia

CFR SE Asia assessments for the non-oil 1502 grade rose, tracking firmer buy-sell indications.

Some trades materialised in the published range, market sources said.

CFR SE Asia prices for the oil-extended 1712 grade were up as well, in line with changes for the 1502 grade assessments.

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

Feb (1-21) 2024	Jan 2024	Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023
153.97	154.20	146.31	148.42	145.26	142.65	130.22

Source: Malaysian Rubber Board

### India

CFR India assessments for the non-oil 1502 grade were lifted at the low-end with firmer buying indications heard for northeast Asia-origin import materials.

But concrete transactions were not forthcoming, with key suppliers still holding back to await clearer signals on upstream market pricing.

The high-end was kept unchanged with a stable selling indication heard, in the absence of concrete offers.

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

## UPSTREAM

### Butadiene

- Trade on hiatus amid extensive holiday closures
- Sell-side sentiment sees support from supply constraints
- Buyers await direction from post-holiday market movements

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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### PRODUCTION

A 100,000 tonne/year unit in [Hangzhou](#), China, has shut from early February for a three-week-long planned servicing. In northeast Asia, a 100,000 tonne/year unit in [Taiwan](#) will shut for maintenance in April.

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

### OTHER REGIONS

#### Europe

- Spot prices assessed steady
- Offers limited on snug supply

- Demand improves

## ANALYTICS

### ICIS downstream outlook for automotive sector

The global automotive industry was one of the first and hardest hit by the pandemic and has yet to make a full recovery. But the last year has been the most puzzling in terms of the outlook for stakeholders in the global automotive industry. The level of uncertainty has been unprecedented, challenging for both decision-making and risk management. Supply and logistics shocks continue to impact production.

According to the US Census Bureau, US light vehicle sales decreased by 6.9% month on month in November 2023 with total sales of 14.9 million units. The finished inventory to sales ratio (calculated by dividing inventory by sales) decreased to 1.280 in December from 1.308 in November. High inflation, slumping consumer confidence and tighter monetary policy will weigh upon consumer demand for automotives.

According to the European Automobile Manufacturers' Association (ACEA), EU passenger car registration decreased by 3.3% in December 2023 compared with same month in 2022. The fall is primarily attributed to the high baseline performance in December 2022. However, for 2023, it reported an increase of 13.9%. Italy, Spain and France are the best performing countries with registering growth of 18.9%, 16.7% and 16.1% respectively. The outlook for 2024 remains challenging because of reduced industrial activity.

Asia's sector outlook for medium to long term remains strong, with rising income and low car ownership in the region. This is particularly true for electrified and other New Energy Vehicles (NEV) as governments incentives push this market.

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