



Butadiene (Asia-Pacific)

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[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 prices [spike on local supply concerns](#)**
- **Some China players sought imports to fill the gaps**
- **Downstream demand across Asia remain bearish in nature**

Asian spot import discussions for butadiene (BD) were split this week, between cautious buying by end-users in wider Asia, and more aggressive bidding from China-based players seeking to fill unforeseen gaps in their domestic allocations.

Several transactions materialised this week but at levels vastly different, reflecting the divergent outlook and sentiment between these two sectors of potential buyers.

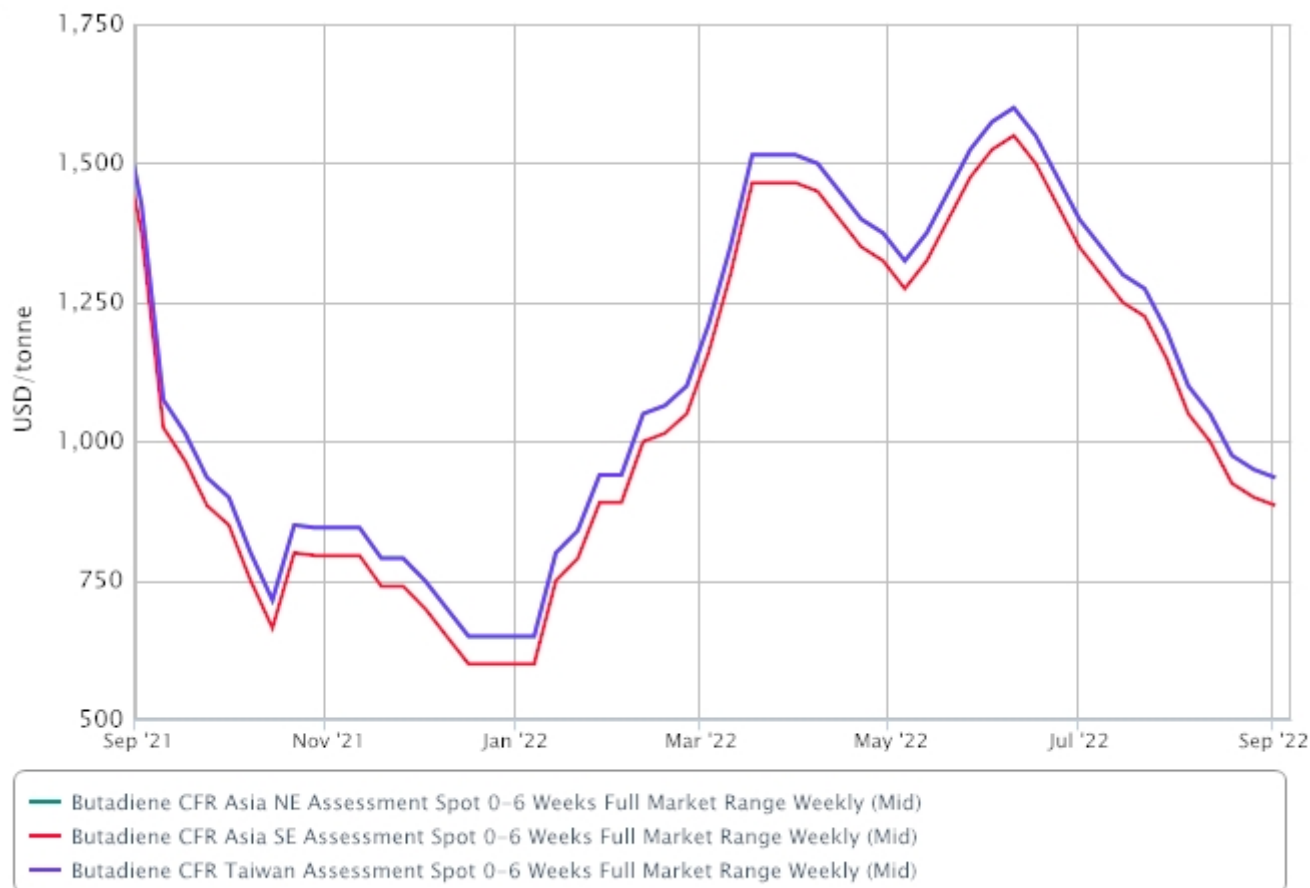
Market players are of the view that downstream demand conditions remain bearish in nature across Asia, even within China, where latest manufacturing purchasing managers' index (PMI) for August shows that it remains in [contraction mode](#), two months in a row.

With downstream prices still declining, end-users maintained that they would not pay more for feedstock BD and kept rigidly to this position in spot talks.

However, domestic China BD prices rose this week, as local prompt supplies tightened with several unforeseen H1 September maintenance closures.

Some local players turned to tapping on the import pool for replacement supplies, and posted bullish bids to secure cargoes available for very prompt arrival.

However, some players are doubtful if this domestic uptrend could sustain, as the tightness in local supplies may ease once more plants return from maintenance in one to two weeks' time.



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OUTLOOK

- **Downstream demand support elusive**
- **Healthy stream of southeast Asian spot availabilities expected**
- **Snug supply situation in domestic China may be transient**

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	+100	1050.00-	+100	1050.00-1100.00	47.63-52.16
			1150.00			
CFR NE Asia	USD/tonne	-30	820.00-1050.00	n/c	1000.00-1200.00	37.19-47.63
CFR Taiwan	USD/tonne	-30	820.00-1050.00	n/c	1000.00-1200.00	37.19-47.63
CFR SE Asia	USD/tonne	-30	770.00-1000.00	n/c	950.00-1150.00	34.93-45.36

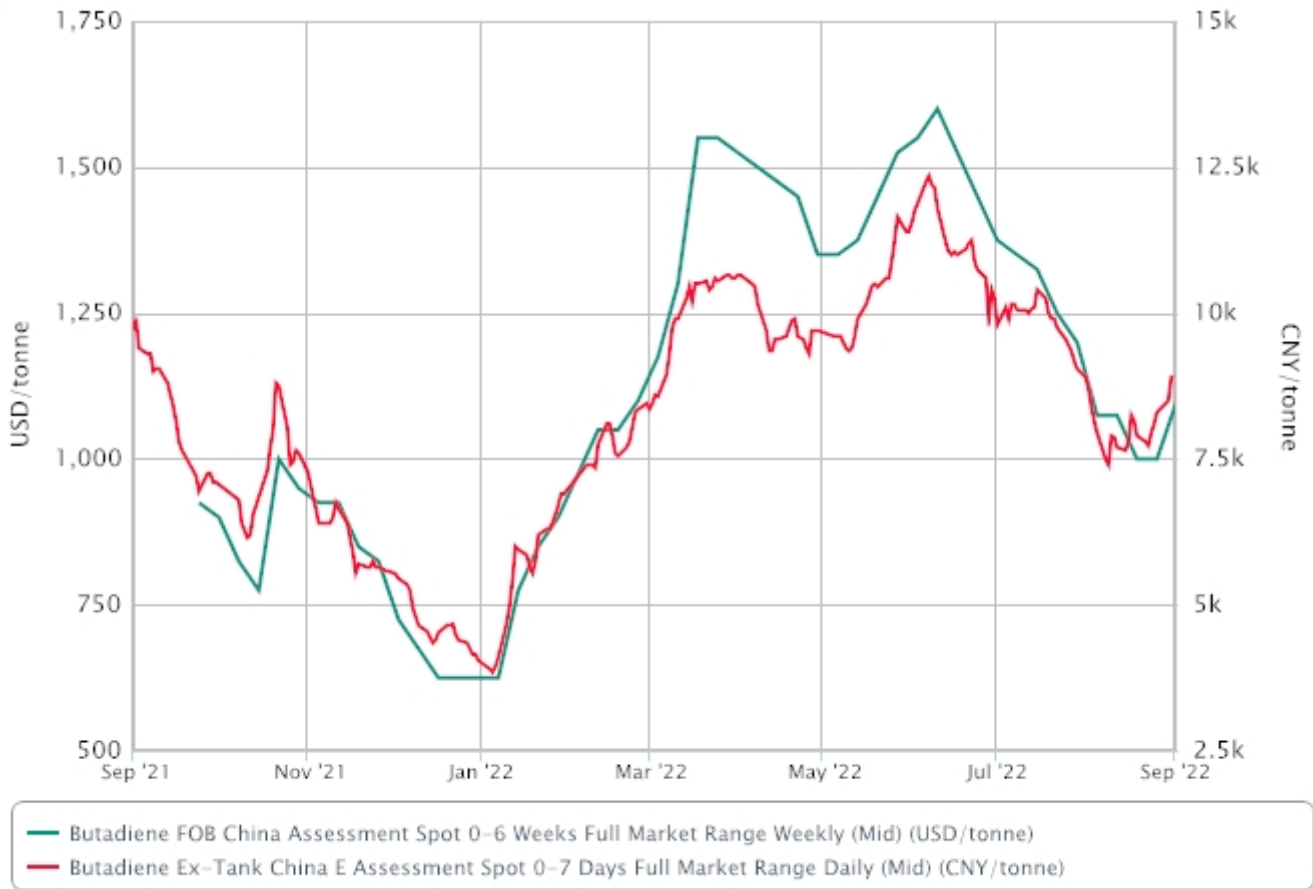
China

FOB China discussions were minimal, due to a lack of export availabilities from China.

Although there was no concrete offer, market sources said that potential selling targets would have risen in line with gains seen in BD's yuan-denominated values, and this is reflected at the high end of the published range.

The low end is notionally raised with the changes in the high end, in the absence of any buy-side indications.

Domestic ex-tank prices in east China surged during the course of the week, as prompt supplies are squeezed by several plant maintenance closures.



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Northeast Asia

CFR NE Asian assessments were wide ranging, encapsulating the whole spectrum of trades seen in the week.

Gripped by potential domestic shortage of prompt supplies, some sectors in China turned to procuring replacement cargoes from the import pool, and were prepared to pay more to secure cargoes available to ship promptly.

Two deals were heard closed under such circumstances for northeast Asia-origin materials. These trades, concluded on an FOB basis, were reflected at the high end of the CFR NE Asian range, after taking into consideration estimated freight costs.

However, demand is weak in regional outlets, and potential buyers there kept to significantly lower buying indications. A southeast Asia-origin cargo was sold via tender this week for September shipment to China, and this forms the low end.

CFR Taiwan assessments were moved down on the low end, in line with changes seen for the CFR NE Asian assessments.

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

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nne

Taiwan FPCC	1,025	1,255	1,450	1,360	1,415	1,355	1,040	795
Korea YNCC	983	1,315	1,555	1,445	1,445	1,335	1,015	835

Southeast Asia

CFR SE Asian assessments were adjusted in line with changes for the CFR NE Asian assessments, in the absence of any concrete discussions/transactions on CFR SE Asian terms.

Several additional southeast Asia-origin cargoes, available for September shipment, surfaced this week for sale via tender. However, details on the tender outcome were not available by publishing time.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

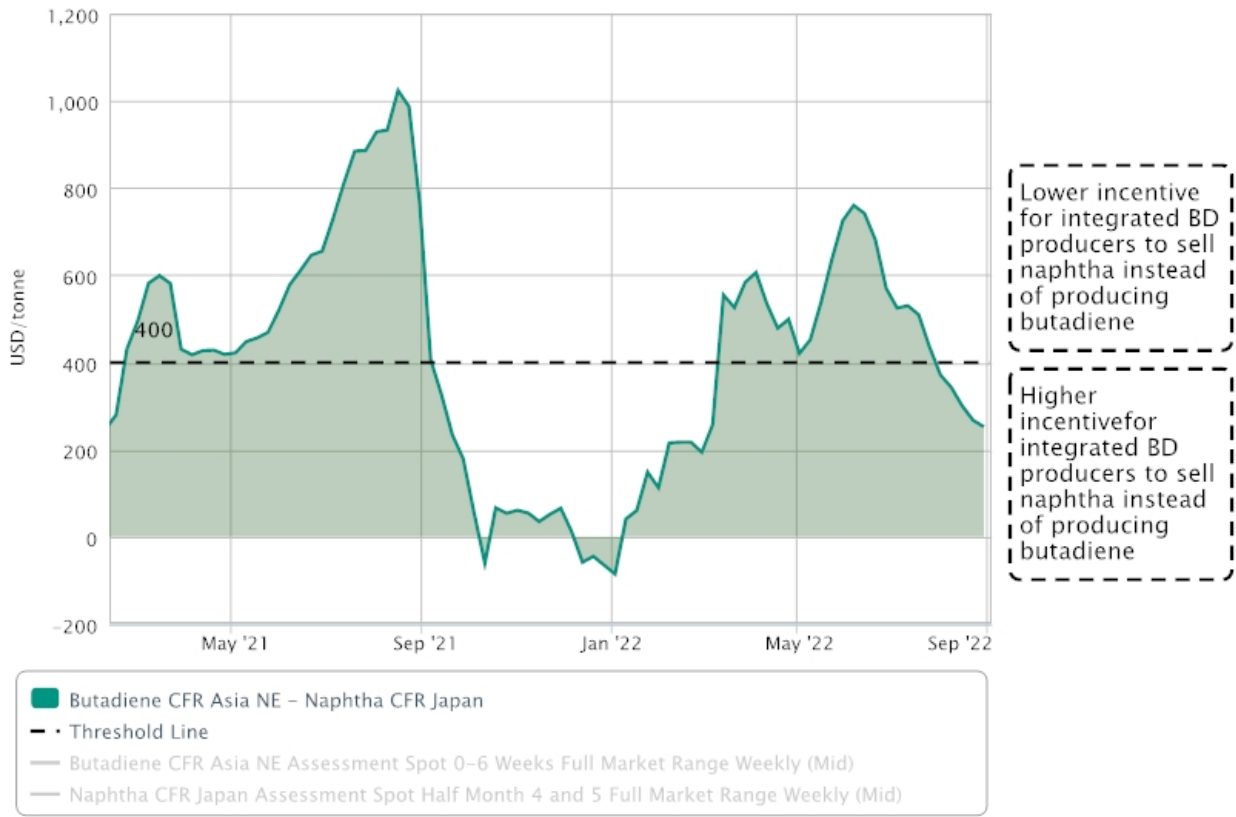
			Price Range		One Week Ago	/
Butadiene						
Ex-Tank E China	CNY/tonne	+200	9000-9200	+200	8200-8400	-

UPSTREAM

Naphtha:

- Asia-Pacific prices slump on weak demand
- Crack spread languishes in negative territory
- Ample supply dents market sentiment

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



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

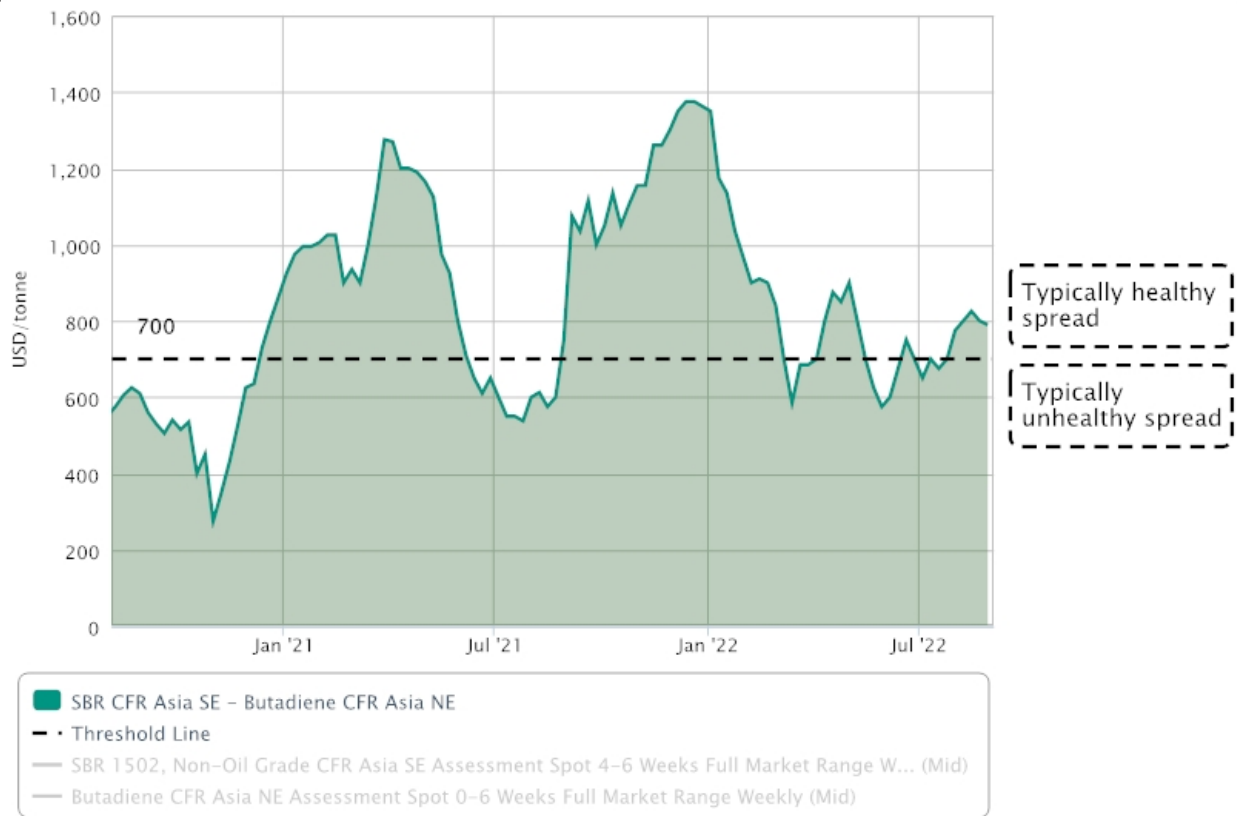
DOWNSTREAM

Styrene butadiene rubber (SBR)

- Weak demand persists
- Buyers cautious
- Some sellers retreated

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

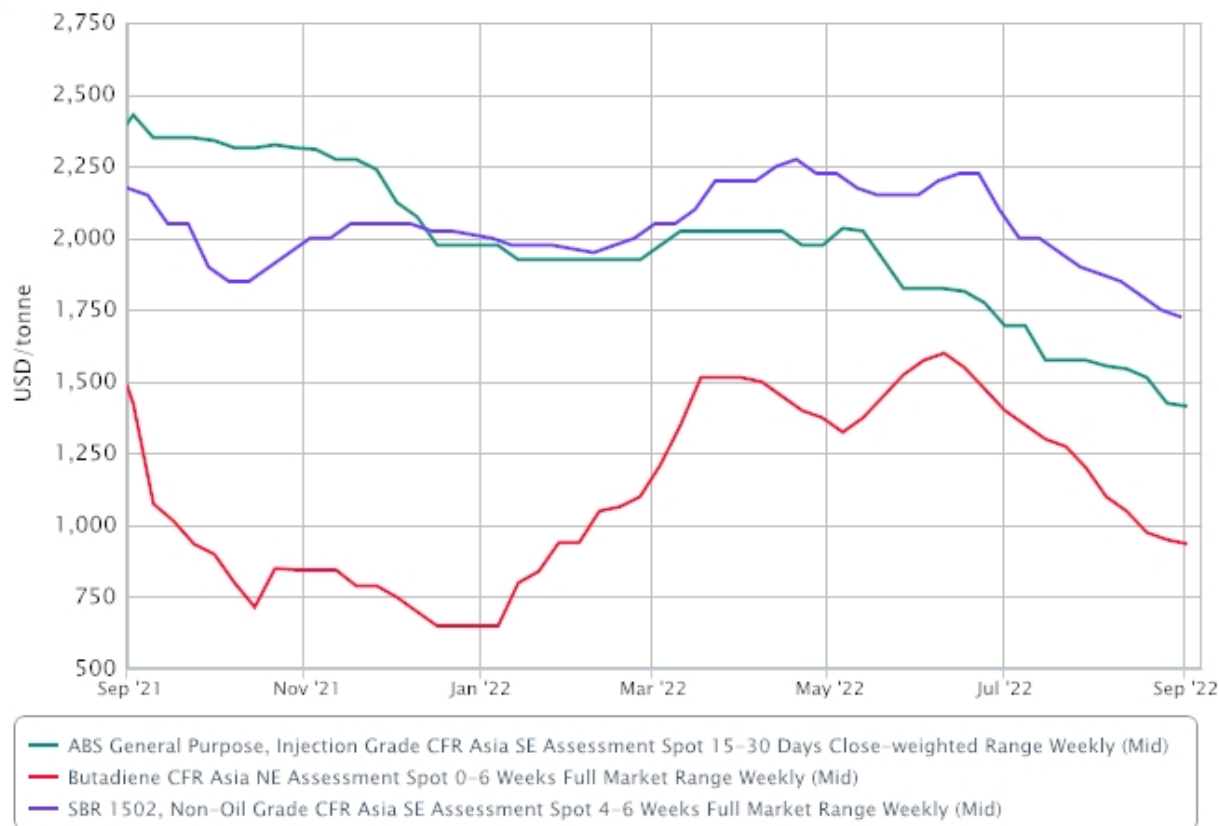
[Spread between Butadiene and Styrene Butadiene Rubber Asia](#)



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Acrylonitrile butadiene styrene (ABS)

- CFR NE Asia down for 11th week, remains at more than two-year low
- More lower-priced offers surface as derivative offtakes stay sluggish
- Feedstock rally dents [margins](#)



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PRODUCTION

Butadiene (BD) supplies tightened this week in China on several maintenance [closures](#), but the shortage may ease once these maintenance work is completed in H2 September and production also stabilise at a recently started-up [unit](#) in Zhoushan.

In wider Asia, with many upstream crackers across Asia still operating at [sub-optimal](#) levels, output from related BD extraction units in Korea and Japan is expected to remain crimped. However, this may be offset with rising export availabilities from southeast Asia, including a 185,000 tonne/year unit that was [restarted](#) in July, market sources said.

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

OTHER REGIONS

Europe

- September CP settles at €20/tonne reduction
- Downstream demand slowdown for Q4 discussed
- Domestic spot prices stable, deal heard done at rollover

US

- September nominations lower
- Prompt demand muted
- No fresh import deals

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