



Styrene Butadiene Rubber (Asia-Pacific)

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

OVERVIEW

- **China slows down**
- **Buyers in wider Asia also pull back**
- **Cost pressures on sellers unyielding**

China's [Q3 slowdown](#) weighs on buying interest in Asia's spot import market for styrene-butadiene-rubber (SBR), although offers are held up by unrelenting cost concerns.

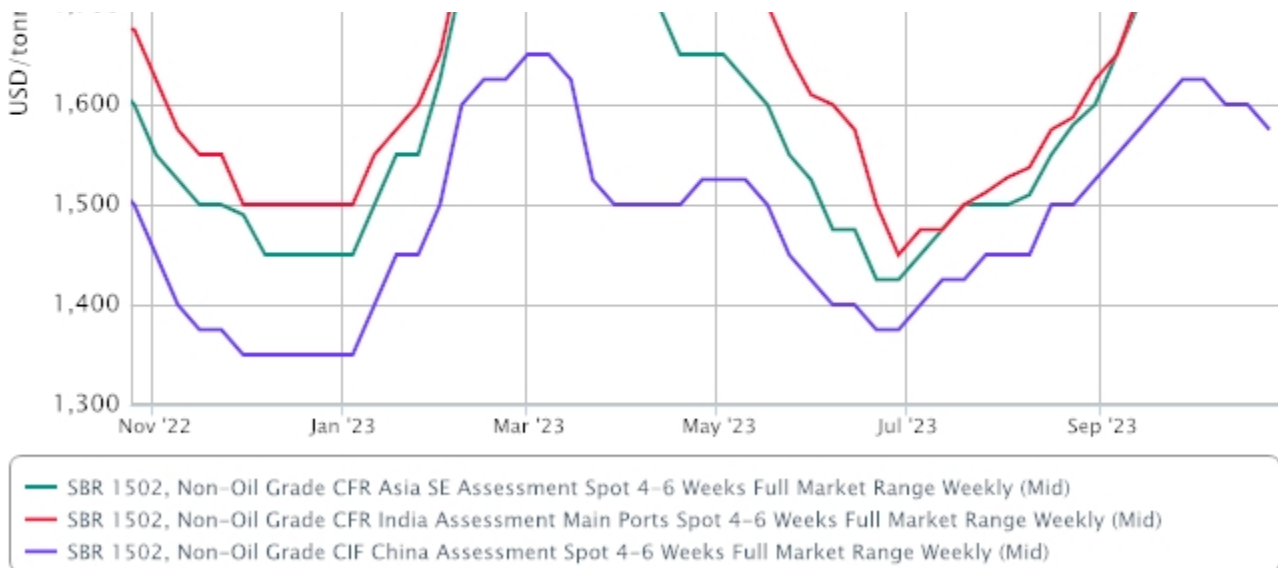
Feedstock butadiene ([BD](#)) and [styrene](#) markets rebounded last week, denting prior hopes among SBR makers that their cost pressures could ease soon.

In this backdrop, SBR sellers said that they could not price down, even though they acknowledge that there are rising buy-side resistance to their current offers.

On the demand front, besides China slowing down, end-users in SE Asia and India also pulled back, on fears that the delicate recovery of regional economies could be derailed by a weak China. Such concerns are sharpened after [IMF](#) trimmed developing Asia's growth forecasts for the year.

Most said that they would stave off purchases, or otherwise only buy small top-up parcels and at lower pricing ideas. The widening buy-sell gap could keep spot trade liquidity curbed in the near term, market players said.





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OUTLOOK

- Cost pressures may persist with ICIS' [forecast](#) of snug BD supplies
- Demand [uncertainties](#) to rise with muted outlook on China
- Buy-sell gap could widen further

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	-50	1500-1650	n/c	1600-1650	68.04-74.84
CFR Asia SE	USD/tonne	n/c	1700.00-1750.00	-50	1700.00-1800.00	77.11-79.38
			0			
CFR India Main Ports	USD/tonne	n/c	1700.00-1800.00	-50	1700.00-1800.00	77.11-81.65
			0			
SBR 1712, Oil-Extended						
CIF China	USD/tonne	-50	1450-1600	n/c	1550-1600	65.77-72.57
CFR Asia SE	USD/tonne	n/c	1670.00-1720.00	-50	1670.00-1770.00	75.75-78.02
			0			
CFR India Main Ports	USD/tonne	n/c	1670.00-1770.00	-50	1670.00-1770.00	75.75-80.29
			0			

China

CIF China assessments for the non-oil 1502 grade fell at the low-end with subdued buy-side indications. The high-end is kept unchanged, reflecting broadly stable selling indications.

Domestic SBR prices in east China slipped this week, due to subdued trade momentum and despite gains seen in the yuan-denominated BD market.

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

East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	12,300-12,400	12,500-12,600

Southeast Asia

CFR SE Asian discussions for the non-oil 1502 grade consolidated towards the low-end, and the prices were assessed in a narrower range, with the high-end dropped, to reflect mainstream indications for the week.

Transactions were hampered by the wider buy-sell gap for regional supplies, and some buy-side elements said that they would hold back to wait and see if cheaper alternatives may come in the form of non-Asia origin materials.

But as natural rubber prices were still strong, sellers said that this may provide some demand support for SBR as a substitution product.

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

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

Oct (1-25)	Sep 2023	Aug 2023	Jul 2023	Jun 2023	May 2023	Apr 2023
145.02	142.65	130.22	131.31	133.48	136.34	136.27

Source: Malaysian Rubber Board

India

As with southeast Asia, CFR Indian discussions for SBR 1502 consolidated towards the lower end, amid tapering buying interest.

A solitary, and repeated, offer at around mid-\$1,800s/tonne CFR India did not draw any buy-side response, which market players said reflected that this was no longer a tradable value, even if the seller held fast to such an expectations.

Some local traders were heard keen to start discussing sales of imported materials at lower levels, commensurate

with US dollar parity values for domestic cargoes. The high-end is dropped as such.

Most local end-users were already amply covered for current production needs, and do not need to consider fresh imports until after the extended Diwali festival is over in mid-November, market sources said.

Those who may need some limited top-up volumes said that they would rather procure from the domestic pool instead, and this is expected to further curtail import requirements.

Assessments for the oil-extended 1712 grade is adjusted in line with changes for the 1502 grade assessments.

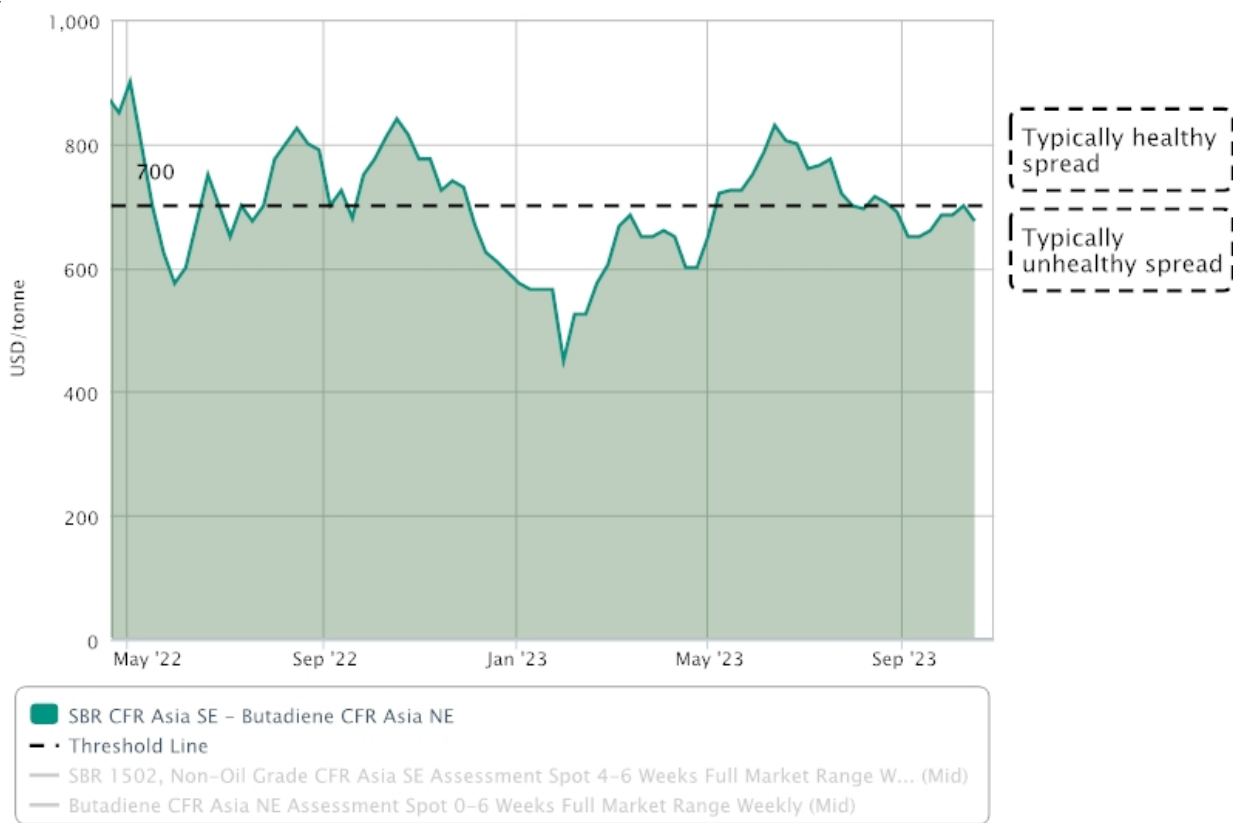
UPSTREAM

Butadiene

- Domestic China spiked with fresh supply concerns
- Import sentiment lifted in line
- But negotiations still frayed amid perennial buy-sell gap

The chart below shows the spread between butadiene and SBR, which slipped anew into the unhealthy zone.

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

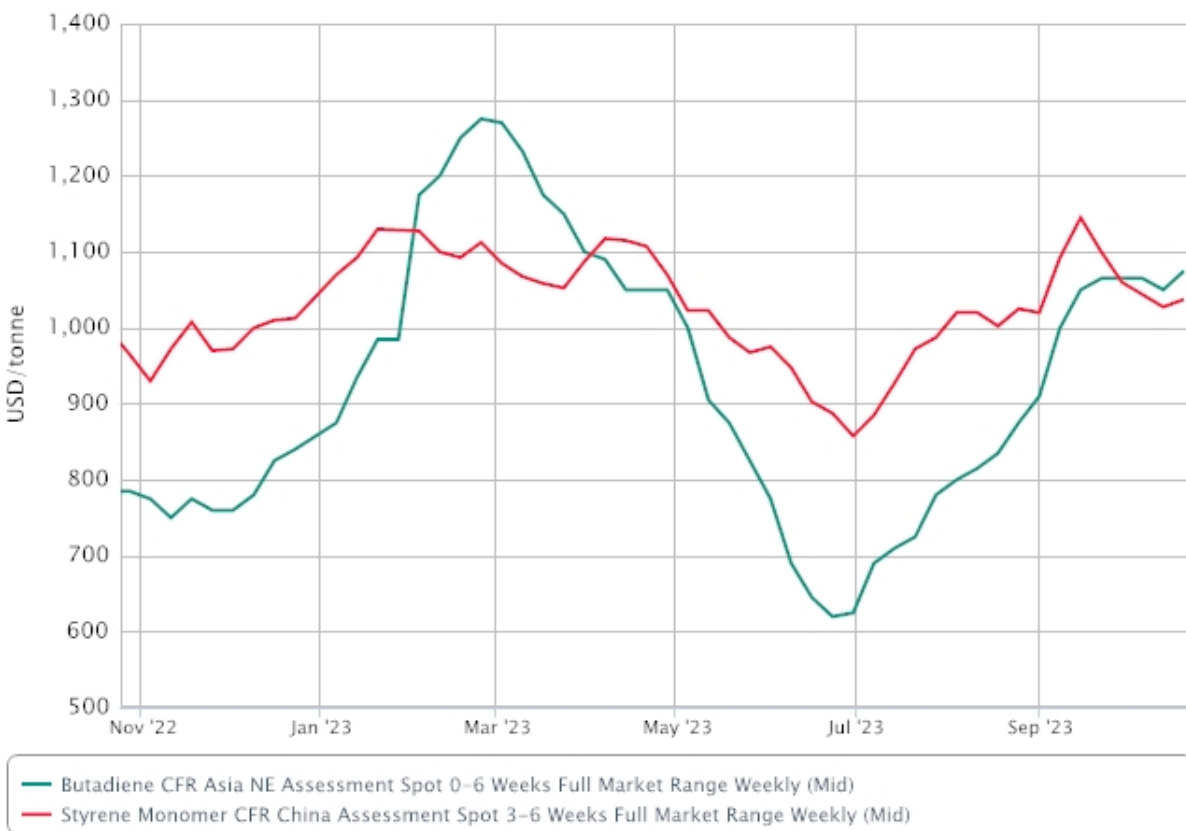


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Styrene

- Market liquidity limited by wait-and-see attitude, player absence
- SE Asia plant outages support market sentiments

- Discussions for annual contract commence



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PRODUCTION

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

OTHER REGIONS

Europe

- Formula SBR October contracts rise on upward feedstock pressure
- Dry grade spot prices stable-to-firm
- Demand views remain mixed

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