



Styrene Butadiene Rubber (Asia-Pacific)

By Ai Teng Lim
27-Mar-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 10 April will be assessed based on information collated up to 9 April, with the exception of the Chinese domestic yuan (CNY) quotes. Please click [here](#) for the ICIS publishing schedule.

OVERVIEW

- **Seller stay bullish on upstream strengths**
- **Buying tempo varies across outlets**
- **Discussions more upbeat in SE Asia than other areas**

Spot import offers in Asia for styrene-butadiene-rubber (SBR) remain well supported, amid unrelenting price surge in the feedstock butadiene (BD) market, but buy-side response is uneven across the region.

Spot availabilities are limited too, with most regional producers already sold out of April shipment materials, or restocking themselves ahead of upcoming plant turnarounds in Q2 2024.

For the import reliant southeast Asian market, buying indications climbed, as buyers tried to secure some cargoes to either replenish their own inventories, or for meeting prevailing downstream production requirements.

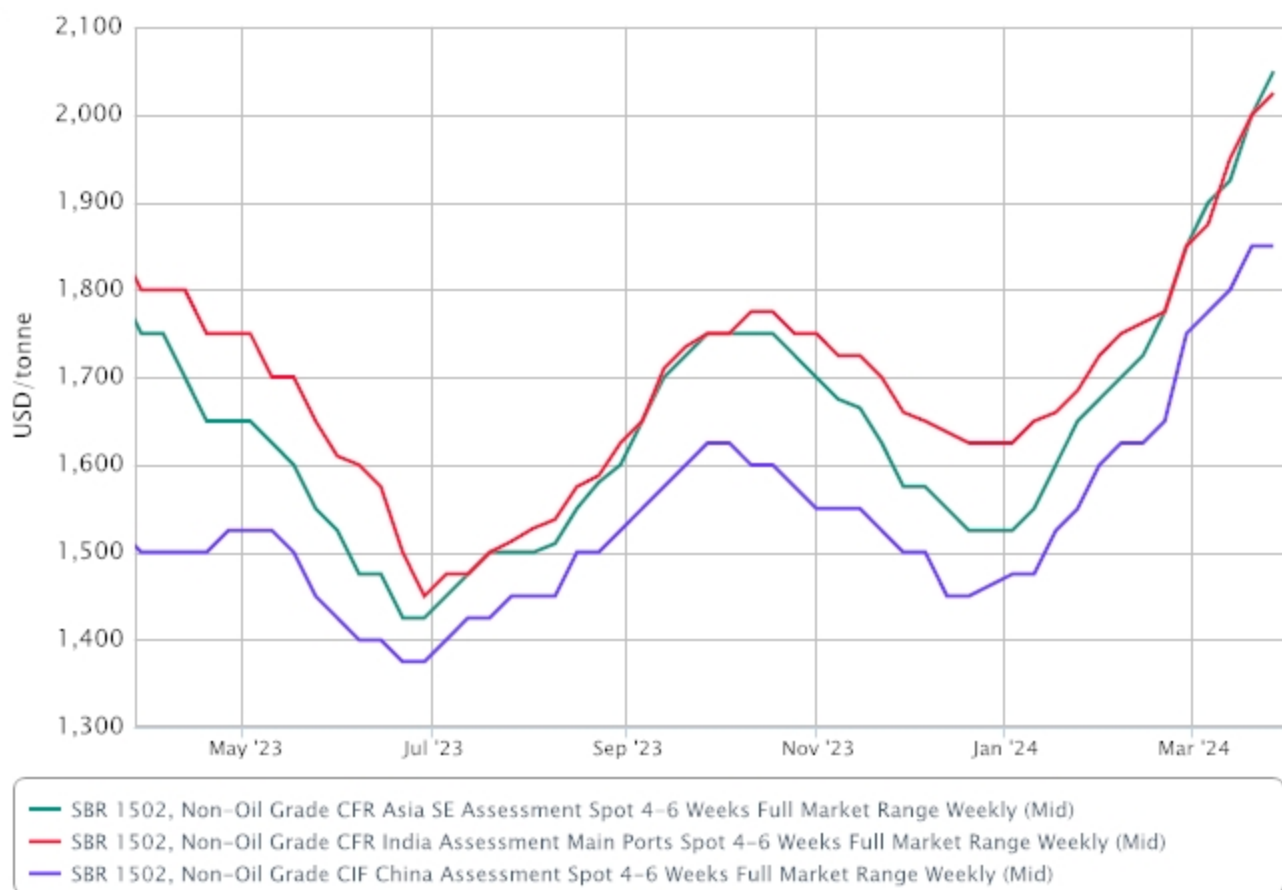
But buy-side resistance to the higher offers was in comparison, more pronounced in other outlets of China and India.

In China, domestic yuan-denominated prices for SBR corrected substantially downwards this week, after a massive upsurge in the week prior. Domestic producers had had to moderate expectations to induce sales, and this weighed down in turn China-based end-users' interest in US dollar denominated imports.

In India, some end-users remained in the sidelines, unwilling to commit on fresh bookings until after the current financial year is fully over in end-March.

Furthermore, they were reluctant to fork out more for NE Asia-origin import materials, or not when there was still ample volumes available of more competitively-priced alternatives from non-Asia origins like Russia and east Europe. Although these were hitherto not mainstream supply streams, market players said that buy-side pricing

sentiment is invariably adversely affected.



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OUTLOOK

- Demand to see more support if China stays on [economic growth trajectory](#)
- Near-term supply will stay snug on upcoming turnarounds
- Upstream gains, if extended, may [drive](#) offers higher

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	1700-1800	81.65-86.18
CFR Asia SE	USD/tonne	+50	2000.00-2100.00	+50	1800.00-1900.00	90.72-95.25

CFR India Main Ports	USD/tonne	n/c	1950.00-2100.00	+50	1800.00-1900.00	88.45-95.25
SBR 1712, Oil-Extended						
CIF China	USD/tonne	n/c	1750-1850	n/c	1650-1750	79.38-83.91
CFR Asia SE	USD/tonne	+50	1950.00-2050.00	+50	1750.00-1850.00	88.45-92.99
CFR India Main Ports	USD/tonne	n/c	1900.00-2050.00	+50	1750.00-1850.00	86.18-92.99

China

CIF China prices for the non-oil 1502 grade were flat on muted discussions for imports.

Local end-users pulled back on procurement of imports, relying instead on the domestic supply pool for cargoes, especially after domestic yuan-denominated prices for the 1502 grade plummeted on-week in east China, as local S BR producers moderated selling targets, on a separate basis, to induce sales.

CIF China assessments to the oil-extended 1712 grade are unchanged, alongside stable 1502 grade assessments.

East China domestic SBR 1502 prices

Price (CNY/tonne)	This week's close	Previous week's close
E China Ex-Warehouse	13,150-13,200	13,600-13,700

Southeast Asia

Discussions continued to trend up on week, as sellers progressively raised offers, on a separate basis, to keep pace with increases in feedstock BD prices.

CFR SE Asian assessments for the non-oil 1502 grade were up with firmer asking prices and some cargoes did change hands within the published range, market sources said.

CFR SE Asian assessments for the oil-extended 1712 grade were adjusted up, in line with changes for the 1502 grade.

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

Mar (1-27) 2024	Feb 2024	Jan 2024	Dec 2023	Nov 2023	Oct 2023	Sep 2023
165.36	156.66	154.20	146.31	148.42	145.26	142.65

Source: Malaysian Rubber Board

India

CFR India assessments for the non-oil 1502 grade are stable-to-firm, with the high-end up in line for higher

selling expectations.

But buying indications for Asia-origin cargoes were unchanged, and capped at the low-end, as some end-users shifted towards buying non-Asian origin materials as a cheaper alternative.

CFR India assessments for the oil-extended 1712 grade are adjusted with the changes for 1502 grade.

UPSTREAM

Butadiene

- Regional supply tight, supporting bullish selling expectations
- Some signs of fresh deep-sea import availabilities
- But downstream margin worries weigh on buying appetite

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

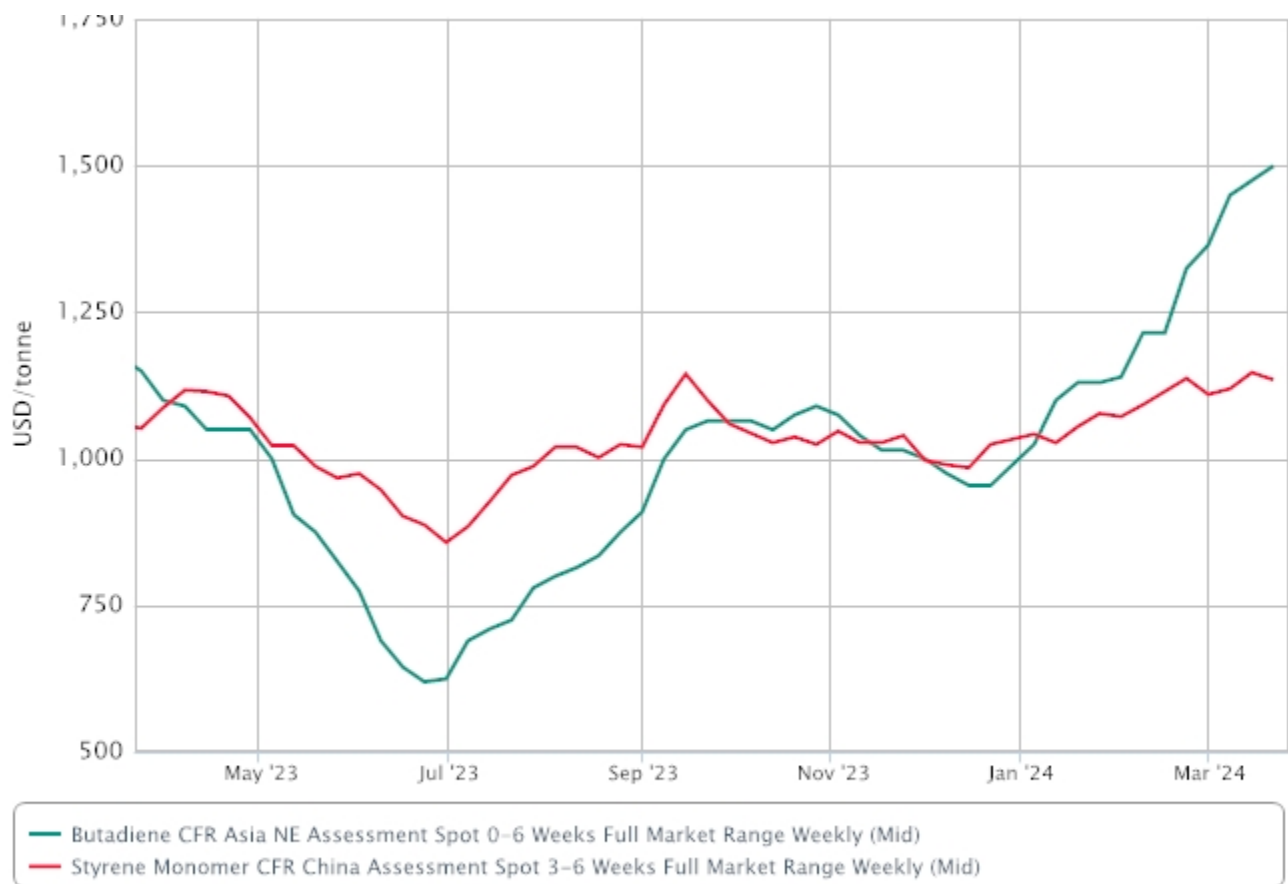
[Downstream spread – butadiene NE Asia and SBR SE Asia](#)



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Styrene

- Cost support for SM market diminishes following feedstock benzene market losses
- China SM users' buying appetites improve following SM market retreat
- China export talks limited tracking persistent buy-sell disparity



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.

Another 100,000 tonnes/year [unit](#) in Taiwan is also scheduled for a near-month-long maintenance in May.

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

OTHER REGIONS

Europe

- March SBR contracts increase significantly on feedstock gains
- Spot SBR prices stable-to-firm
- Demand stable mostly

ANALYTICS

ICIS downstream sector outlook for automotive

Impending layoffs, affordability and a slower electrification process are some of the key challenges for the

automotive sector this year. Global automotive demand in 2024 is expected to be flat compared with 2023; Q2 2024 is forecast to shrink by 2.2% compared with Q2 2023 (Oxford Economics). Stellantis has announced layoffs of its temporary employees to improve its efficiency and market competitiveness. In addition, auto ancillary companies such as Bosch and ZF Friedrichshafen have announced similar intentions with respect to downsizing their workforce.

US automotive demand in 2024 is expected to grow by 4.8% compared with 2023; Q2 2024 is forecast to grow by 1.4% compared with Q2 2023 (Oxford Economics). According to the US Census Bureau, US light vehicle sales decreased by 7.1% month on month in January, with total sales of 14.9 million units. The finished inventory-to-sales ratio (calculated by dividing inventory by sales) increased to 1.406 in January, from 1.233 in December.

Automotive demand in the EU and UK in 2024 is expected to grow by 2.0% compared with 2023; Q2 2024 is forecast to grow by 1.5% compared with Q2 2023 (Oxford Economics). Multiple car makers in Europe have warned of layoffs to protect margins. According to the European Automobile Manufacturers' Association (ACEA), EU passenger car registration increased by 12.1% in January compared with the same month last year. However, the increase is a function of a lower base.

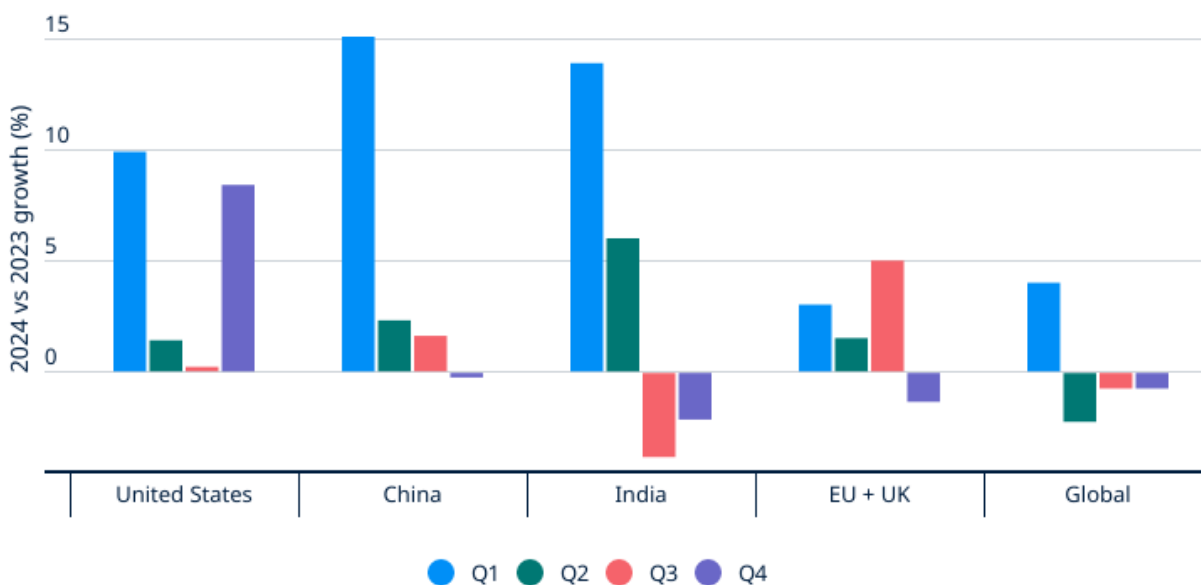
Medium-term fundamentals remain strong, with rising income and low car ownership. This is particularly true for electrified and other new energy vehicles (NEVs) as government incentives push this market. China automotive demand in 2024 is expected to grow by 4.3% compared with 2023; Q2 2024 is forecast to grow by 2.3% compared with Q2 2023 (Oxford Economics).

India automotive demand in 2024 is expected to grow by 3.0% compared with 2023; Q2 2024 is forecast to grow by 6.0% compared with Q2 2023 (Oxford Economics). According to the Federation of Automobile Dealers Associations (FADA), there is cautious optimism in the market, but election-related purchase deferrals could be a challenge.

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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