



## 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

- **Slow demand weighs on discussions**
- **Some lower offers surface too**
- **Weak upstream also erodes confidence**

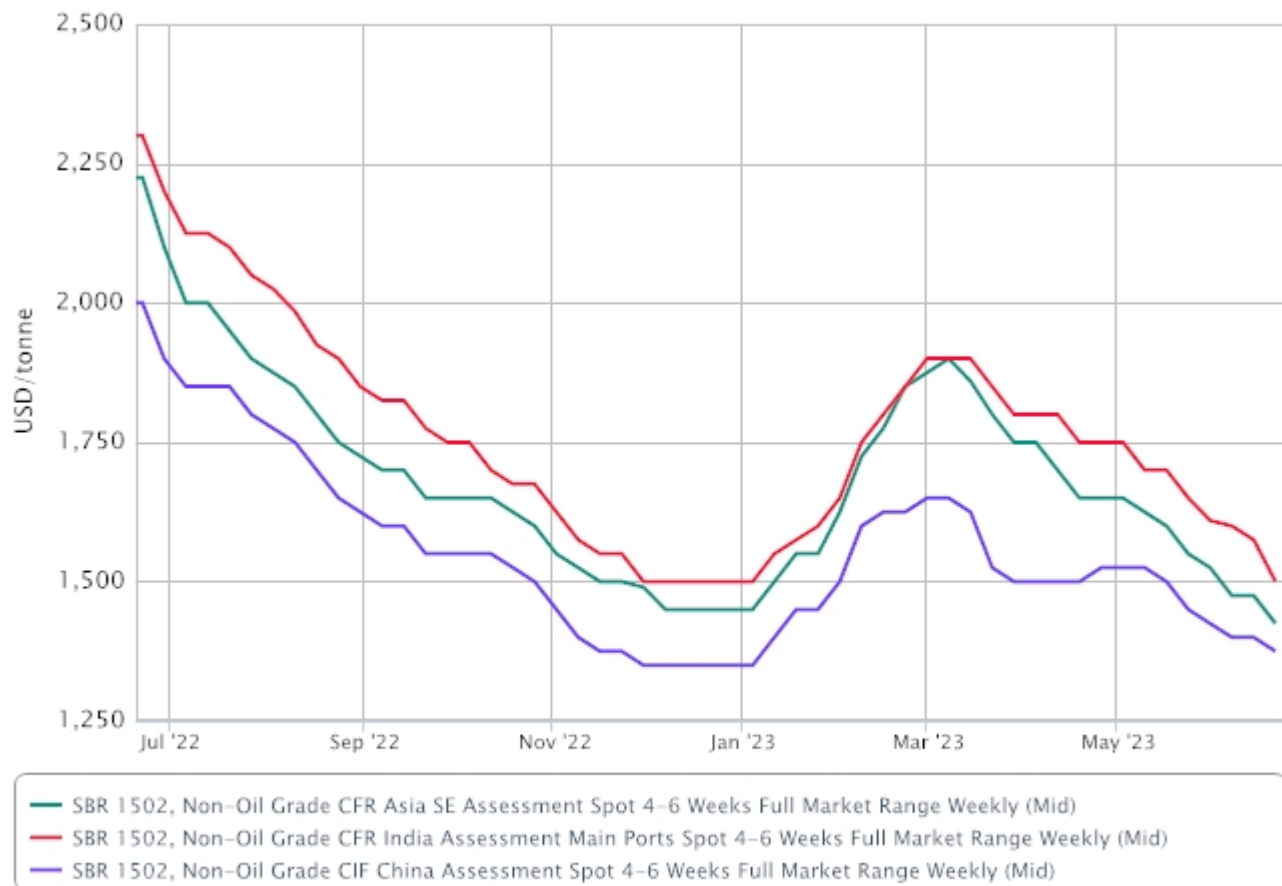
Asia's spot discussions for styrene-butadiene-rubber (SBR) continued to edge down with [weak demand](#).

Market confidence is low, amid successive [declines](#) in ICIS's global spot petrochemical index (IPEX). End-users are, as such, apprehensive about holding undue stocks of raw materials, including SBR.

Most said that they would keep to procuring SBR only on a need-to basis, and with feedstock [butadiene](#) prices still on the decline, they are even more convinced that they should delay fresh bookings till as late as possible.

Some sellers - especially local traders who are expecting incoming import shipment that are as yet unsold - tried to chase deals with lower asking prices. However, spot trade liquidity remains capped by structurally weak demand fundamentals.

Nevertheless, news that the Chinese government is rolling out more [incentives](#) to boost the automotive industry lifted spirits to some extent. Market players said that this may help to provide better demand support for SBR, when more discussions for Q3 shipment take place in the coming month.



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## OUTLOOK

- China’s stimulus package a potential demand booster
- Weak upstream could continue to weigh on sentiment
- Buyers likely to stay cautious in the near term

## 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	1350-1400	-50	1400-1500	61.24-63.50
<b>CFR Asia SE</b>	USD/tonne	-50	1400.00-1450.00	-50	1500.00-1600.00	63.50-65.77
<b>CFR India Main Ports</b>	USD/tonne	-100	1450.00-1550.00	-50	1600.00-1700.00	65.77-70.31
<b>SBR 1712, Oil-Extended</b>						
<b>CIF China</b>	USD/tonne	n/c	1300-1350	-50	1350-1450	58.97-61.24
<b>CFR Asia SE</b>	USD/tonne	-50	1350.00-1400.00	-50	1450.00-1550.00	61.24-63.50
<b>CFR India Main Ports</b>	USD/tonne	-100	1400.00-1500.00	-50	1550.00-1650.00	63.50-68.04

### China

CIF China prices for the non-oil 1502 are assessed stable to soft, taking into consideration limited discussions for July import shipment.

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

Domestic prices in east China are flat, with many local players already winding down for the extended dragon boat festival holiday on 22-23 June.

### East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	11,000-11,200	11,000-11,200

### Southeast Asia

CFR SE Asian assessments for the non-oil 1502 grade were down, reflecting discussions and deals for cargoes from various mainstream northeast Asian suppliers.

Assessments for the oil-extended 1712 grade were adjusted with stable 1502 grade assessments.

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

Jun (1-21) 2023	May 2023	Apr 2023	Mar 2023	Feb 2023	Jan 2023	Dec 2022
133.90	136.34	136.27	135.03	140.11	140.11	135.03

### India

CFR India assessments for the non-oil 1502 grade are lower with softer offers heard.

Northeast Asia-origin materials were available at the high end from producers while local traders sold at the low end similar cargoes from their surplus import inventories.

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

## UPSTREAM

### Butadiene

- Wider losses seen across Asia
- Supplies ample
- Poor [buying support](#)

The chart below shows the price spread between butadiene and SBR.

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



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**Styrene**

- China import market liquidity remained shallow
- Weak fundamentals hampering buying sentiment
- Improved macroeconomic outlook sees market bottom out



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## PRODUCTION

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

## OTHER REGIONS

### Europe

- June contract talks progress against backdrop of softer feedstocks, low demand
- Spot prices steady but low demand weighs on market
- UK announces new sanctions against rubber exports from Belarus

## ANALYTICS

### ICIS Downstream Automotive Outlook

Global light vehicle sales increased by 2.3% month on month in April to 86m units/year from 84m units/year in March (Oxford Economics). But negatives continue to outweigh positives for the sector. Now for 2023, the outlook continues to be challenging due to the cost-of-living crisis, as car buyers are expected to postpone their purchases.

According to the US Census Bureau, light vehicle sales in the country decreased by 6.5% month on month in May with total sales of 15.0m units (up 19.6% year on year and 12.4% down from 2019). High inflation, slumping

consumer confidence and tighter monetary policy will weigh upon consumer demand for automotives. The outlook for 2023 remains concerning.

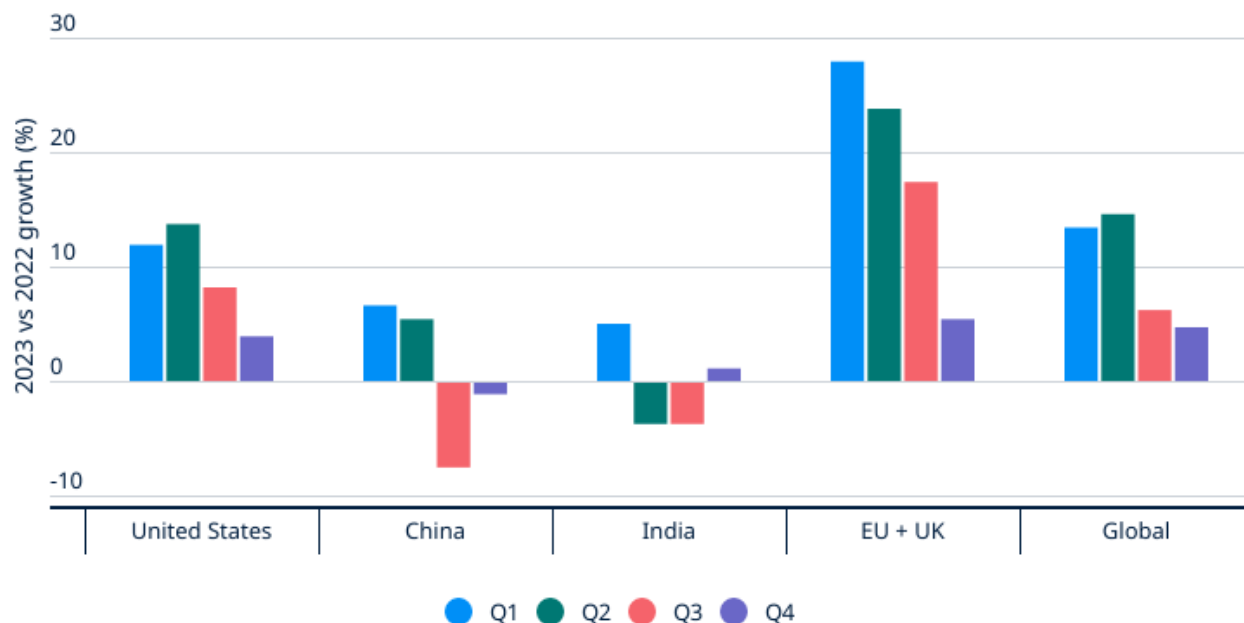
According to the European Automobile Manufacturers' Association (ACEA), EU passenger car registrations decreased by 26% in April (from 1.10m in March to 800,000 in April). However, they grew 17% in April year on year. The ACEA said Spain (33.7%) saw the biggest gain, followed by Italy (26.9%), France (16.7%) and Germany (7.9%). Commercial vehicle registrations grew 7.7% to 355,553 in Q1 2023 year on year (the growth being largely a function of a lower base). The outlook for 2023 remains challenging (especially for the commercial segment) on the back of reduced industrial activity.

China automotive output is forecast to shrink during the second half of the year (Oxford Economics). This contradicts the view that pent-up led demand growth was expected after the re-opening of the economy. However, the actual impact is something we must wait and see. Currently Chinese auto stakeholders are primarily focusing on the development of new energy vehicles (NEVs) and intelligent connected vehicles (ICVs) including autonomous vehicles.

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## Motor vehicle sector growth by region

### 2023 vs 2022



**SOURCE:** Oxford Economics

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