



Butadiene (Asia-Pacific)

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01-Mar-2024

[Overview](#) | [Outlook](#) | [Prices](#) | [Upstream](#) | [Downstream](#) | [Production](#) | [Other Regions](#)

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

OVERVIEW

- **Domestic China stays buoyant generally**
- **Import offers well supported as such**
- **Buyers retreating on margin worries**

Sentiment in this week's Asian spot butadiene (BD) import market remains [upbeat](#), with sellers on a relentless pursuit for higher selling targets, even if buying tempo seems to have tapered somewhat compared to the week prior.

Sellers' confidence were bolstered on several fronts. Firstly, regional BD production is still constrained as regional crackers continue to operate currently at sub-optimal levels.

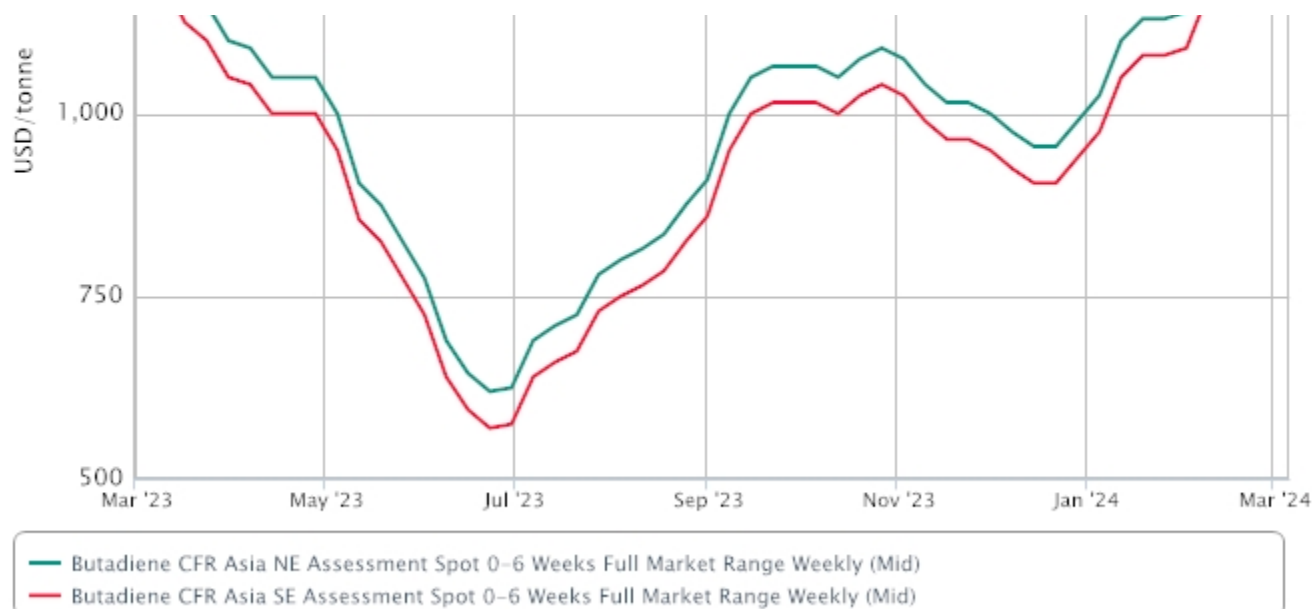
Even though some regional crackers were heard making plans early week to [run higher](#) in March, market sources said that other crackers may not ramp up operations if cracker spreads narrow anew with softening [ethylene prices](#). As such, the broader view is that BD supplies are unlikely to lengthen substantively in the near term.

Sellers are also buoyed by gains seen this week in the domestic yuan-denominated China market, and China producers hiked their BD export offers in tandem.

Sentiment was relatively more muted among buy-side elements. Compared to the week prior, buying enquiries tapered, with many end-users pulling back to review and recalibrate their current production plans for the various derivative sectors, in order to protect frail margins against the sharp increases of-late in BD feedstock costs.

Many also did not want to commit as yet, preferring to wait for more pricing directions to emerge, possibly by the coming week, from the outcome of two BD sale tenders floated this week.





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OUTLOOK

- Supply balance to hinge on cracker operating rates in March
- Poor downstream margins to weigh on buying appetite
- Buy-sell gap may widen

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	+50	1300.00-1400.0 0	+100	1100.00-1180.00	58.97-63.50
CFR NE Asia	USD/tonne	n/c	1300.00-1430.0 0	+80	1100.00-1180.00	58.97-64.86
CFR SE Asia	USD/tonne	n/c	1250.00-1380.0 0	+80	1050.00-1130.00	56.70-62.60

China

FOB China assessments were lifted with higher deals and indications.

A deal transpired at the low end, and remaining offers were heard at the high end.

Domestic ex-tank prices in east China also climbed higher compared to the week prior, even though the daily trades corrected down somewhat towards the close of the trading week.



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Northeast Asia

CFR NE Asian assessments were stable-to-firm, with the high-end lifted to reflect bullish sell-side expectations, while the low-end was rolled in line with muted, albeit rangebound, buy-side indications.

A China-origin cargo available to lift in March was offered at the high-end. Discussions ensued but these were not conclusive.

Buyers mostly retreated this week from the spot market, saying that they need to review and recalibrate their downstream production plans, taking into account how much feedstock costs have risen to of-late, against prevailing prices for various derivative products.

While derivative prices were also on the rise, end-users said that these could not keep up as yet with the pace of BD increases, limiting in turn their ability to fork out more for fresh BD cargoes.

Many also wanted to wait for some pricing directions to come from two sale tenders floated this week, involving a total of four southeast Asia-origin cargoes, one for late March lifting, and the other three for April shipment.

The tender for the March cargo closed this week, but details on tender outcome were not available by press time. The other tender for April cargoes is due to close on 5 March.

Monthly Contract Jan '24 Dec '23 Nov '23 Oct '23 Sep '23 Aug '23 Jul '23

DEL, \$/tonne							
Taiwan FPCC	1,020	910	955	995	940	750	650
Korea YNCC	1,070	945	1,000	1,035	980	770	665

Southeast Asia

CFR SE Asian assessments are adjusted in line with changes for the CFR NE Asian assessments.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

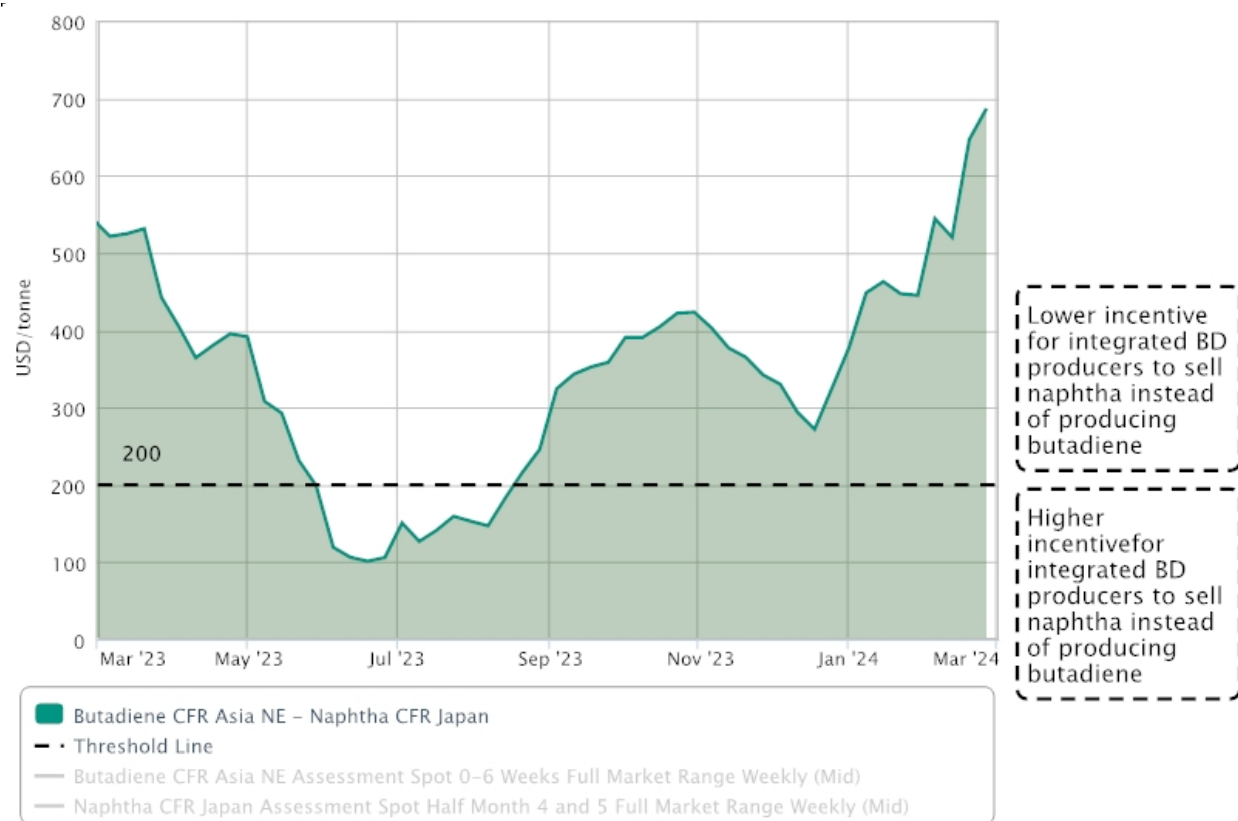
			Price Range	One Week Ago	/	
Butadiene						
Ex-Tank E China	CNY/tonne	n/c	11000-11000	-100	10300-10500	-

UPSTREAM

Naphtha

- Several buyers in market to lock in April cargoes
- March-arriving arbitrage cargoes seen high
- Tensions in the Red Sea continue to provide some support

[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)

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

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

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

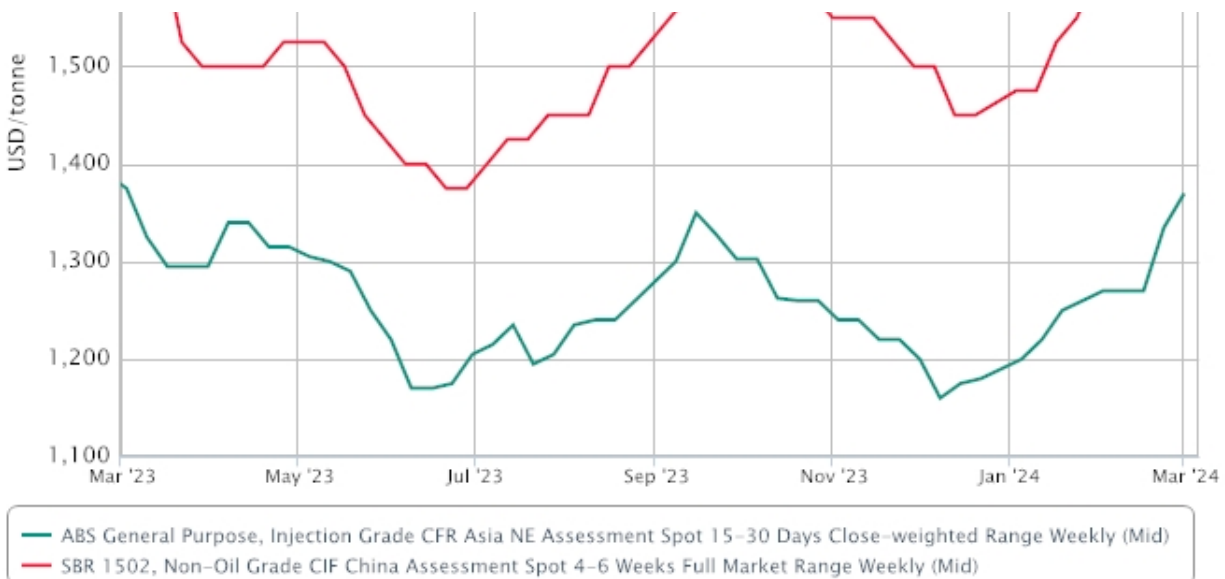


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Acrylonitrile butadiene styrene (ABS)

- Import prices continue surge for second week
- Demand driven by continued post-holiday restocking
- Support further rendered from tightened supply, feedstock cost





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PRODUCTION

BD supply balance remains tight amid ongoing plant closures in northeast Asia.

These include in Taiwan, two months of [maintenance](#) at a 130,000 tonnes/year unit, and in China, two [units](#) in Beijing, with a total nameplate capacity of 135,000 tonnes/year, are also out of action since H1 January for unscheduled servicing.

A 105,000 tonnes/year unit in Japan will also undergo [maintenance](#) in March.

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

OTHER REGIONS

Europe

- March CP set higher on tight supply/demand balance
- Outlook firm for March too - healthy offtakes nominated
- Some differences in balances depending on location - downstream issues
- Cracker rates are also improving
- Spot prices unchanged, no fresh trade heard but export mentioned

US

- March ICIS contracts up sharply on unplanned outages
- February CDI contracts rise on tighter global supply
- Spot prices rise in line with March contract levels
- Supply tightens further in February, driving bullish sentiment
- Weak underlying demand offsets supply disruptions

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