



## 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

- **Weak demand fundamentals**
- **Buyers retreat deeper into sidelines**
- **Lower offers surface**

Demand for Asian styrene butadiene rubber (SBR) imports remains under pressure in all regional outlets.

In China, latest data showed that factory activities in the country [weakened](#) further in November. Recurrent COVID-19 restrictions in various locations have disrupted downstream plant operations and limited SBR offtake.

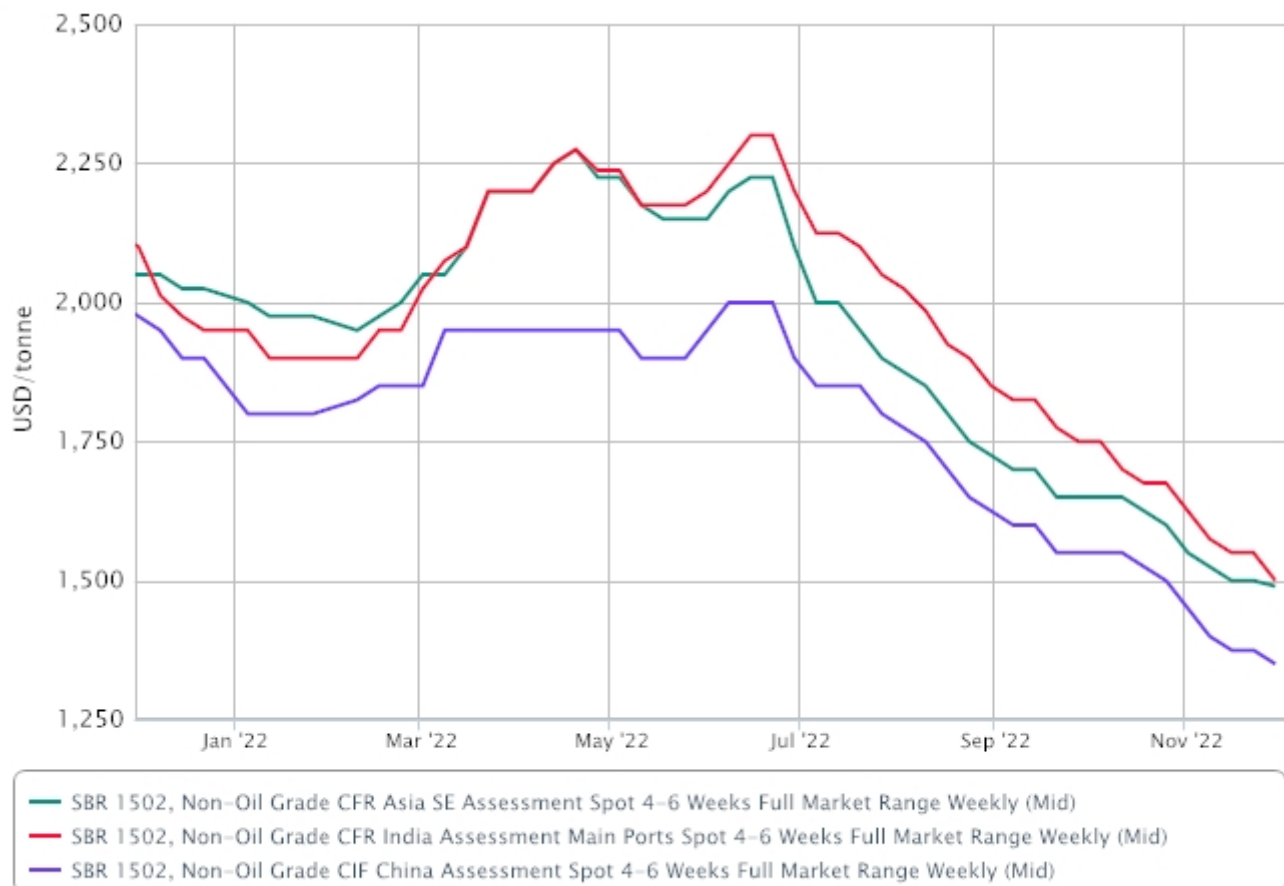
The lacklustre China market also weighs on sentiment in southeast Asia, where many end-users are themselves reliant on export sales to China for their own finished goods.

Similarly in India, end-users there may have to scale back their operations to cope with slower-than-expected export sales of finished goods to US/Europe, and this also dented India's import appetite for feedstock SBR.

Some Asian SBR suppliers held lower [offers](#) in anticipation that this will induce buying, but buyers' response was tepid, market players said.

To potential buyers, the discounts were deemed not sufficiently deep, especially amid an influx of deep-sea cargoes, much of which were indicated at substantially lower levels than Asia-origin materials.

If sales still fail to pick up soon, and with producers' margins already squeezed, market sources said that this may weigh on output from more regional SBR makers to relieve inventory pressures.



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## OUTLOOK

- China uncertainties may linger
- Dim prospects as such for regional demand recovery
- Producers may deepen output cuts to manage inventory

## PRICES

### SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
<b>SBR 1502, Non-Oil Grade</b>						
<b>CIF China</b>	USD/tonne	-50	1300-1400	n/c	1400-1500	58.97-63.50
<b>CFR Asia SE</b>	USD/tonne	n/c	1450.00-1530.00	-20	1500.00-1600.00	65.77-69.40
<b>CFR India Main Ports</b>	USD/tonne	-50	1450.00-1550.00	-50	1550.00-1700.00	65.77-70.31
<b>SBR 1712, Oil-Extended</b>						
<b>CIF China</b>	USD/tonne	-50	1250-1350	n/c	1350-1450	56.70-61.24
<b>CFR Asia SE</b>	USD/tonne	n/c	1400.00-1480.00	-20	1450.00-1550.00	63.50-67.13
<b>CFR India Main Ports</b>	USD/tonne	-50	1400.00-1500.00	-50	1500.00-1650.00	63.50-68.04

## China

The CIF China assessment for the non-oil 1502 grade was stable to soft, reflecting lower buying indications alongside declines in yuan values.

The assessment for the oil-extended 1712 grade was adjusted in line with changes for the 1502 grade assessment.

Domestic SBR prices in east China fell with losses in the upstream butadiene market.

### East China domestic SBR 1502 prices

Price (CNY/tonne)	30 Nov	23 Nov
E China Ex-Warehouse	10,600-10,650	10,800-10,900

## Southeast Asia

The CFR SE Asian assessment for the non-oil 1502 grade was stable to soft, with the high end dropped with lower selling indications heard for cargoes from regular northeast Asian suppliers.

Some limited volumes changed hands at levels near the high end, but majority of buyers were looking to pay no more than prices at the low end of the assessment, market sources said.

China-origin materials were available at the low end of the assessment, market players said.

The assessment for the oil-extended 1712 grade was adjusted with changes for the 1502 grade assessment.

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

Nov 2022	Oct 2022	Sep 2022	Aug 2022	Jul 2022	Jun 2022	May 2022
127.32	130.52	134.12	149.74	158.83	164.15	162.81

## India

The CFR Indian assessment for the non-oil 1502 grade fell, tracking lower buy-sell indications for Asia-origin materials.

Buying interest was tepid, with end-users resistant to current Asian offers, especially since there were ample deep-sea origin materials indicated at substantially lower levels, market sources said.

The CFR India assessment for the oil-extended 1712 grade was adjusted in line with the 1502 assessment changes.

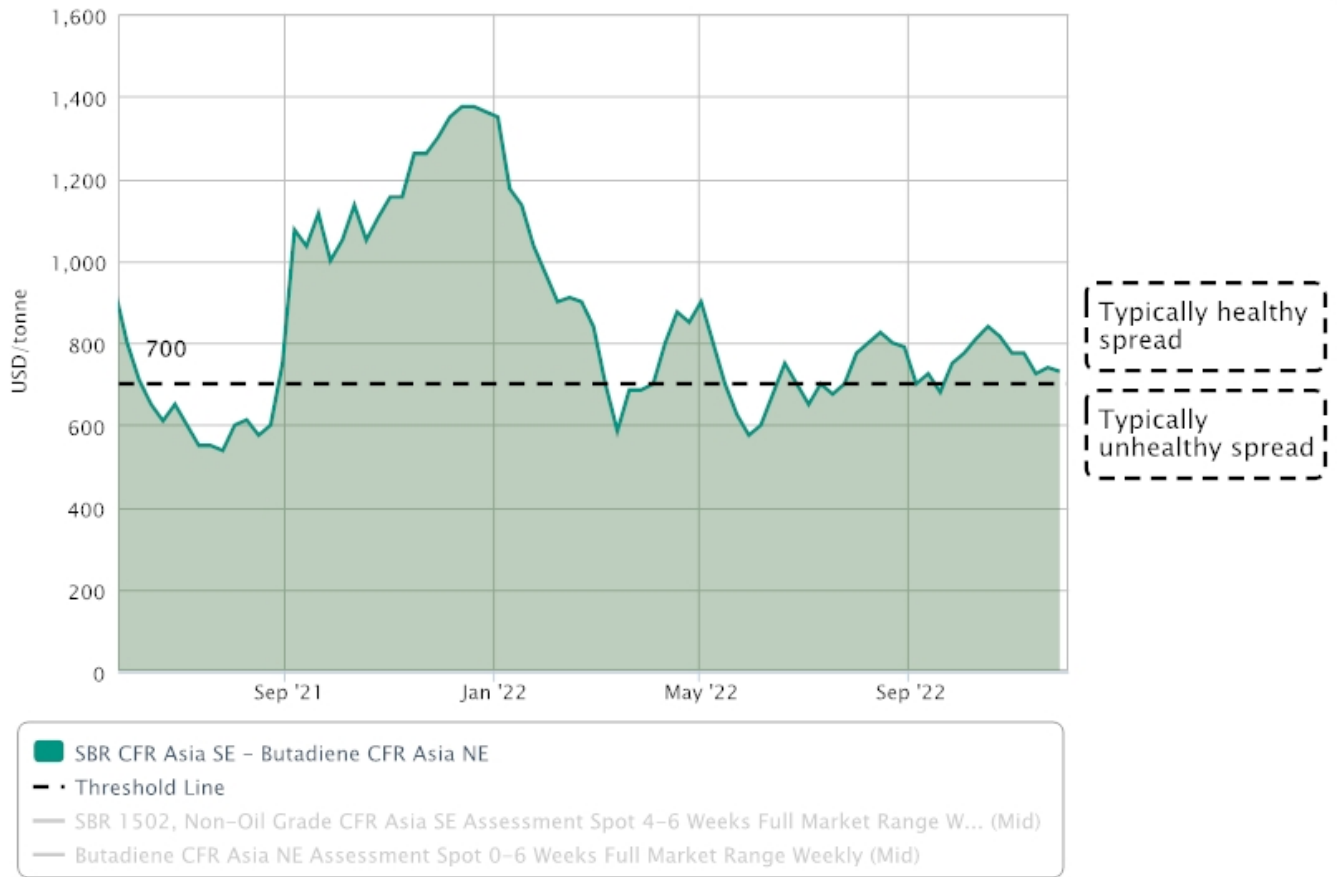
## UPSTREAM

### Butadiene (BD)

- Domestic China falls
- China's import appetite dented in line
- Limited demand support in wider Asia as well

The chart below shows the price spread between butadiene and SBR.

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



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**Styrene:**

- Import market sentiment weak
- Weaker support from production cost side
- Concerns over Chinese COVID-19 policies going forward



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## PRODUCTION

SBR spot availabilities may rise as regional plants are [restarting](#) after completing maintenance.

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

## OTHER REGIONS

### Europe

- Primary feedstock BD falls for Dec
- Market fundamentals largely unchanged week on week
- Demand soft, inventory reductions key focus
- Spot prices under downward pressure

### US

- December contract prices face downward pressure, tracking feedstocks
- December butadiene falls by 10 cents/lb
- Supply sufficient to meet demand

## ANALYTICS

### ICIS Crude Outlook

OPEC+ production is set to decrease due to a supply cut of 2m bbl/day which was agreed in late-October and preceded the EU embargo on Russian oil exports on December 5. In addition, Russian exports to the EU have reduced by 90% since the start of EU sanctions on these volumes due to Russia's invasion of Ukraine. Although the EU and G7 are likely to implement a price cap on Russian crude, Russia's overall exports may not be hit as severely as previously expected as it has had time to find alternative buyers. US supply remains stable at 12m bbl/day and will be supported by strong refinery demand and the last SPR releases of 2022. China's oil demand has been challenged in recent months, with lower refinery runs due to outbreaks of COVID-19 and growing worries about a global economic slowdown.

By **Greg Mouchikas**, energy and refining analyst, [grigorio.mouchikas@icis.com](mailto:grigorio.mouchikas@icis.com)

### **ICIS Naphtha Outlook**

Naphtha cracks in Asia and Europe have improved in recent weeks due to the recent drop in oil prices and tight petrochemicals supply. In the US, strong middle distillate margins and increased refinery output have buoyed supply. In China, record-high exports of gasoline and gasoil in November are expected to continue after large additional quotas were announced in September. ICIS expects naphtha cracks to remain challenged due to ongoing high oil prices and higher middle distillate margins, as refiners maximise their output of middle distillates at the expense of excess lighter products, including naphtha.

By **Greg Mouchikas**, energy and refining analyst, [grigorio.mouchikas@icis.com](mailto:grigorio.mouchikas@icis.com)

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