



Styrene Butadiene Rubber (Asia-Pacific)

By Ai Teng Lim
26-May-2021

[Overview](#) | [Outlook](#) | [Prices](#) | [Upstream](#) | [Production](#) | [Other Regions](#) | [Analytics](#)

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

All prices in the weekly analysis on 26 May are assessed based on information collated up to 25 May. Please click [here](#) for the ICIS publishing schedule.

ICIS is currently consulting readers about the methodology used for this report. To respond, [click here](#).

OVERVIEW

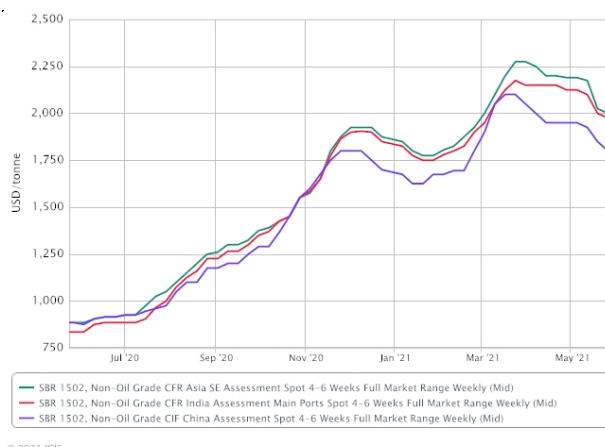
- **Prices stable-to-soft**
- **Buying interest tapers further across the board**
- **But some sellers keep offers steady**

Asian spot import prices for styrene-butadiene-rubber (SBR) were stable-to-soft across the regions, as buying momentum tapered with faltering demand in some key outlets like China and India.

In China, end-users turned more towards procuring from the domestic supplies pool, at the expense of US dollar denominated imports. Domestic supply has also grown now that more domestic plant maintenances have been [completed](#).

In Southeast Asia, downstream demand is deemed still relatively stable, despite tighter mobility restrictions in some outlets, such as Singapore and Malaysia, due to a recent coronavirus resurgence. But buyers are more cautious than before, buying at longer intervals and in smaller parcel lots to avoid over-building stocks, market players said. As such, off-take rate has also slowed down.

[Demand](#) in India stayed weak as several states remained under lockdown conditions to curb coronavirus spread. Unless the coronavirus situation there eases, market players said that this may continue to undermine SBR spot import talks into India in the near term.



© 2021 ICIS

OUTLOOK

- Demand may be dented more if coronavirus situation persists
- [Auto sector production prospects](#) to impact on SBR demand too
- SBR supplies in China may lengthen more

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	-50	1750-1850	-50	1900-2000	79.38-83.91
CFR Asia SE	USD/tonne	-50	1950.00-2050.00	n/c	2150.00-2230.00	88.45-92.99
CFR India Main Ports	USD/tonne	-50	1900.00-2050.00	n/c	2050.00-2200.00	86.18-92.99
SBR 1712, Oil-Extended						
CIF China	USD/tonne	-50	1650-1750	-50	1800-1900	74.84-79.38
CFR Asia SE	USD/tonne	-50	1850.00-1950.00	n/c	2050.00-2130.00	83.91-88.45
CFR India Main Ports	USD/tonne	-50	1800.00-1950.00	n/c	1950.00-2100.00	81.65-88.45

China

CIF China prices for the non-oil 1502 grade material fell on lower buy-sell pricing indications heard.

Domestic China prices also extended losses as supply grew, with more plants restarting from turnarounds.

East China Domestic SBR 1502 EXWH (CNY/tonne)

25 May	19 May	12 May	30 Apr	28 Apr	21 Apr	14 Apr	07 Apr
12,700-12,800	12,900-13,000	13,300-13,400	13,100-13,300	13,200-13,300	13,500-13,700	14,000-14,100	14,100-14,200

CIF China assessments for the oil-extended 1712 grade were adjusted down with changes for the non-oil 1502 grade, in the absence of any concrete 1712 grade business.

Southeast Asia

CFR SE Asian prices for the non-oil 1502 grade were assessed in a wider range, with the low end dropped to capture the full range of deals and offers heard for the week.

The low end was dropped in line with the best deal done level heard for June deliveries.

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

May 2021	(1-25) Apr 2021	Mar 2021	Feb 2021	Jan 2021	Dec 2020
168.88	164.72	175.25	169.16	158.41	157.61

Oil-extended 1712 grade prices in SE Asia were also adjusted down at the low end, in line with changes for the 1502 grade assessment.

India

CFR India prices were also assessed lower at the low end, taking into account softer buying indications.

But offers were broadly unchanged week on week, and the high end was kept unchanged as such.

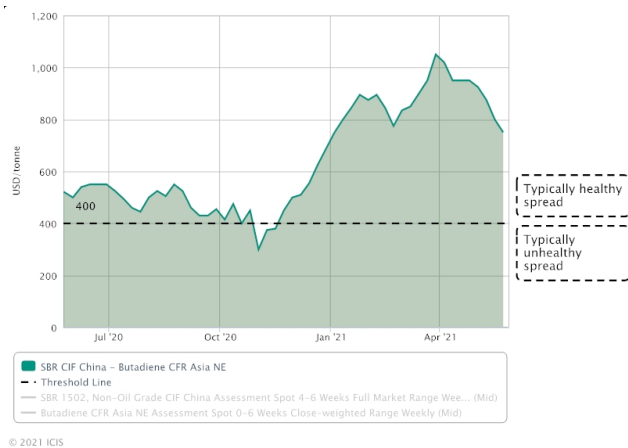
CFR India assessments for the oil-extended 1712 grade were adjusted in line with changes in the 1502 grade.

UPSTREAM

Asian **butadiene** (BD) sentiment [firmed in China](#) on demand, but still trails behind wider Asia, where tight supply keeps import offers firmly supported. [Uncertainties](#) abound on the regional demand-supply balance in the longer term.

The chart below shows the spread between butadiene and SBR.

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



Asian **styrene** prices were discussed at an even wider range as [volatility](#) in the market continued amid mixed market sentiment. Shortcovering for prompt material for early June arrival remained a key uptrend price driver, but the steep backwardation in prompt-forward prices capped overall gains.



© 2021 ICIS

PRODUCTION

In China, average operating rates for local SBR plants continued to climb to 73% for the week ending 21 May, up from 70% in the week prior, market sources said.

SBR output in China is set to rise as a major plant [restarted](#) after a 4-month-long outage.

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

OTHER REGIONS

US Trinseo will [sell](#) its synthetic rubber business, involving production of solution/emulsion SBR and nickel/neodymium-based polybutadiene rubber (PBR), to Polish company Synthos. The deal is expected to close in 2022.

US automakers are [struggling](#) to hit production targets amid multiple supply-chain issues that could linger into the second half of the year, industry sources said.

ANALYTICS

ICIS Butadiene Outlook

US butadiene (BD) production reached about 270,000 tonnes in Q1 2021, based on the available data, down by about 12% on Q1 2020, as a consequence of polar storm-related shutdowns. Despite an increase in production to between 330,000 tonnes and 350,000 tonnes in Q2, tight market fundamentals are likely to persist. Another rise in output is forecast in Q3 2021 compared with Q2 2021, capping opportunities for exports from European producers.

The European BD market is set to be bullish for June amid healthy demand and constrained supply. Given the persistent effects stemming from February's deep freeze, the US market might continue attracting interest from several European producers during the next few weeks. In contrast, a bearish mood is expected for the BD industry for most of H2 2021 due primarily to the return of plants from seasonal maintenance combined with the start-up of new units in Asia.

Throughout H2 2021, South Korea will be adding new BD production capacity that is expected to increase from almost 1.3m tonnes/year to 1.6m tonnes/year this year and to about 1.9m tonnes/year in 2022, according to the ICIS Supply and Demand Database. Three new BD extraction units will be commissioned by Hyundai Chemical, LG Chem and Yeochun NCC in 2021. Another facility will be installed by Lotte-GS Chemical at Yeosu next year. South Korea, which is structurally short in BD, should see a gradual reduction in its shortfall and even halve it by 2025.

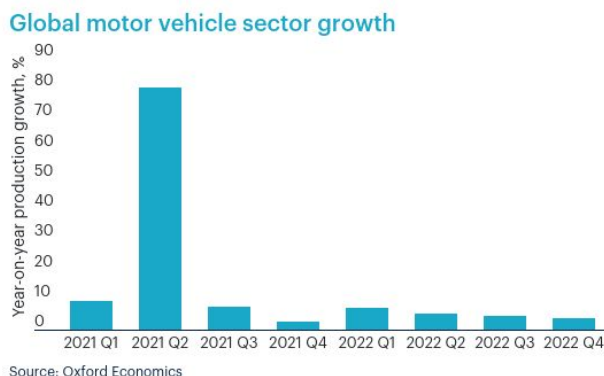
By **Paolo Scafetta**, ICIS senior olefin analyst, paolo.scafetta@icis.com

ICIS Downstream Automotive Demand Outlook

Global automotive demand has been strong due to pent-up demand during lockdowns, high savings and a pandemic-related movement away from public transport. The global light vehicle sales rate rose to 87.5m units/year in March, an improvement on 81.8m units/year in February 2021 (Oxford Economics). However, automotive production has lagged sales, resulting in a global drawdown of vehicle stocks. Production has been hit by several factors, including lockdowns, plant closures and supply chain issues. The main supply chain issue is a shortage of semiconductor chips, which has led to widely-reported production cuts. However, February's polar storm in the US, several force majeure in the polymer chain, the Suez Canal blockage, a shortage of polyurethane (PU) foam in the US and other issues, have exacerbated the supply problem.

In April, Chinese car sales were down by 10.8% month on month, with passenger cars and commercial vehicles down -9.1% and -15.9% respectively. This was partly because April is seasonally a weak month for car sales, unlike March, and therefore a month on month decline was expected. The China Association of Automobile Manufacturers (CAAM) is quite optimistic about prospects for the market. According to the Center for Automotive Research (CAR), by 2025 30.2mn new cars will be sold in China, making it about ten times larger than the German car market. However, according to an ICIS estimate, passenger car sales are not expected to surpass 2017's peak of 24.6m units until 2027. As far new energy vehicles are concerned, China is ramping up its infrastructure to support the growth of electric cars. For example, car makers including NIO have announced the launch of a new energy supply plan "Power North," which will construct a charging and battery swapping infrastructure. Forecasts suggest there will be one power charging station every 100km on the expressway within the next three years.

By **Jincy Varghese**, ICIS demand analyst and **Rhian O'Connor**, ICIS senior analyst



[Download](#) this year's ICIS Top 100 Chemical Distributors list.

Styrene Butadiene Rubber (Asia-Pacific) | 26-May-2021. ICIS accepts no liability for commercial decisions based on the content of this report. Unauthorised reproduction, onward transmission or copying of the Styrene Butadiene Rubber (Asia-Pacific) Report in either its electronic or hard copy format is illegal. Should you require a licence or an additional copy of the Styrene Butadiene Rubber (Asia-Pacific) Report, please contact ICIS at sales.uk@icis.com

ICIS, Quadrant House, The Quadrant, Sutton, Surrey, SM2 5AS. United Kingdom. ICIS accept no liability for commercial decisions based on the content of this report. Copyright violation is a serious offence. Any distribution or forwarding of information that is not expressly permitted by your subscription agreement is a copyright violation. ICIS uses software to monitor unauthorised electronic redistribution of reports.

© 2023 Reed Business Information Limited. ICIS is a member of RELX Group. www.icis.com

