



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

- **Increased export availability from China**
- **Import offers [down](#) with weaker upstream**
- **Lacklustre demand**

Asian spot discussions for styrene butadiene rubber (SBR) fell amid various bearish factors.

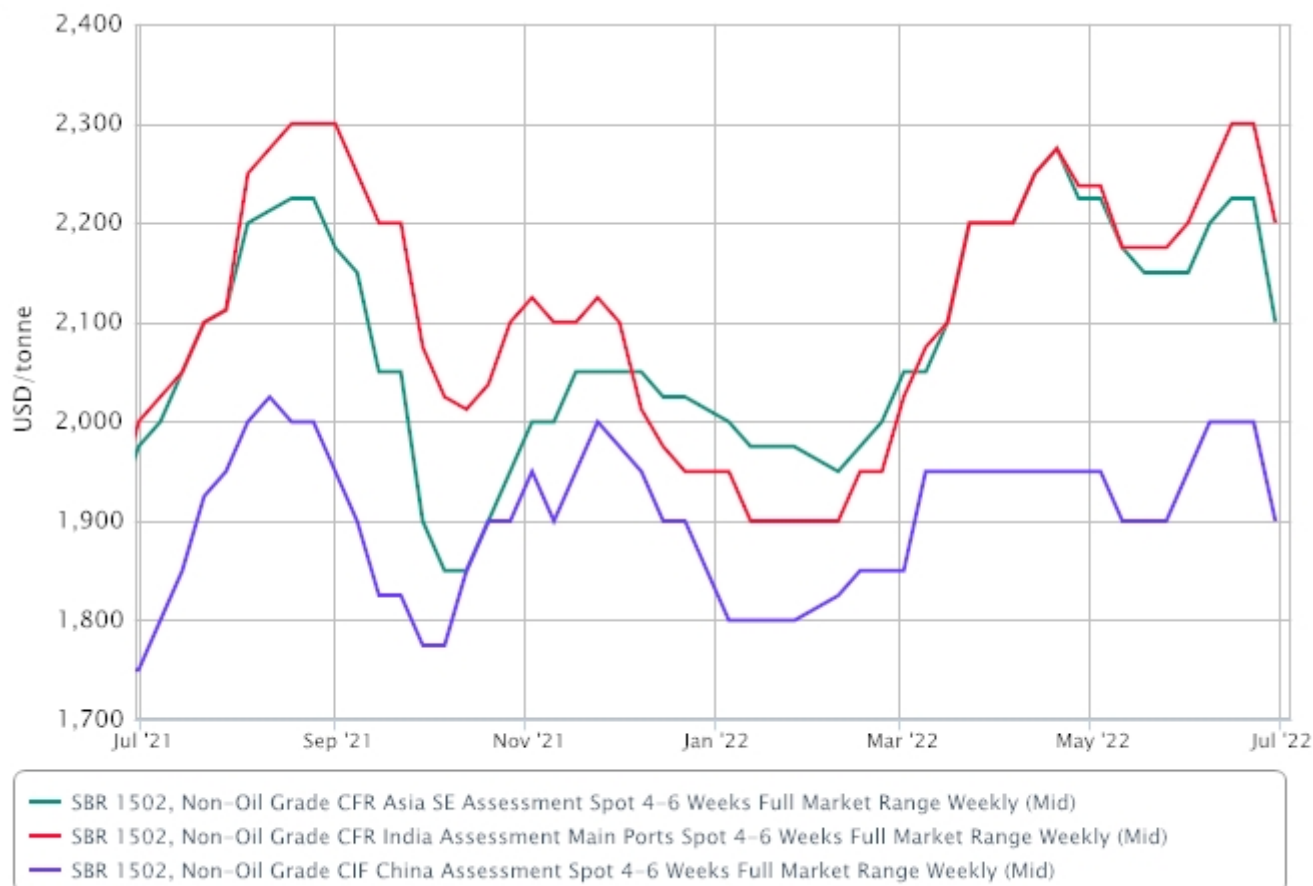
For one, downstream demand remains weak, with many tyre makers heard still sitting on high inventories of finished products, and hence unable to consume more SBR and ramp up their own operations.

Some SBR sellers sought to separately widen discounts to induce buying.

SBR pricing sentiment also weakened with losses seen in the upstream butadiene (BD) market.

On the supply front, spot availabilities are poised to grow as local SBR makers in China turned to [exporting actively](#) to make up for poor domestic sales.

The soft pricing in China's domestic market also meant China SBR exports were offered at competitive levels, diluting further the buying appetite among regional end-users for cargoes from other Asian suppliers.



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OUTLOOK

- China exports may rise to lengthen regional supplies more
- Regional producers may cut operations to minimise surplus
- Demand recovery will hinge on auto sector growth

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
SBR 1502, Non-Oil Grade						
CIF China	USD/tonne	-100	1850-1950	-100	1900-2000	83.91-88.45
CFR Asia SE	USD/tonne	-150	2050.00-2150.00	-100	2100.00-2200.00	92.99-97.52
CFR India Main Ports	USD/tonne	-100	2100.00-2300.00	-100	2100.00-2300.00	95.25-104.33
SBR 1712, Oil-Extended						
CIF China	USD/tonne	-100	1750-1850	-100	1800-1900	79.38-83.91
CFR Asia SE	USD/tonne	-200	1950.00-2050.00	-150	2050.00-2150.00	88.45-92.99
CFR India Main Ports	USD/tonne	-150	2000.00-2200.00	-150	2050.00-2250.00	90.72-99.79

China

CIF China assessments of non-oil 1502 grade are down, with lower offers reflected at the high end and buying indications at the low end.

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

Domestic prices in China for 1502 SBR were stable-to-soft, weighed down by weak upstream BD market.

East China domestic SBR 1502 prices

Price (CNY/tonne)	29 Jun	22 Jun
E China Ex-Warehouse	12,300-12,400	12,300-12,500

Southeast Asia

CFR southeast Asian assessments for the non-oil 1502 grade fell, with lower offers heard for cargoes from regular suppliers in wider Asia captured at the high end.

Discussions for China-origin materials were capped at the low end.

CFR SE Asian assessments for the oil-extended 1712 grade also fell with lower discussions heard. Buying indications were heard at the low end. Offers were heard at about \$100/tonne below those of 1502 grade, or at about \$2,050/tonne CFR SE Asia, and this forms the high end.

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

June (1-29) 2022	May 2022	Apr 2022	Mar 2022	Feb 2022	Jan 2022
164.19	162.81	171.15	175.18	179.84	178.12

India

CFR Indian assessments for the non-oil 1502 grade were down at the high end, tracking lowest offers heard for cargoes from regular northeast Asian suppliers.

The low end reflects discussions heard for China-origin cargoes.

CFR Indian assessments for the oil-extended 1712 grade was also down on softer discussions.

The high end is formed with selling indications heard, and the low end is notionally adjusted down in line with changes seen for the high end, in the absence of any concrete buying indications heard.

Like in SE Asia, the price differential between 1502 and 1712 grades also widened this week.

UPSTREAM

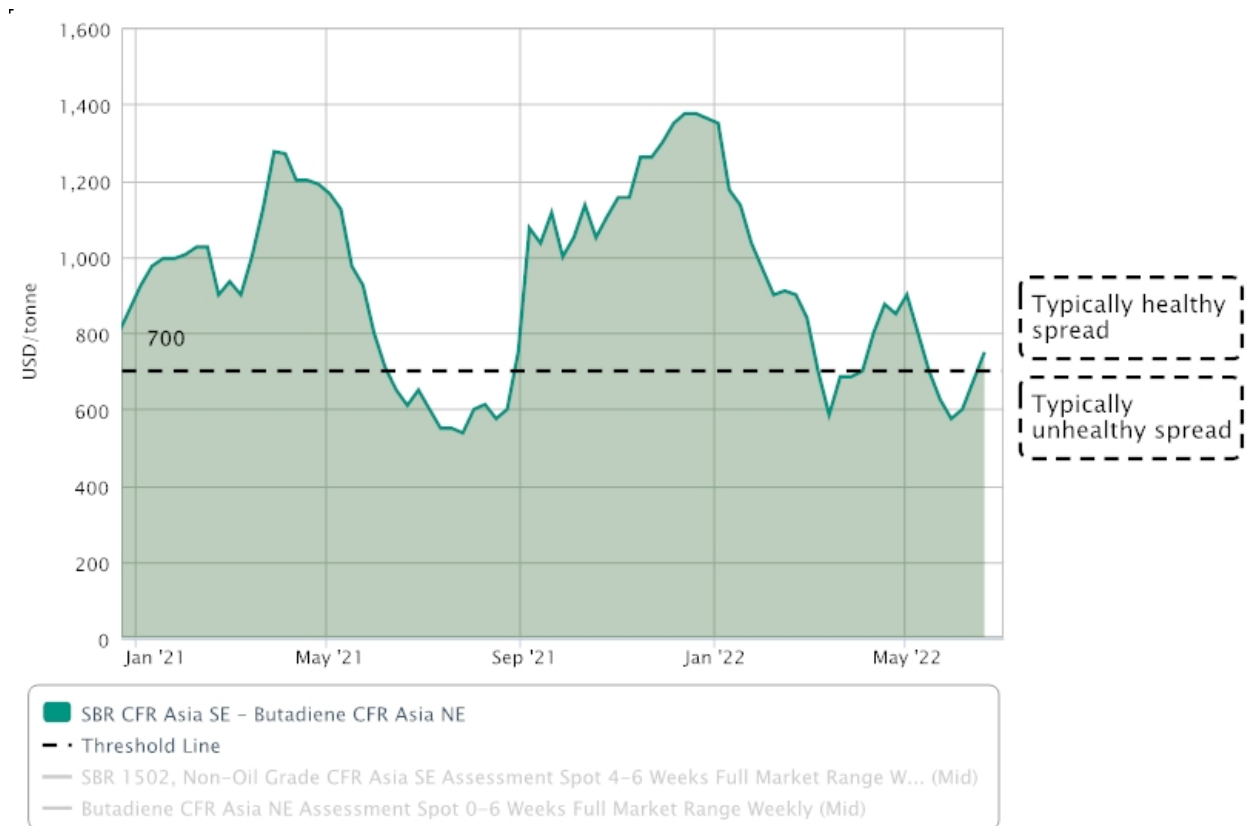
Butadiene

- Domestic China [falls](#) despite production woes
- Demand bearish across Asia

- But concrete offers scant

The chart below shows the spread between butadiene and SBR.

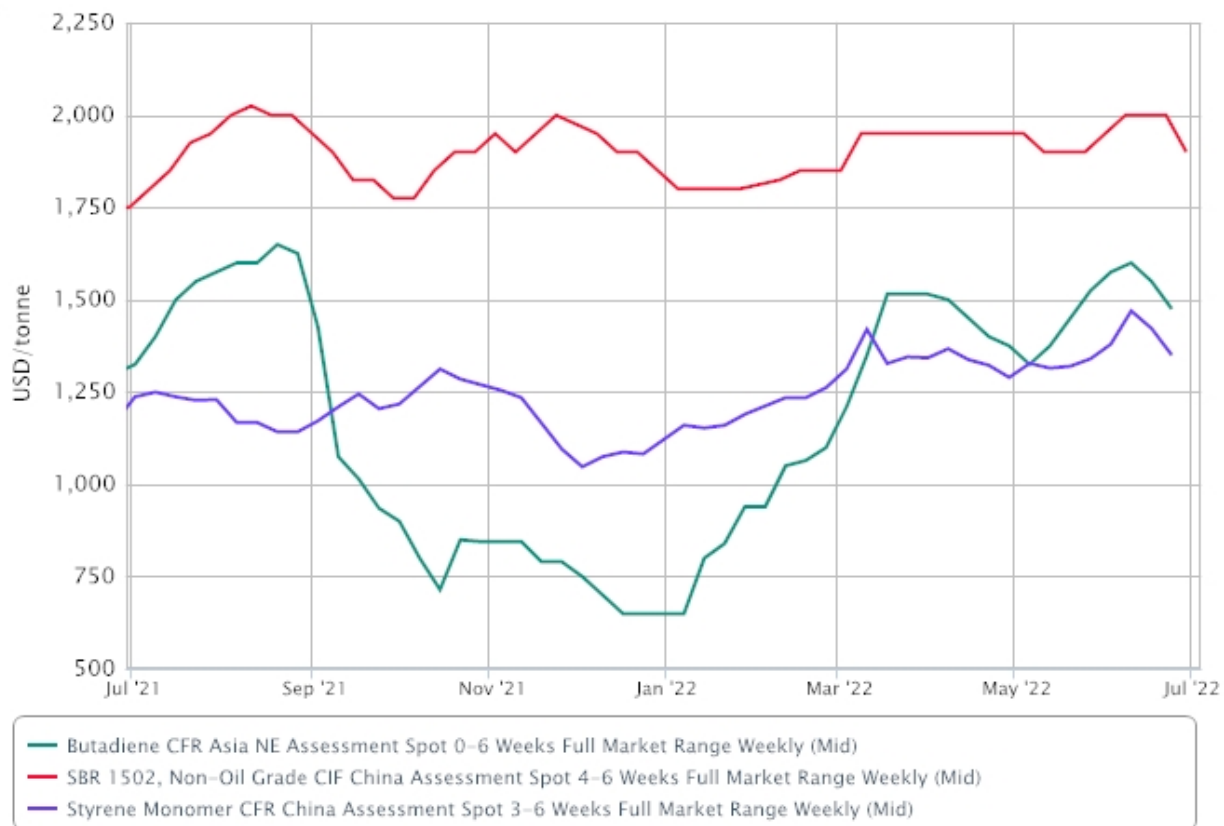
[Downstream spread – butadiene NE Asia and SBR SE Asia](#)



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Styrene:

- Down for second consecutive week on poor trading sentiment amid softer futures, energy prices
- Weak styrenics demand amid ongoing rate cuts exacerbates downtrend
- Deep-sea buying interest provides some demand respite



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PRODUCTION

In China, operating rates of local SBR plants fell to 63% for the week ended 24 June, down from 66% in the week prior, market source said.

In wider Asia, the likelihood remains too that SBR output may fall, if regional producers decide to cut operating rates to minimise unsold volumes.

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

OTHER REGIONS

Europe

- June SBR contracts stable-to-firm
- Upstream BD rolls over
- Wait-and-see for styrene; SBR spot prices stable

US

- July prices face upward pressure
- Supplies sufficient
- Feedstock constraints

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