



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.

The CFR China prices in the weekly analysis on 3 May will be assessed based on information collated up to 28 April. Please click [here](#) for the ICIS publishing schedule.

OVERVIEW

- **Domestic uptick in China, some support for import talks**
- **But substantive demand weak across Asia**
- **Spot trade liquidity low**

Spot trade liquidity for Asian styrene-butadiene-rubber (SBR) imports remained undermined by weak demand fundamentals.

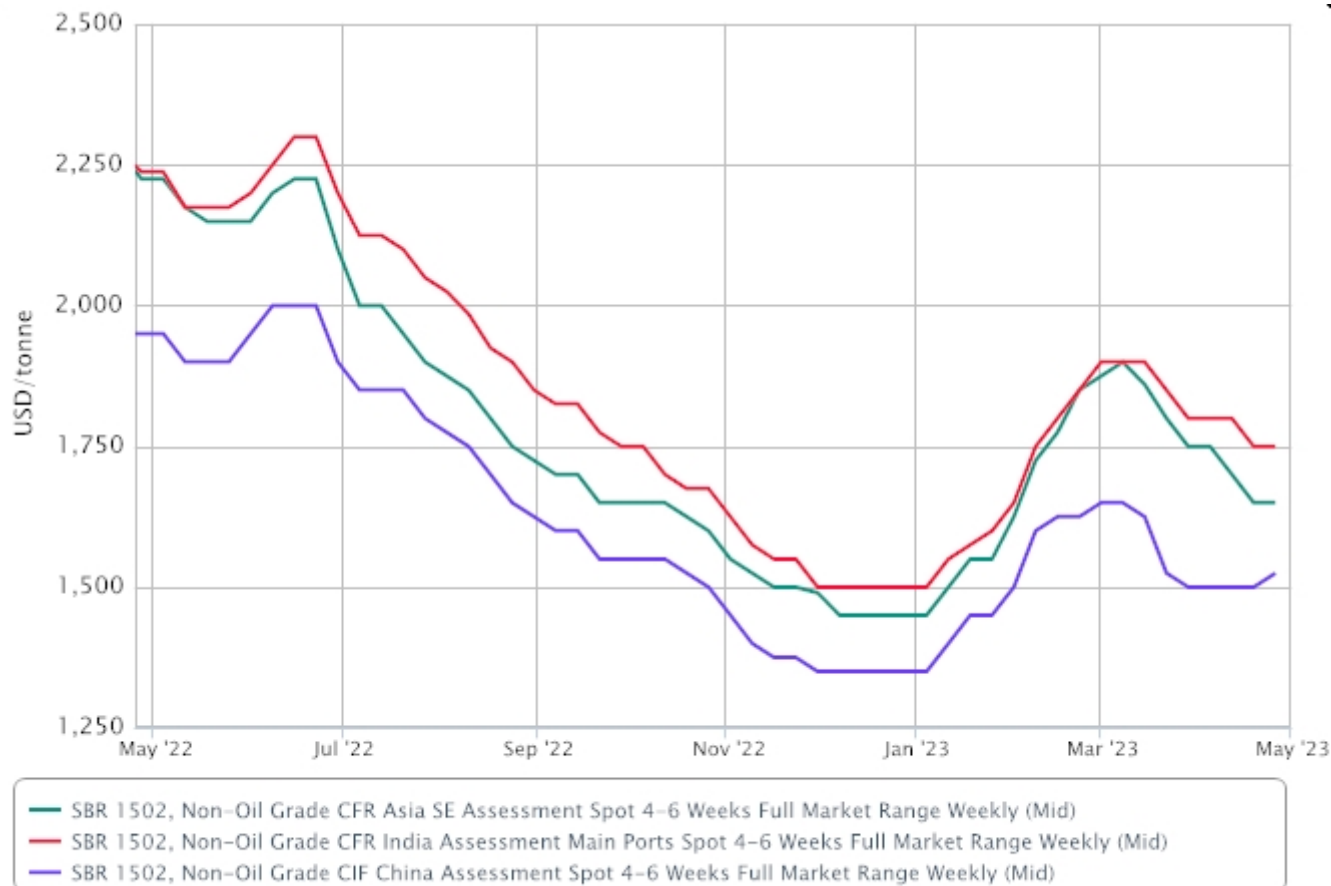
But pricing sentiment for China-bound deliveries picked up slightly, alongside a recent [uptick](#) in the domestic yuan-denominated market.

Domestic China prices for SBR had risen, in part on anticipation of tighter supplies once more local plant maintenance closures get underway in late April and May, market sources said.

Buying tempo within China was also more upbeat this week, as local end-users sought to replenish stocks ahead of the extended Labour Day holidays from 29 April to 3 May.

But in southeast Asia and India, spot market was flat and quiet. Most sellers held back, saying that they would monitor upstream market developments further before they decide on their next offers.

Buyers were also absent, not only due to extended Eid ul-Fitr celebrations in southeast Asia, but also because substantive requirements are still lacklustre in nature, amid shaky near-term [outlook](#) for the global economy, market sources said.



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OUTLOOK

- Confidence low about near-term demand recovery
- But regional spot supplies snug on turnarounds
- Offers may tap supply constraints for support in the near term

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	+50	1500-1550	n/c	1450-1550	68.04-70.31
CFR Asia SE	USD/tonne	n/c	1600.00-1700.00	n/c	1700.00-1800.00	72.57-77.11
CFR India Main Ports	USD/tonne	n/c	1700.00-1800.00	n/c	1750.00-1850.00	77.11-81.65
SBR 1712, Oil-Extended						
CIF China	USD/tonne	+50	1450-1500	n/c	1400-1500	65.77-68.04
CFR Asia SE	USD/tonne	n/c	1550.00-1650.00	n/c	1650.00-1750.00	70.31-74.84
CFR India Main Ports	USD/tonne	n/c	1650.00-1750.00	n/c	1700.00-1800.00	74.84-79.38

China

CIF China assessments for the non-oil 1502 grade were lifted at the low-end, as buying indications for limited imports rose with firmer domestic values.

Domestic China prices rose with tighter availabilities and pre-holiday restocking.

CIF China assessments for the oil-extended 1712 grade are adjusted 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	11,900-12,000	11,600-11,700

Southeast Asia

CFR SE Asian assessments for both the non-oil 1502 and oil-extended 1712 grades were kept unchanged in a thinly-discussed week.

Many players were away on extended Eid ul-Fitr celebrations, and market discussions are expected to resume only in the coming week.

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

Apr (1-26) 2023	Mar 2023	Feb 2023	Jan 2023	Dec 2022	Nov 2022	Oct 2022	Sep 2022
136.20	135.03	140.11	140.11	135.03	127.32	130.52	134.12

India

CFR India assessments for the non-oil 1502 grade held steady on rangebound indications.

NE Asia-origin cargoes were indicated at the high-end, against buying indications at the low-end.

Substantive discussions were limited, as both sides held back – sellers wanted to monitor upstream market developments, while buyers perceived the market to be amply supplied amid a continued inflow of cargoes from non-Asia origins.

Assessments for the oil-extended 1712 grade are unchanged with stable 1502 grade prices.

UPSTREAM

Butadiene (BD)

- Domestic China up with restocking
- China's export offers boosted in line
- But no improvement in wider Asian demand

The chart below shows the spread between butadiene and SBR.

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



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Styrene:

- Muted CFR China discussions
- Production cost supports for styrene softens in H2 of the week
- Wide buy-sell disparity remains



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PRODUCTION

Several regional plants have maintenance plans in the [April](#) to [June](#) window.

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

OTHER REGIONS

Europe

- April SBR contracts roll-over
- Weak demand continues
- 1500 dry grade spot range widens

US

- Price driver BD nominated lower for May
- Demand continues to slump
- Feedstock outages draw no concern

ANALYTICS

ICIS Butadiene Outlook

According to the ICIS Live Disruptions Tracker, US BD capacity lost in May is likely to be around 41,000 tonnes/month or 23% of total nameplate capacity. The market will remain covered due to soft demand and possible imports from Europe. There are expectations for a slight improvement in demand for synthetic rubber and the polymer sectors on an annual basis. Automotive production in North America

should increase to about 15.6m units in 2023, up by 5% from 2022, according to AutoForecast Solutions, although it will remain below the 16.8m vehicles recorded in 2019. A lack of components and consumer caution are likely to be the main factors limiting production capacity.

The European BD contract may increase in May and June, given expectations of higher naphtha costs month on month. That said, producers will not have trouble meeting low contractual offtakes. Some buying interest from Asia and the US could support sentiment in Europe. In early April, the European Commission reimposed definitive anti-dumping and countervailing duties on Chinese imports of certain tyres, new or retreaded, for buses and trucks. Although these markets are not comparable with the passenger car market in terms of sales, disruptions down the supply chain could loom. European tyre manufacturers may increase prices and thus depress demand to an extent.

The northeast Asia BD market will be affected by capacity loss due to a planned turnaround over the next few weeks. Based on the ICIS Live Disruptions Tracker, the region will see available production capacity reduced by about 50,000 tonnes/month and 70,000 tonnes/month in April and May respectively. South Korea's export capability, in particular, will be limited. The outlook for China has improved, but a demand recovery will take longer than expected. BD prices in northeast Asia are likely to trend lower from H2 2023. Supply will be enough to meet domestic demand. Downstream SBR margins could be compressed compared with 2022. Total BD capacity will increase by about 900,000 tonnes/year to 9.8m tonnes/year in 2023. That said, BD prices remain exposed to volatility in the crude oil market.

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