



Butadiene (Asia-Pacific)

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

OVERVIEW

- **Tepid demand**
- **Weak domestic China further dampens sentiment**
- **Supply tightness may ease too if new plant starts up on time**

Asian spot import discussions for butadiene (BD) fell under the weight of [poor buying interest](#).

Most regional buyers said that they were already fully covered for July requirements, and not in a hurry to commence August discussions yet.

Furthermore, due to sluggish sales of their own finished products, many end-users were heard contemplating the need to cut back on their own operations. As such, many were cautious not to over-book on feedstock BD, market players said.

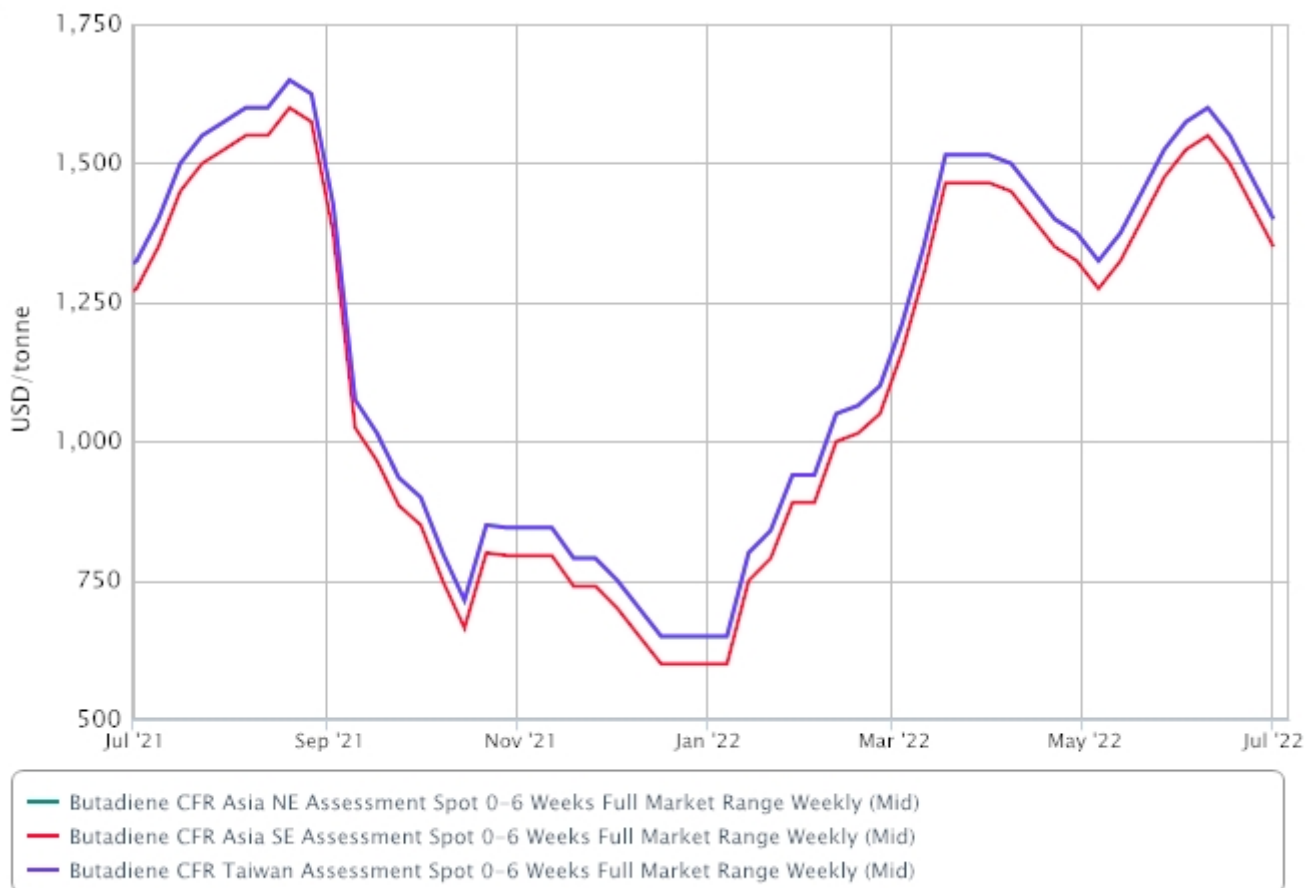
Sentiment was also dampened by plummeting domestic yuan-denominated prices in early-week trading.

Some China-origin materials were heard indicated thereafter at lower levels for export sales.

But concrete offers were scant from other suppliers in wider Asia, many of whom said that their own BD production have been curtailed by reduced operations at upstream crackers.

These sellers therefore held firm to higher expectations, citing the need to shore up compressed cracker margins.

That said, as anticipations heightened this week about a new southeast Asian BD line starting up soon, market players said that BD supplies may lengthen and weigh down spot discussions further.



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OUTLOOK

- **Wide buy-sell gap may persist**
- **Demand** to hinge on production recovery in China
- **Supplies may lengthen with new supply streams**

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	-50	1350.00-1400.00	-100	1500.00-1600.00	61.24-63.50
CFR NE Asia	USD/tonne	-50	1350.00-1450.00	-100	1500.00-1650.00	61.24-65.77
CFR Taiwan	USD/tonne	-50	1350.00-1450.00	-100	1500.00-1650.00	61.24-65.77
CFR SE Asia	USD/tonne	-50	1300.00-1400.00	-100	1450.00-1600.00	58.97-63.50

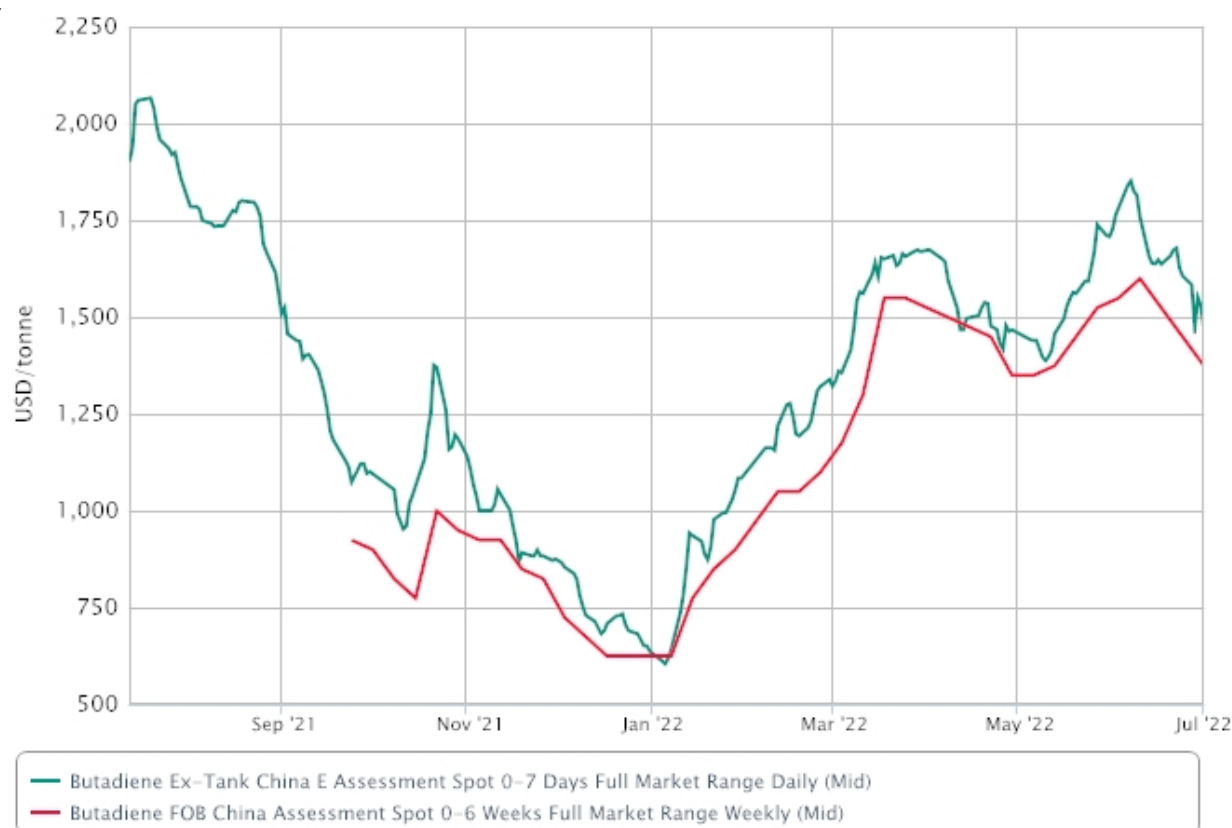
China

FOB China assessments fell with weaker buy-sell indications heard.

The high-end tracks the lowest offer heard, while the low-end reflects workable buying indications, market sources said.

But discussions were scant, with players generally not inclined to commit until pricing conditions in the yuan-denominated domestic market are more stable.

This week, domestic yuan-denominated market was volatile, plummeting in early-week's trade, alongside aggressive selling in northern China. But prices recovered some lost grounds late week.



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Northeast Asia

CFR NE Asian assessments were down, tracking lower buy-sell indications heard.

No transactions materialised on a fixed price basis, with players mostly still leaning towards discussing spot trades on a formula-linked basis.

About 3,000 tonnes of August-loading materials were sold this week for shipment from Korea to Japan, and the deals were concluded on formula, market sources said.

In the absence of concrete or substantive discussions for fixed-price trades, the high-end is lowered in line with softer selling indications heard for China-origin materials.

Buying indications were capped at the low-end.

CFR Taiwan assessments were adjusted down in line with changes in CFR NE Asian assessments.

Monthly Jun 22 May 22 Apr 22 Mar 22 Feb 22 Jan 22
Contract

DEL, \$/tonn

e

Taiwan FPCC	1,450	1,360	1,415	1,355	1,040	795
Korea YNCC	1,555	1,445	1,445	1,335	1,015	835

Southeast Asia

CFR SE Asian assessments were down, tracking changes in the CFR NE Asian assessments.

A southeast Asia-origin cargo available to ship in late July was offered for sale, via tender, this week. But tender outcomes were not available as yet, market sources said.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

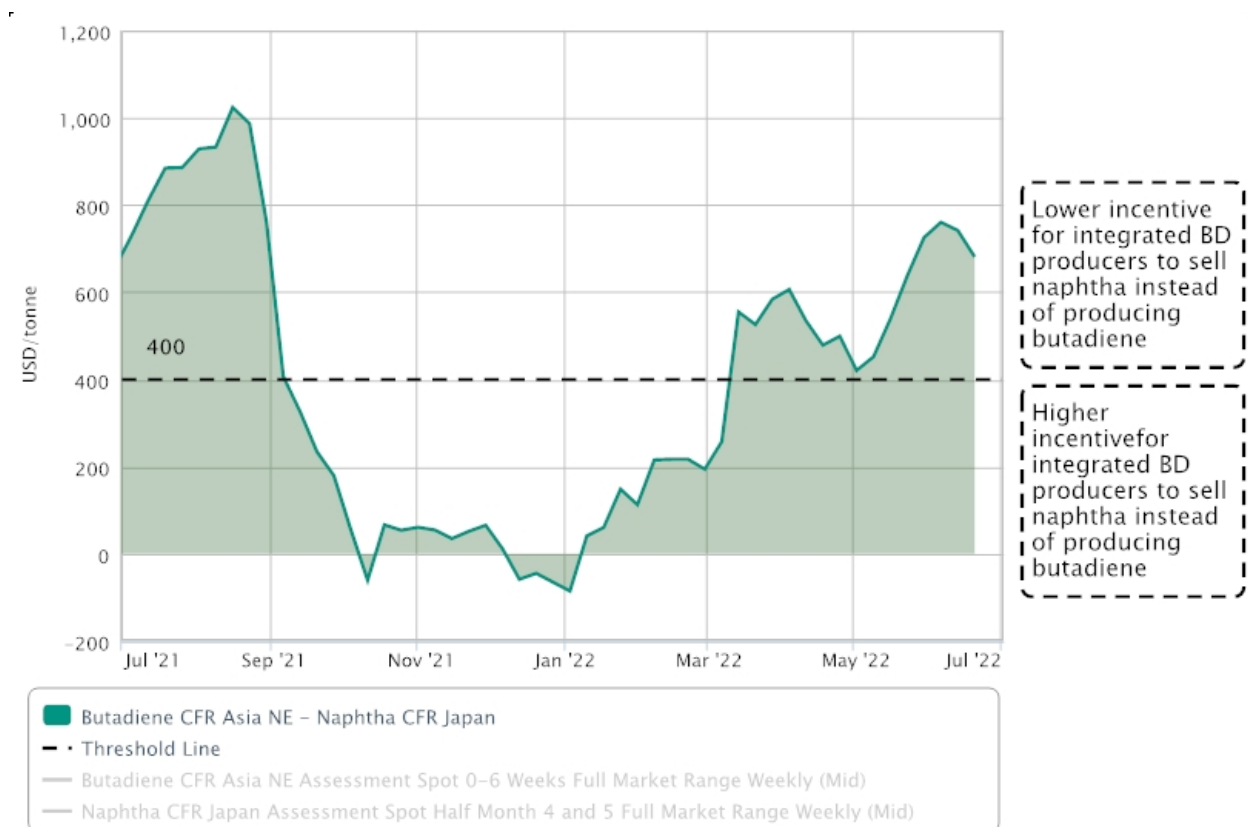
			Price Range		One Week Ago	/
Butadiene						
Ex-Tank E China	CNY/tonne	-500	9700-9900	-400	10700-10800	-

UPSTREAM

Naphtha:

- Asia market moves into H2 August onwards in backwardation
- Refining margin gathers ground, gasoline-blending cushions
- Spot demand cautious

[Feedstock spread between Naphtha CFR Japan and Butadiene CFR NE Asia](#)



Click [here](#) for the Asia feedstocks and petrochemicals weekly summary.

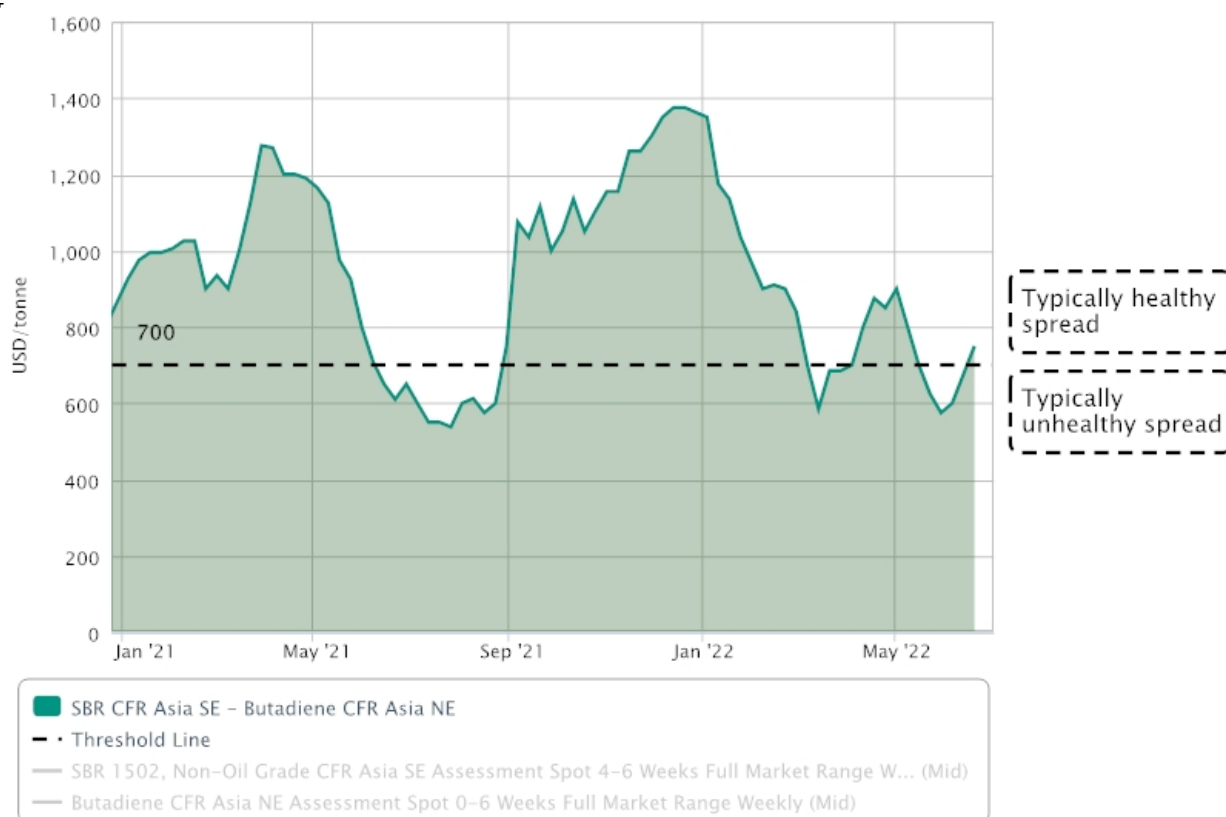
DOWNSTREAM

Styrene-butadiene-rubber (SBR)

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

The chart below shows the spread between BD and SBR in Asia.

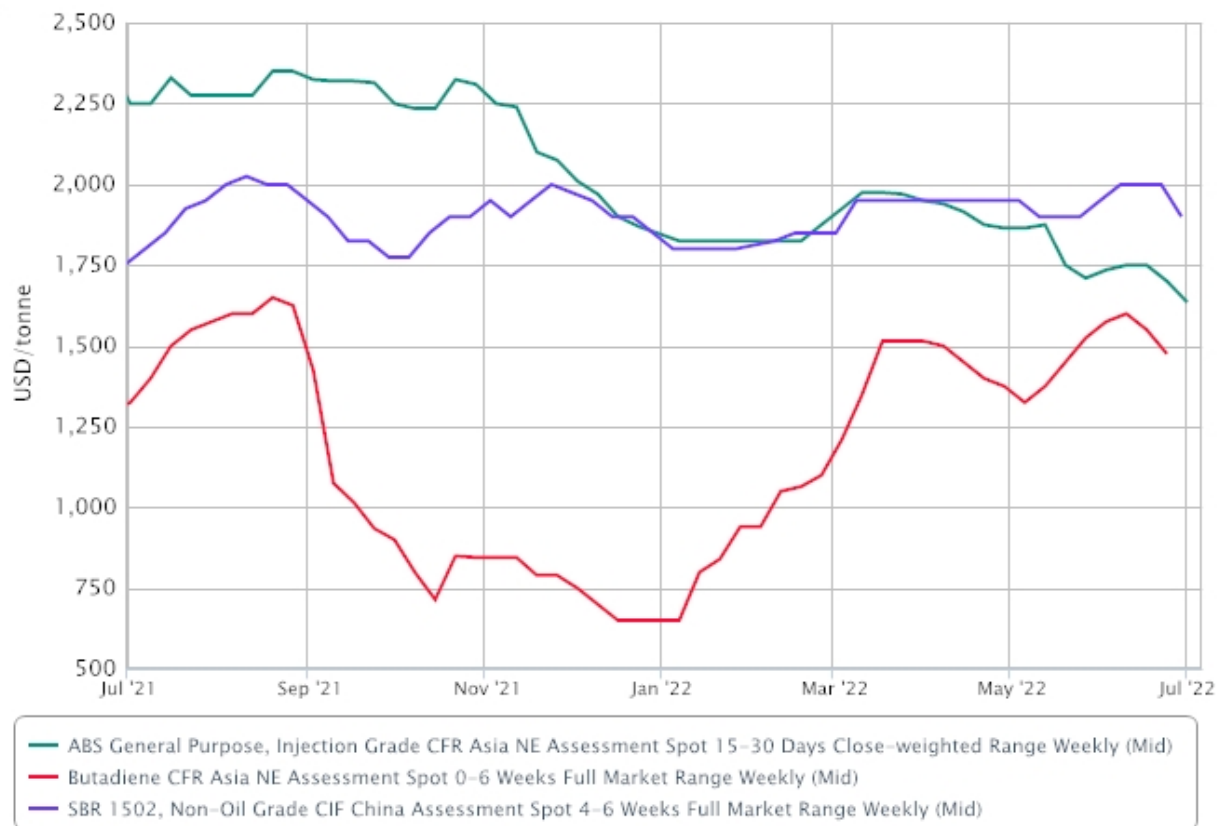
[Spread between Butadiene and Styrene Butadiene Rubber Asia](#)



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Acrylonitrile butadiene styrene (ABS)

- Asian prices fall for second week
- Subdued market momentum at month's close
- Derivative consumption stays subdued from announced weak economic data



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PRODUCTION

Regional butadiene (BD) supplies may lengthen if operations at a 185,000 tonne/year unit in southeast Asia will [start up](#) smoothly within the month.

Otherwise, with many upstream crackers in northeast Asia still operating at low rates, prevailing BD production is not optimised, and producers' inventories are generally on the low side.

A planned turnaround at a 162,000 tonnes/year unit in northeast Asia will now [start](#) two weeks earlier than originally scheduled, and this lengthened duration may also tighten BD spot availabilities further to some extent, market players said.

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

OTHER REGIONS

Europe

- July contract price rolls over from June
- Ongoing supply constraints mitigated by soft demand in some areas
- Styrene butadiene rubber continues to hold well on absence of Russian volumes
- Spot quiet - limited to covering unexpected shorts, with traders chasing export volumes
- Improved sentiment on US demand expectations

US

- July contract nominations higher
- Supply concerns are key price driver

- Demand healthy, but macroeconomic headwinds mount

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