



Styrene Butadiene Rubber (Asia-Pacific)

By Ai Teng Lim
24-Apr-2024

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

All prices in the weekly analysis on 1 May will be assessed based on information collated up to 30 April. Please click [here](#) for the ICIS publishing schedule.

OVERVIEW

- **Discussions muted, with more players retreating to sidelines**
- **India prices at a narrower range**
- **Indications mostly flat elsewhere in the region**

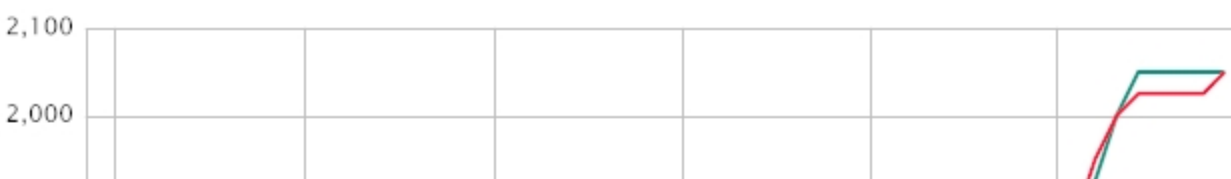
Spot prices for Asian imports of styrene butadiene rubber (SBR) were mostly flat in China and southeast Asia, and for India, the prices were at a narrower range, taking into account prevailing offers on cargoes from traditional northeast Asian suppliers.

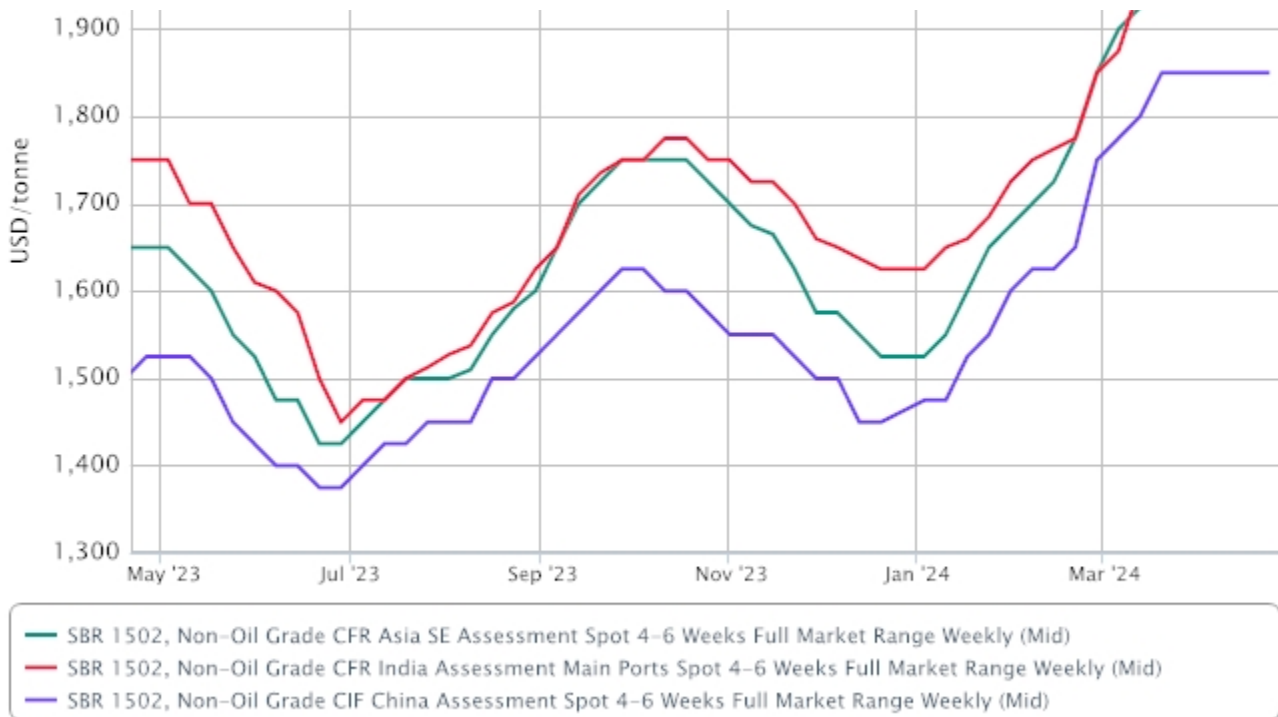
Buying interest was not very active generally, with many regional end-users held back by mounting concerns about how their own downstream markets might hold out against nagging external headwinds such as [escalating tensions](#) in the Middle East and inflationary pressures in key international economies.

Most buyers said that they would defer non-essential buying to later in anticipation that SBR offers may soften in due course should feedstock BD prices start to correct downwards.

That said, in the meantime, traditional SBR suppliers in the region held fast to their prior offers in a bid to protect and preserve frail margins, lackluster buy-side response notwithstanding.

The buy-sell stalemate may continue for the near term, or until more clarity and certainty is seen in the broader global economic growth, especially for the [automotive sector](#) will trend, market players said.





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OUTLOOK

- Buyers to stay cautious for the near term
- Upstream market performance to drive SBR offers
- Spot supplies poised to tighten with upcoming maintenance

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	n/c	1800-1900	n/c	1800-1900	81.65-86.18
CFR Asia SE	USD/tonne	n/c	2000.00-2100.00	n/c	2000.00-2100.00	90.72-95.25
CFR India Main Ports	USD/tonne	+50	2000.00-2100.00	n/c	1950.00-2100.00	90.72-95.25
SBR 1712, Oil-Extended						
CIF China	USD/tonne	n/c	1750-1850	n/c	1750-1850	79.38-83.91
CFR Asia SE	USD/tonne	n/c	1950.00-2050.00	n/c	1950.00-2050.00	88.45-92.99
CFR India Main Ports	USD/tonne	+50	1950.00-2050.00	n/c	1900.00-2050.00	88.45-92.99

China

CIF China prices for the non-oil 1502 grade are rolled over in the absence of fresh buy-sell indications.

Local users are fully reliant on domestically produced materials as these are considerably cheaper on a US dollar-parity basis, than US dollar-denominated imported materials.

Domestic prices in east China continued to trend down as local producers moderated expectations in a bid to boost sales and keep cargoes flowing.

East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	13,000-13,200	13,100-13,400

Southeast Asia

CFR SE Asia prices for the non-oil 1502 grade held steady, with discussions and deals for some May shipment materials heard within rangebound levels.

But spot purchases are mostly limited to small top-up parcels, many players said. The bulk of requirements are heard covered by contractual supplies.

CFR SE Asia assessments for the oil-extended 1712 grade were stable with unchanged 1502 grade assessments.

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

Apr 2024	(1-24) Mar 2024	Feb 2024	Jan 2024	Dec 2023	Nov 2023
163.59	165.36	156.66	154.20	146.31	148.42

Source: Malaysian Rubber Board

India

CFR India prices for the non-oil 1502 grade were assessed in a narrower range, with the low end up to reflect a consensus that supplies from traditional northeast Asia origins were no longer available at levels below the range.

The high end was unchanged, taking into account stable offers for northeast Asia-origin cargoes.

But substantive transactions are limited, with many end-users heard still amply covered by hefty import purchases inked some months ago. These shipment are just arriving at shore, and the local market is swamped with materials, market players said.

CFR India assessments for the oil-extended 1712 grades were adjusted with changes for the 1502 grade

assessments.

UPSTREAM

Butadiene

- Discussions stall amid inter-month trade vacuum
- Sellers see support from perennially tight supply
- But buyers resistant on nagging downstream margin concerns

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

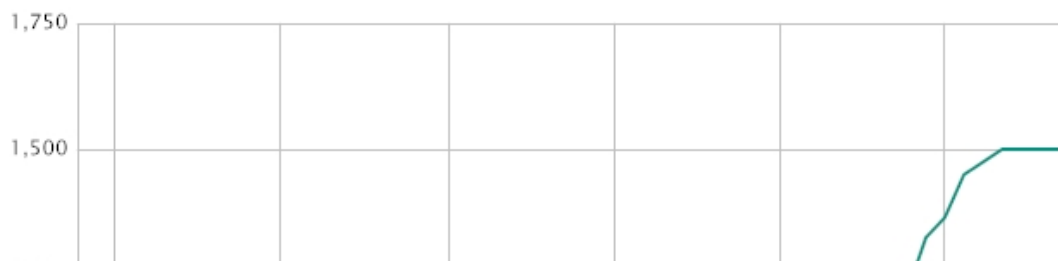
[Downstream spread – butadiene NE Asia and SBR SE Asia](#)

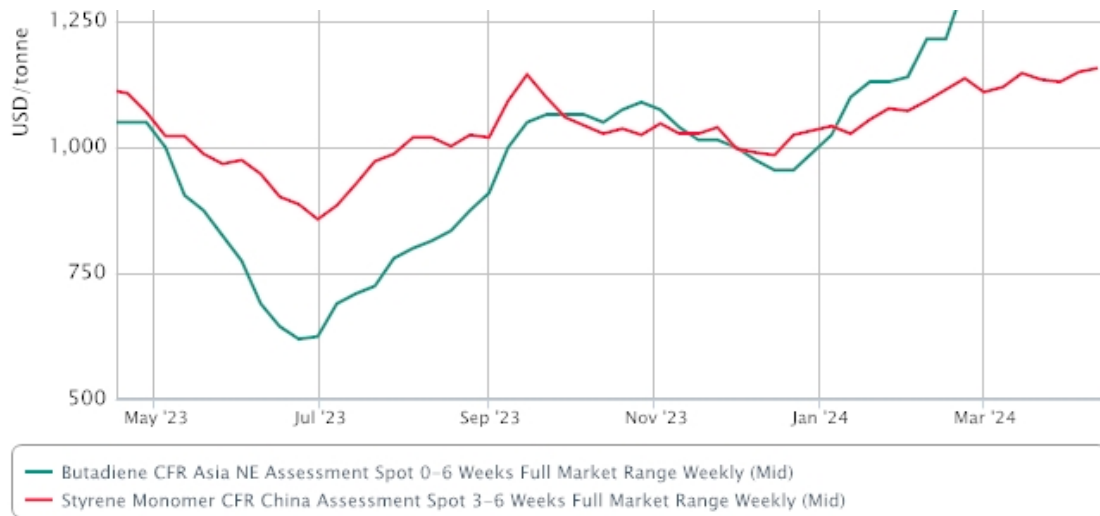


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Styrene

- High production costs continued supporting regional SM levels
- Destocking in east China remained overall smooth, inventory volumes dropped noticeably
- Chinese SM makers working on export talks to Korea while monitoring alternative opportunities





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PRODUCTION

A plant in east China with a total nameplate capacity of 170,000 tonnes/year has [shut](#) one of its three lines, for a month-long maintenance from 20 March. It also plans to shut its two other lines, in turns, for respective month-long servicing between June and August 2024, market sources said.

Another 100,000 tonne/year [unit](#) in Taiwan is also on track to shut for maintenance in May.

OTHER REGIONS

Europe

- April contract prices rise by double-digits on feedstock gains
- Spot prices hold steady; demand mixed
- ETRMA releases manifesto for next political mandate

ANALYTICS

ICIS downstream sector outlook for automotive

Sustainability is important, but so is being competitive. That was the sentiment expressed in a recent interview with Harald Seidel, director general of the European Automobile Manufacturers' Association (ACEA) and CEO of DAF Trucks. The automotive outlook for 2024 remains concerning as uncertainty remains at unprecedented levels, presenting challenges for both decision-making and risk management, especially in the context of the transition to electric vehicles.

According to the US Census Bureau, US light vehicle sales decreased by 1.3% month on month in April, with total sales of 15.5 million units (up by 3.7% year on year and down by 10.1% on the

same period in 2019). Macroeconomic stressors continue to weigh heavy on automotive demand. Another challenge affecting the US auto industry is the impact of the Baltimore bridge disaster, which will lead to significant trade disruptions.

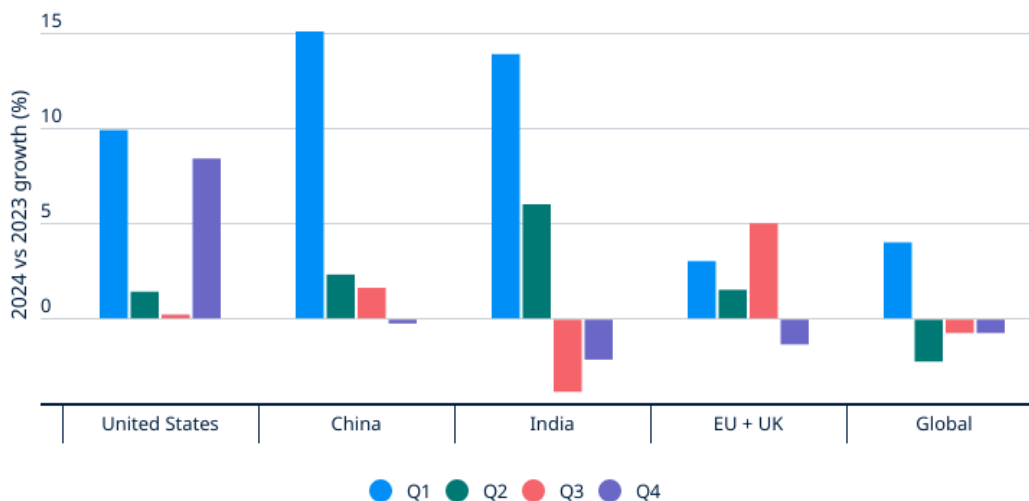
In an automotive round table discussion held earlier this month, 13 original equipment manufacturer CEOs met EU commissioner for climate action Wopke Hoekstra to discuss the future of the sector in the region. Car manufacturers are committed to decarbonization and are making appropriate investments. The group urged support from the government in the form of charging and hydrogen refilling infrastructure, a sufficient supply of critical raw materials, better access to finance, and market incentives. According to ACEA, EU passenger car registrations decreased by 5.2% year on year in March. The fall is primarily attributed to reduced activity because of Easter holidays. The association further reports that Germany posted the biggest decline, with -6.2%, followed by Spain (-4.7%), Italy (-3.7%), and France (-1.5%).

China is doubling down on its investments in electric vehicles. According to the Rhodium Group’s China Cross-Border Monitor, Chinese outbound foreign direct investment (OFDI) is booming. Although investment in both mergers and acquisitions (M&A) and greenfield projects were down 5% in 2023 year on year (2022 did exceptionally well), the independent research group further reports that approximately 80% of the total investments were battery manufacturing related.

By **Jincy Varghese**, ICIS demand analyst, jincy.varghese@icis.com

Motor vehicle sector growth by region

2024 vs 2023



SOURCE: Oxford Economics

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