



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.

OVERVIEW

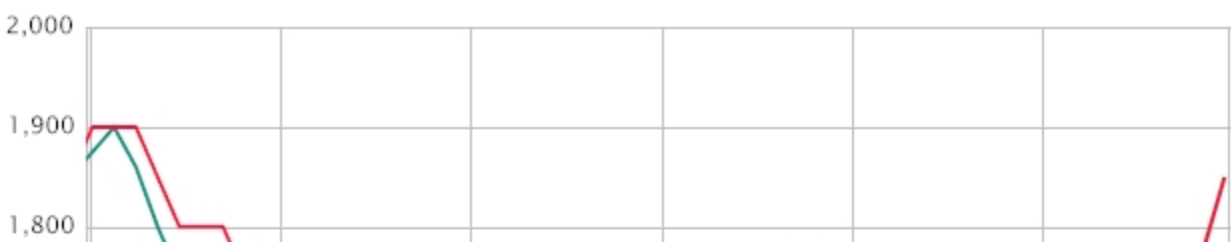
- **Offers spike with surging feedstock costs**
- **Sellers bullish**
- **Buying interest picks up too but buy-sell gap persists**

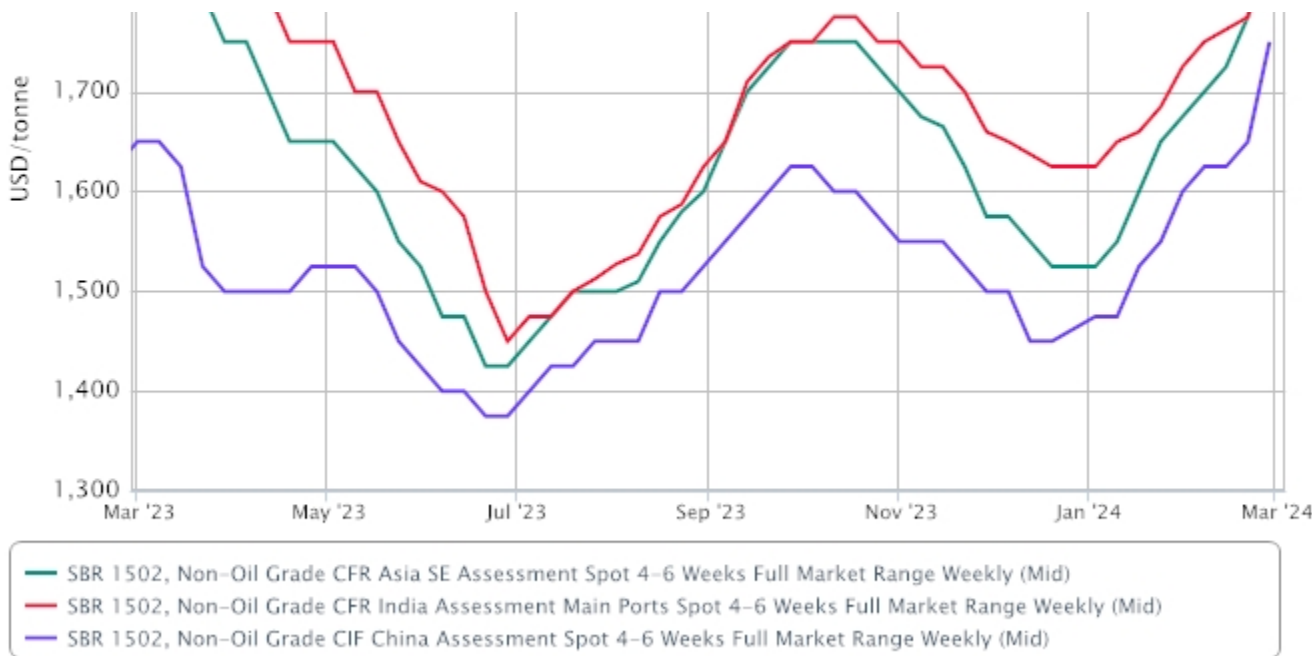
Discussions in this week's Asian spot market for styrene-butadiene-rubber (SBR) imports were driven by [bullish offers](#) which came in the wake of big gains seen in feedstock markets, particularly for butadiene (BD).

Asian BD prices were on a [bull-run](#), and as regional BD output is not expected to improve in the near term, as long as operations at regional crackers are not optimised, market players said that the BD cost pressures on SBR makers may only mount higher in line.

Besides the cost push factor, SBR makers are more confident of improving downstream demand support. Many expected regional governments, such as China and India, to keep up with their respective fiscal incentives to spur growth in end-use consumption, and if so, this could in turn also serve to boost usage of raw materials like SBR.

Buying interest has indeed picked up with sellers reporting receiving a steady stream of enquiries, and some higher deals have also been concluded. However, buyers were heard mostly still hesitant about committing on bulk purchases, limiting their in-take to small lots, just for riding through their current productions plans but not for stock-building purposes. If this procurement pattern continues, it will invariably weigh on spot trade liquidity, market players said.





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OUTLOOK

- Upstream market performance to drive SBR offers
- Spot availabilities to tighten with upcoming turnarounds
- Auto sector recovery to shape demand growth trajectory

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	+100	1700-1800	+100	1550-1650	77.11-81.65
CFR Asia SE	USD/tonne	+50	1800.00-1900.00	+100	1650.00-1700.00	81.65-86.18
			0			
CFR India Main Ports	USD/tonne	+50	1800.00-1900.00	+100	1700.00-1750.00	81.65-86.18
			0			
SBR 1712, Oil-Extended						
CIF China	USD/tonne	+100	1650-1750	+100	1500-1600	74.84-79.38
CFR Asia SE	USD/tonne	+50	1750.00-1850.00	+100	1600.00-1650.00	79.38-83.91
			0			
CFR India Main Ports	USD/tonne	+50	1750.00-1850.00	+100	1650.00-1700.00	79.38-83.91
			0			

China

CIF China prices for the non-oil 1502 grade are assessed up with higher buy-sell pricing indications.

Sellers separately raised import offers to keep in pace with recent increases in regional prices for feedstock BD.

Sellers were confident too that China has strong buying power for US dollar denominated imports now that the domestic yuan-denominated market has picked up significantly, tracking massive gains in the yuan market for BD.

CIF China prices for the oil-extended 1712 grade are adjusted up 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	12,900-13,200	12,750-12,850

Southeast Asia

CFR SE Asian assessments for the non-oil 1502 grade are also up, with higher deals and discussions.

Cargoes had changed hands for March shipment at the lower end of published range, while fresh offers are the high-end and up, market sources said.

With natural rubber prices still holding firm,

CFR SE Asian prices for the oil-extended 1712 grade are lifted in line with changes for the 1502 grade.

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

Feb (1-28) 2024	Jan 2024	Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023
156.38	154.20	146.31	148.42	145.26	142.65	130.22

Source: Malaysian Rubber Board

India

CFR India assessments for the non-oil 1502 grade also went up with firmer offers reflected at the high-end, and buying indications capped at the low-end. Some NE Asia-origin materials changed hands at around the mid-point of the published range, market sources said.

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

Domestic requirements for synthetic rubbers are deemed to be quite positive, riding on healthy [economic growth projections](#) for India.

But many end-users are hesitant to commit too heavily on forward import shipment, or at least until the general elections are over in Q2, in case the latest government plans for ambitious [infrastructure projects](#) get affected by

any regime changes.

Also, cargoes from non-Asia origins were heard still available, and some of these were indicated at levels much lower than Asia-origin materials, market sources said.

Some Indian end-users are heard therefore more inclined towards going slow for now, to wait and compare between Asian and non-Asian imports supplies, as well as vis-a-vis domestic products, before they finalise their next spot procurement decisions.

UPSTREAM

Butadiene

- Active export sales by China
- Buying spree to cover shortfall
- Regional supplies snug

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](#)

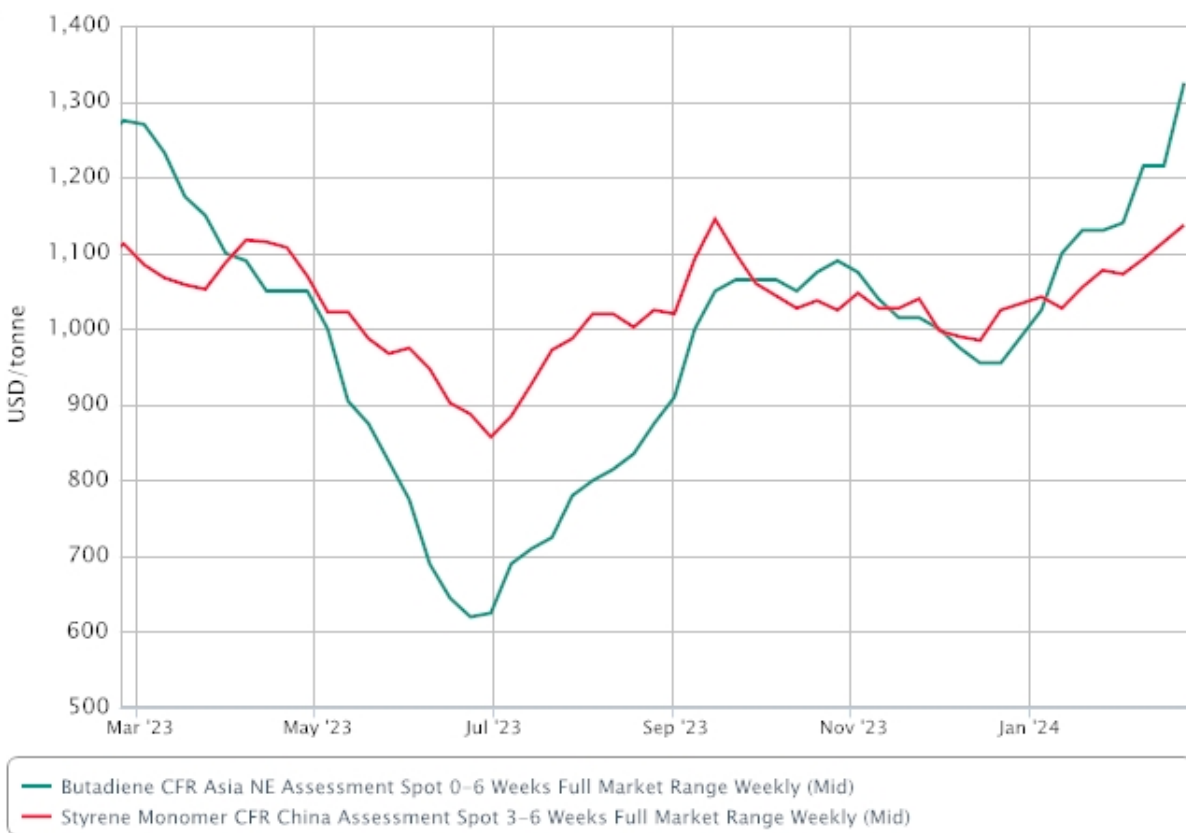


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Styrene

- Regional spot demand recovery appeared overall slow immediately after holidays
- Chinese exporters eyeing opportunities, import appetite remained sluggish

- Cost support stayed prominent



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PRODUCTION

A 100,000 tonnes/year unit in [Hangzhou](#), China, is set to resume from late February after completing a three-week-long maintenance.

But in wider Asia, spot supplies are poised to tighten further with a 100,000 tonnes/year unit in [Taiwan](#) due to shut for maintenance in May.

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

OTHER REGIONS

Europe

- February SBR contracts assessed higher on feedstock gains
- Upstream BD March contract increases; SBR spot prices stable-to-firm
- Wait-and-see stance for March styrene contract price

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