



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

- **Downbeat demand sentiment**
- **Buyers mostly on the sidelines**
- **Offers moderated too to induce buying**

Discussions for Asian spot imports of styrene-butadiene-rubber (SBR) softened across Asia amid lacklustre demand.

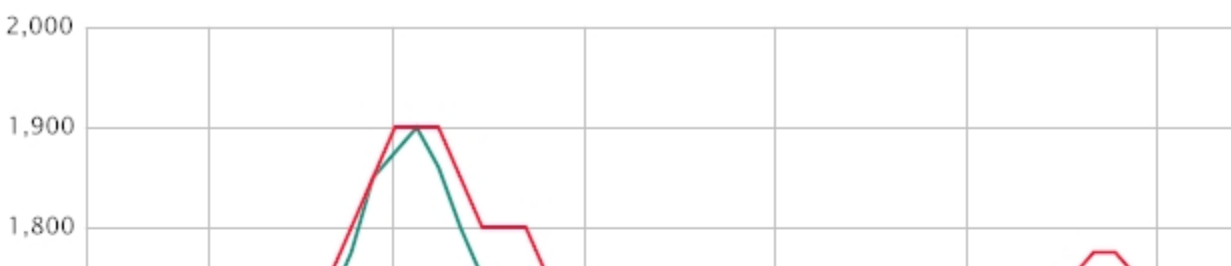
Buyers remained on the sidelines, keeping a wary eye on how their own downstream market may rattle further with persistently underwhelming pace of global economic recovery.

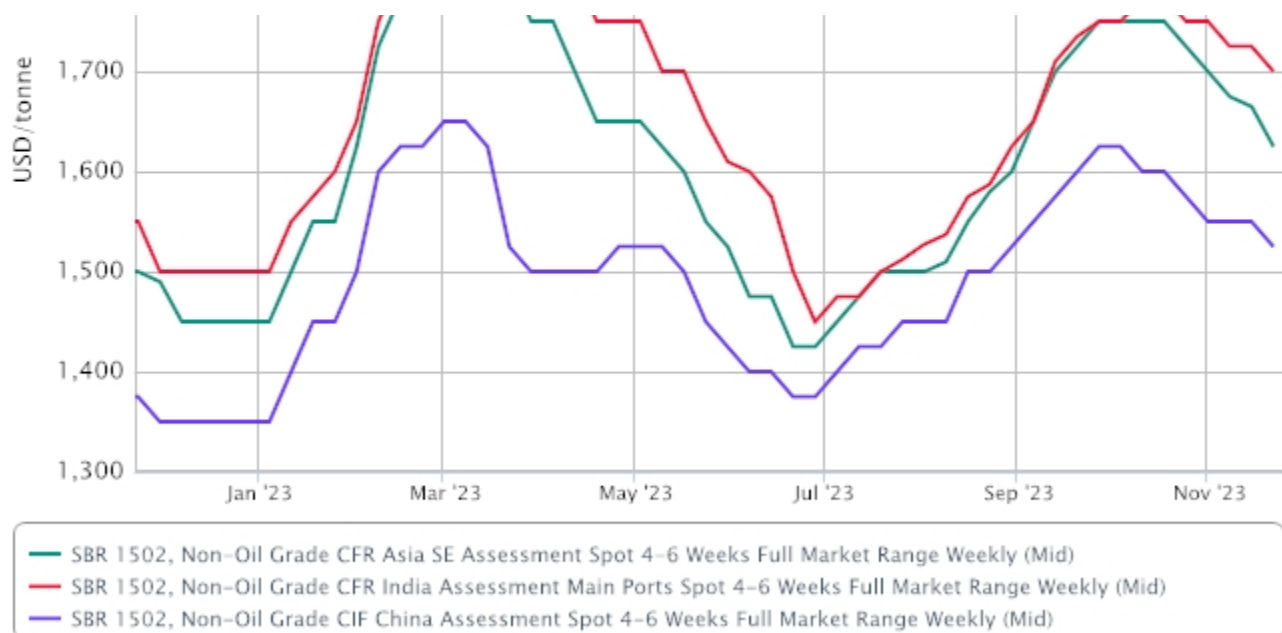
They kept spot procurement to small lots and only on a need-to basis, and continued to press sellers for more discounts.

To induce buying and keep cargoes moving to some extent, most regional producers did moderate their selling expectations, leveraging also on the reality that feedstock butadiene (BD) prices have eased substantially of-late.

However, because the crude market remains volatile, amid opposing forces of [poor downstream demand](#) vis-a-vis [OPEC supply cuts](#), SBR makers are still apprehensive about the risk of sudden cost spike should crude rally unexpectedly.

As such, most were careful to avoid too wide a downward adjustment in their offers. Buy-sell gap persisted as such to derail spot negotiations and curb transactions.





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OUTLOOK

- Economic concerns to weigh on demand
- Crude's volatility may affect sentiment too
- Producers may keep up output cuts

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	n/c	1500-1550	-50	1500-1650	68.04-70.31
CFR Asia SE	USD/tonne	-30	1600.00-1650.00	-50	1700.00-1750.00	72.57-74.84
			0			
CFR India Main Ports	USD/tonne	-50	1650.00-1750.00	n/c	1700.00-1800.00	74.84-79.38
			0			
SBR 1712, Oil-Extended						
CIF China	USD/tonne	n/c	1450-1500	-50	1450-1600	65.77-68.04
CFR Asia SE	USD/tonne	-30	1570.00-1620.00	-50	1670.00-1720.00	71.21-73.48
			0			
CFR India Main Ports	USD/tonne	-50	1620.00-1720.00	n/c	1670.00-1770.00	73.48-78.02
			0			

China

CIF China assessments for the non-oil 1502 grade fell at the high-end, tracking lower offers heard.

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

Downtrend continues for domestic yuan-denominated prices in east China for the 1502 grade, amid lukewarm downstream off-take.

East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	11,500-11,700	11,700-11,950

Southeast Asia

CFR SE Asian prices for the non-oil 1502 continued to trend down, tracking softer buy-sell indications for cargoes from some regular NE Asian suppliers.

But even if some sellers had moderated offers anew this week, in a bid to bridge gap with buyers and keep some volumes moving, most continued to bank on steady natural rubber prices as a potential support for SBR requirements. They believe that as long as this stays the case, end-users will continue to buy SBR as a cheaper substitute to natural rubber.

CFR SE Asian prices for the oil-extended 1712 grade are adjusted in line with changes for the 1502 grade.

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

Nov (1-22) 2023	Oct 2023	Sep 2023	Aug 2023	Jul 2023	Jun 2023	May 2023
148.66	145.26	142.65	130.22	131.31	133.48	136.34

Source: Malaysian Rubber Board

India

CFR Indian assessments for the non-oil 1502 grade widened, taking into account softer buying indications reflected at the low-end.

There were no concrete offers and the high-end is rolled in line.

But buyers remained in the sidelines, and it was a slow start to import discussions in the post-Diwali market, sources said.

Domestic producers also moderated their list prices and this further dampened buying interest for US dollar denominated imports.

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

UPSTREAM

Butadiene

- Downtrend continues
- More spot cargoes emerge
- But buying appetite shrunk

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

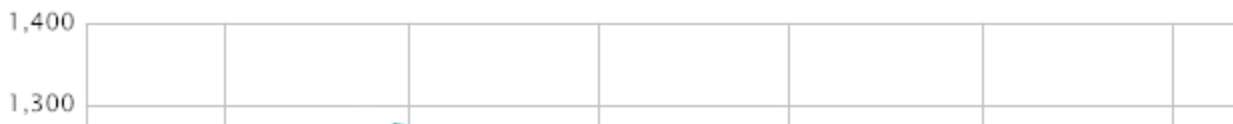
[Downstream spread – butadiene NE Asia and SBR SE Asia](#)

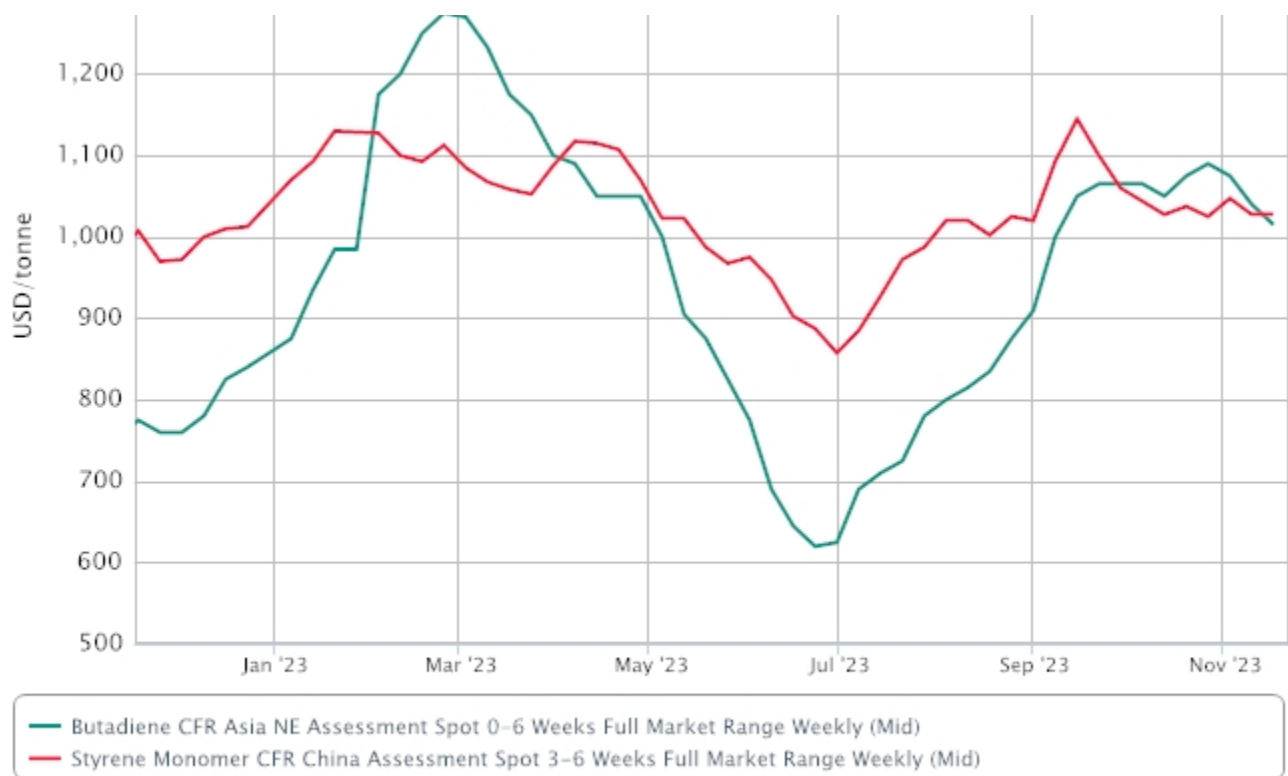


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Styrene:

- Improved China macro sentiment supports SM market performance
- Some forward supply concerns emerge in China
- China export discussions remain slow amid tepid import interest from Korea





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PRODUCTION

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

OTHER REGIONS

Europe

- Spot 1500 dry grade stable to firm
- Monthly contracts expected to settle soon
- Wait and see for BD contract price for December

ANALYTICS

ICIS Butadiene Outlook

Based on the ICIS Supply and Demand Database, updated in autumn, global BD capacity is forecast to rise by 2.3% to about 19m tonnes/year in 2024, while consumption should increase by 4.4%. Although demand growth is estimated to exceed incremental capacity, the market will remain well supplied due to a capacity glut, which was added when the demand outlook was bullish. The US BD market is expected to increase in self-sufficiency next year. A scheduled increase in BD capacity in Houston, Texas, and the closure of a ADN unit with a capacity of 480,000 tonnes/year in Orange, Texas, announced by Invista in early October, will cause a reduction in import

flows. As a result, European players will have to find other outlets to dispatch BD cargoes or run their plants at a reduced rate. Asian BD demand is set to grow by 6.2% in 2024, but in absolute terms, this is slightly down from the 0.5% projection made in spring. Slowing economic growth will continue to play a major role. In terms of new plants, about 90% of total capacity will come online in Asia.

By **Paolo Scafetta**, ICIS senior olefins analyst, paolo.scafetta@icis.com

ICIS Styrene Outlook

The European styrene market faces ongoing supply disruptions linked to unexpected closures. The Ellba propylene oxide-styrene monomer (POSM) unit in the Netherlands shut in August due to technical issues. While initially anticipated to last two weeks, the outage continues into early September, with hopes of restarting this month. Additionally, BASF's plant in Germany is undergoing a catalyst change, and the turnaround is set to last until mid-October. Economic factors led to the closure of both Trinseo's plant in the Netherlands and LyondellBasell/Covestro's plant in Maasvlakte, the Netherlands, and these shutdowns are now impacting the European styrene supply chain. Now the producers that idled production for economic reasons are faced with a difficult choice: whether to recommence production, despite the potential risk of lower profitability due to increased supply, or to persist in purchasing styrene at a higher rate on the open market to fulfil contractual obligations to customers rather than producing themselves. In contrast, the arbitrage window to Asia and the US opened wide in early September, with European styrene spot prices commanding premiums of \$500/tonne and nearly \$300/tonne, respectively.

On the demand side, the European market faces continued weakness due to the economic downturn's impact on end-use markets. The construction sector, a major consumer of styrene, traditionally has reduced demand during winter, further contributing to the subdued demand outlook.

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