



Butadiene (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

- **Buying interest lacklustre**
- **Adequate supplies**
- **Buy-sell gap remains wide**

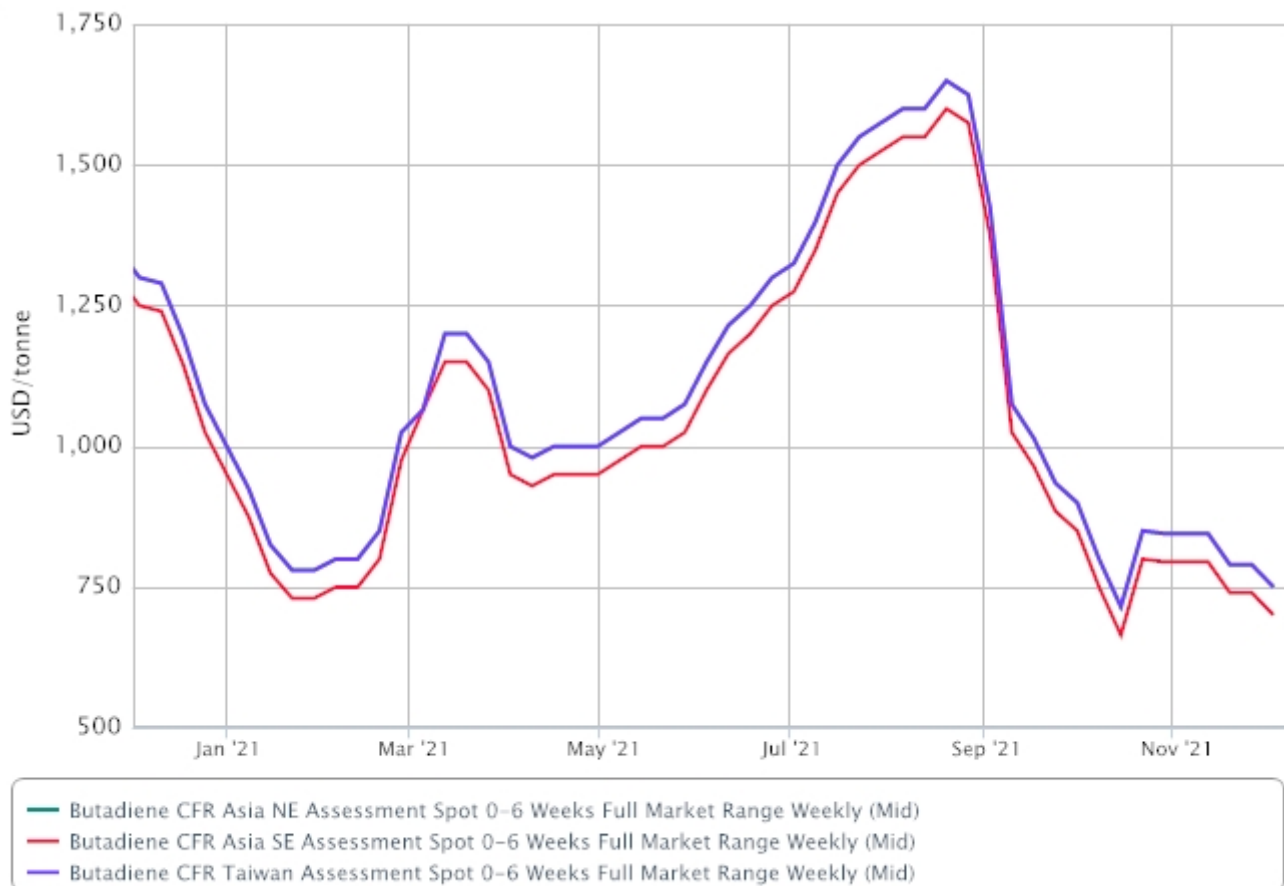
Asian butadiene (BD) spot discussions [lost fresh ground](#) this week, amid waning demand.

Sentiment was also weighed down by a persistently weak domestic China market, where yuan values for BD have chalked up nearly 30% of accumulative losses between end October and end November.

This in turn crimped spot trade liquidity for US dollar denominated imports, and those who were still open to procuring imports kept to substantially bearish buying indications, citing the need to be prudent in view of growing uncertainties such as how the emerging new virus variant will impact the delicate [global economic growth](#).

While some sellers with inventory pressure were prodded to moderate expectations, so as to close deals and move some cargoes, most regional BD makers maintained that they could not price down further due to negative margin concerns.

The buy-sell gap is poised to widen, hampering spot trade negotiations in the near term, market players said.



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OUTLOOK

- Length in supply to persist
- Demand may remain lacklustre on year-end lull
- Players await clearer pricing direction in domestic China

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	-100	700.00-750.00	-100	900.00-950.00	31.75-34.02
CFR NE Asia	USD/tonne	-50	700.00-800.00	-30	790.00-900.00	31.75-36.29
CFR Taiwan	USD/tonne	-50	700.00-800.00	-30	790.00-900.00	31.75-36.29
CFR SE Asia	USD/tonne	-50	650.00-750.00	-30	740.00-850.00	29.48-34.02

China

FOB China prices were assessed down, tracking accumulative losses in the domestic market.

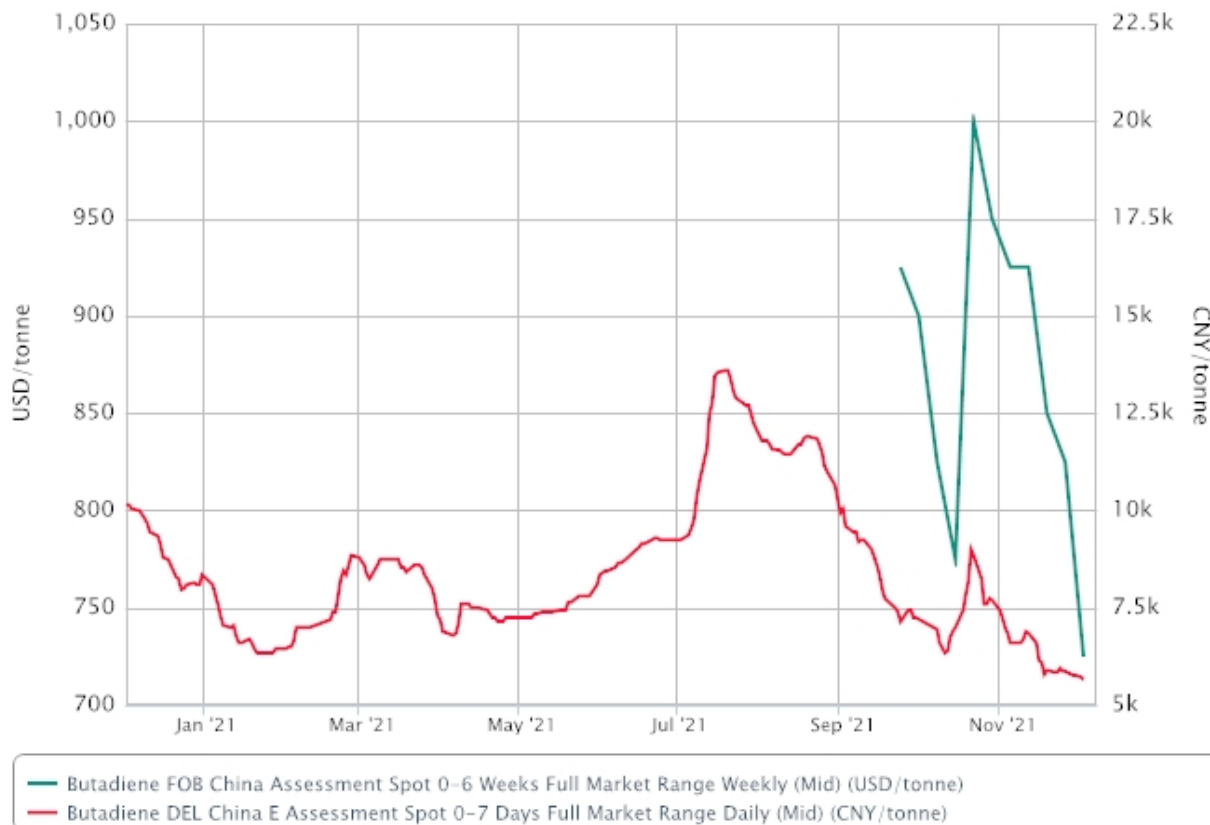
But discussions were scant, with most buyers in other Asian outlets already amply covered with prior purchases.

The arbitrage export window to the US is also closing up, now that the local supply situation there is [improving](#), removing the need for the US to purchase more BD imports.

East China domestic prices

Domestic China prices continued to trend down on low buying appetite.

Price (CNY/tonne)	03 December	26 November
DEL east China	5,600-5,700	5,800-5,950



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Northeast Asia

CFR northeast Asia prices were also assessed down, tracking softer deals and discussions heard.

The low end was dropped with deals heard. Some cargoes changed hands for December shipment at the lower end of the published range, market sources said.

But due to poor margin concerns, most BD makers were reluctant to price down offers too much on remaining cargoes, and this formed the high end.

CFR Taiwan assessments were dropped in line with changes for CFR NE Asia assessments.

Monthly	Nov 21	Oct 21	Sep 21	Aug 21	Jul 21	June 21	May 21	Apr 21
Contract								
DEL, \$/to								
nne								

Taiwan FPCC	885	870	1,175	1,545	1,380	1,205	1,010	1,050
Korea YNCC	800	790	1,050	1,650	1,470	1,245	1,010	987

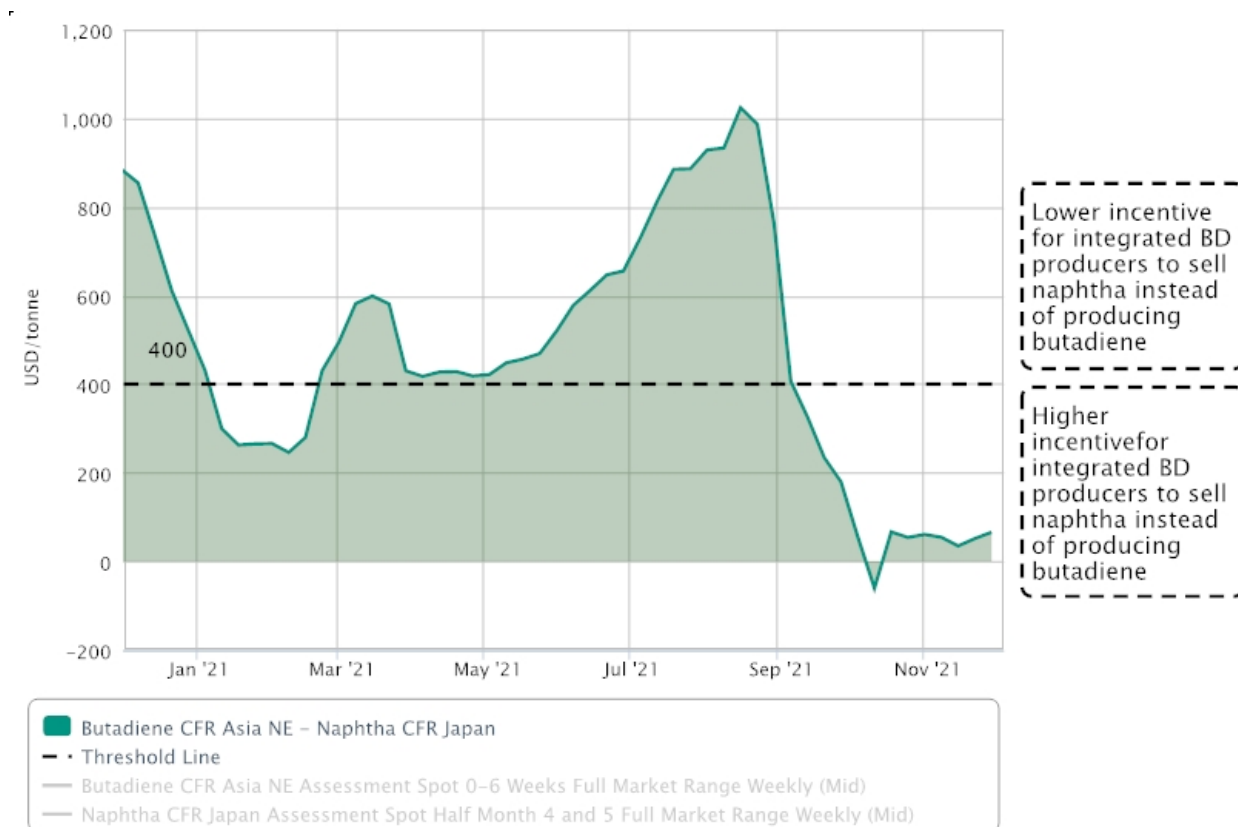
Southeast Asia

CFR SE Asia assessments were adjusted down, in line with changes for CFR NE Asia assessments, in the absence of concrete business on a CFR SE Asia basis.

UPSTREAM

Asia-Pacific **naphtha** prices tracked lower global crude oil futures amid uncertainty of fuel demand arising from the coronavirus variant Omicron. Tighter travel restrictions in Europe could potentially add to surplus naphtha flows to the east although stable demand in Asia is likely to cushion the downward pressure.

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



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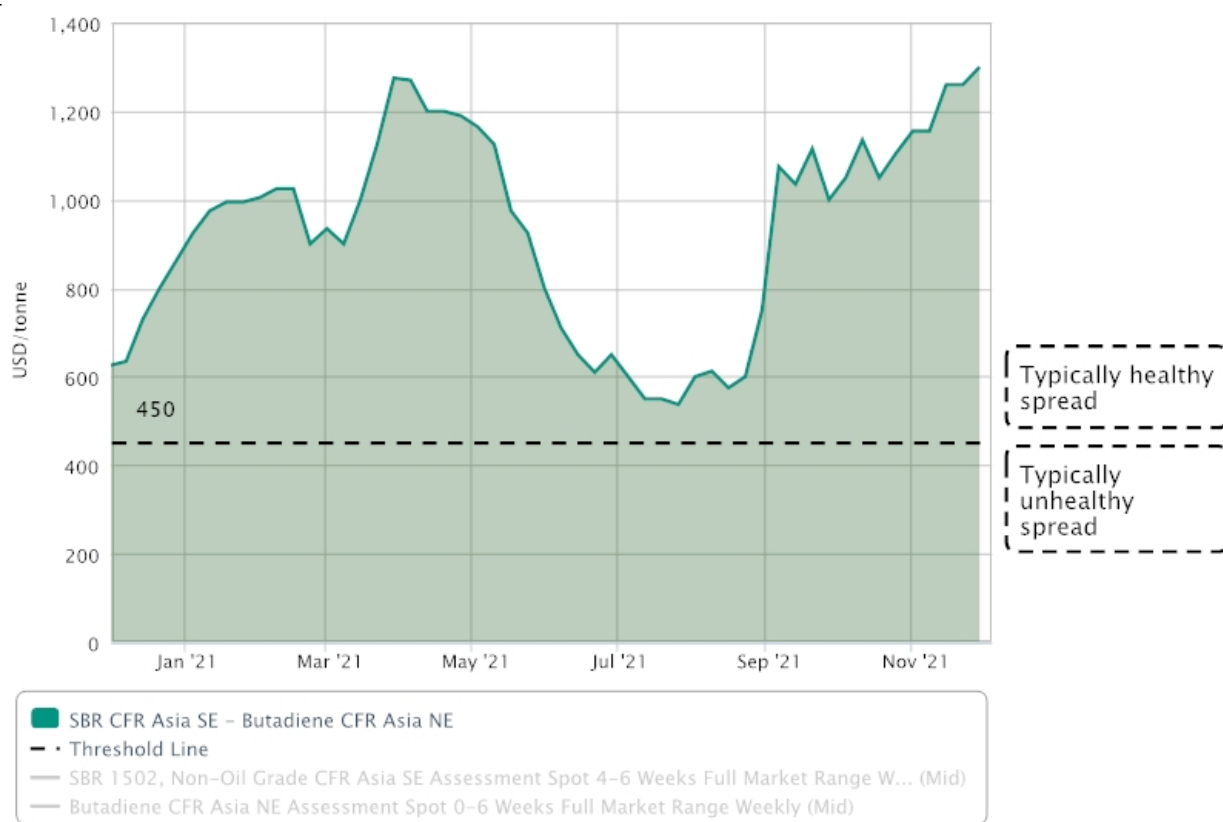
Click [here](#) for the Asia feedstocks and petrochemicals weekly summary.

DOWNSTREAM

Asian **styrene-butadiene-rubber (SBR)** discussions were crimped by waning demand, in view of uncertainties surrounding the global pandemic situation.

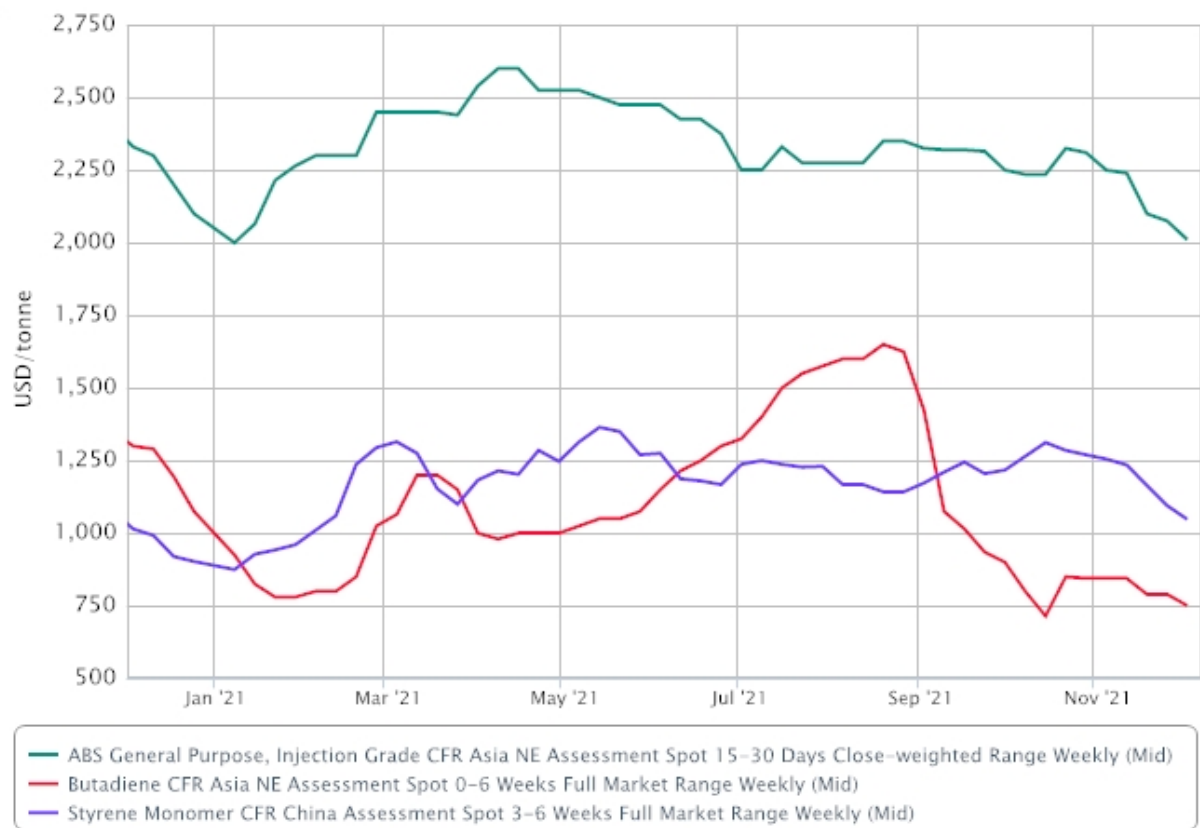
The chart below shows the spread between BD and SBR in Asia.

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



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Spot **acrylonitrile-butadiene-styrene (ABS)** import prices in northeast Asia fell for the sixth week, as downstream consumption, particularly for the biggest home electronics sector, typically wanes off towards the end of the year. Demand was as such slow, weighing on ABS deals and discussions.



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PRODUCTION

Within China, while several purpose-built units remained shut on economic considerations, domestic availabilities were buttressed with output from several new projects recently started up, such as the 140,000 tonne/year Fujian Gulei plant, and the 80,000 tonne/year Shouguang Luqing plant.

The regional BD market is also structurally over-supplied, as output from several new and upcoming new projects in the region is poised to hit the market in the near term.

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

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