



## Butadiene (Asia-Pacific)

By Ai Teng Lim  
04-Nov-2022

[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

- **Scant spot offerings**
- **Weak demand persists in wider Asia**
- **China import talks also [stall](#) with domestic losses**

Discussions were subdued this week in Asia's spot market for butadiene (BD) as demand worries continue to outweigh spot supply limitations.

Most November shipment cargoes were already sold, and December shipment spot availabilities were not fully finalised yet, market sources said.

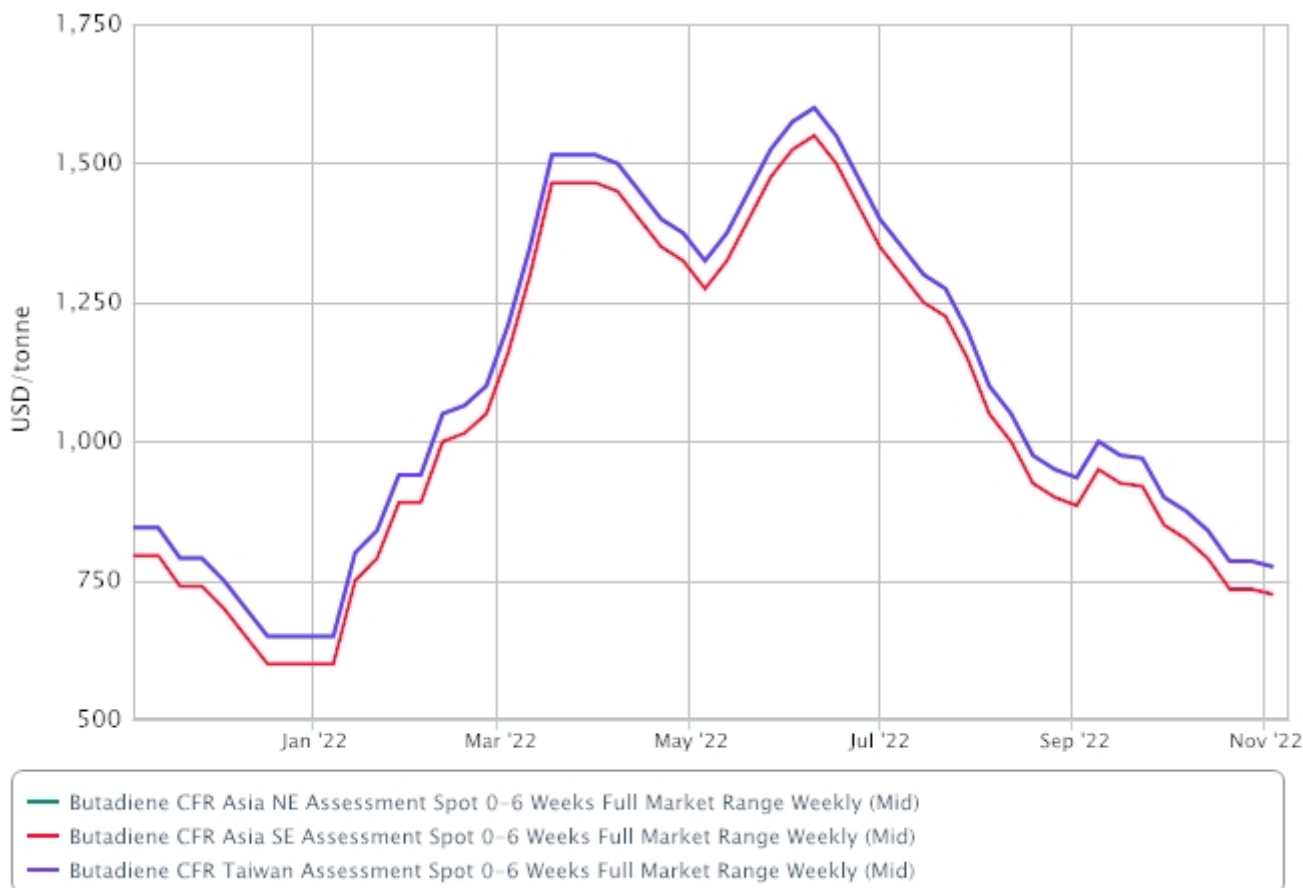
Compared to previous weeks, sellers were also seemingly less willing to transact on fixed price terms, leaning instead more toward formula-based negotiations, market sources said.

With BD output generally curtailed by lower cracker operations in Asia, and coupled with some production issues, most sellers still do not see the critical need to make drastic cuts to their BD offers, even if they acknowledge downstream demand conditions are not satisfactory.

Demand is indeed lacklustre, as buying interest for imports dissipated in China this week, alongside declines in the domestic yuan-denominated market.

Domestic off-take slowed down after some downstream factories had had to scale back operations to comply with stricter anti-COVID-19 control measures. This also dented buying interest for imports.

In wider Asia, BD demand has been, and remains, structurally weak, and many are pessimistic if things may turnaround anytime soon, especially as fresh concerns emerge that more downstream plants in northeast Asia may have to deepen operating rate cuts in the coming months to cope with persistently dismal sales of their finished products.



© 2022 ICIS

## OUTLOOK

- **Players to keep a close watch on domestic China developments**
- **Falling PMIs in Asia will weigh on demand outlook**
- **Spot supply limitations may provide some pricing support**

## PRICES

### SPOT PRICES - PRICE RANGE FOR THE WEEK

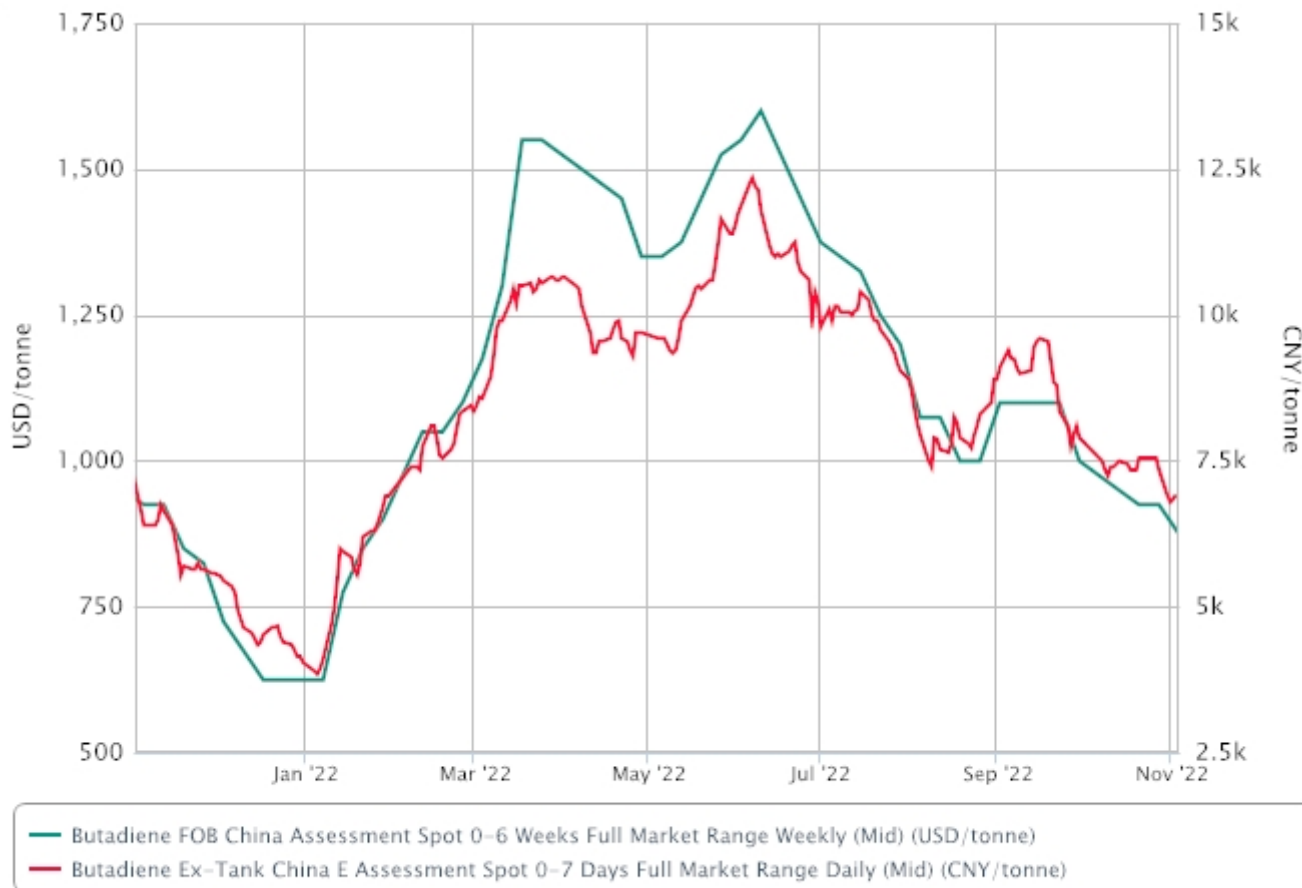
			Price Range		Four Weeks Ago	US CTS/lb
<b>Butadiene</b>						
<b>FOB China</b>	USD/tonne	-50	850.00-900.00	-50	950.00-1050.00	38.56-40.82
<b>CFR NE Asia</b>	USD/tonne	n/c	750.00-800.00	-20	800.00-950.00	34.02-36.29
<b>CFR Taiwan</b>	USD/tonne	n/c	750.00-800.00	-20	800.00-950.00	34.02-36.29
<b>CFR SE Asia</b>	USD/tonne	n/c	700.00-750.00	-20	750.00-900.00	31.75-34.02

### China

FOB China assessments were lowered notionally to align with declines in domestic values.

But there were no discussions given poor demand in wider Asia.

Domestic ex-tank prices in east China fell as off-take was curtailed by COVID-19-related constraints in downstream production.



© 2022 ICIS

### Northeast Asia

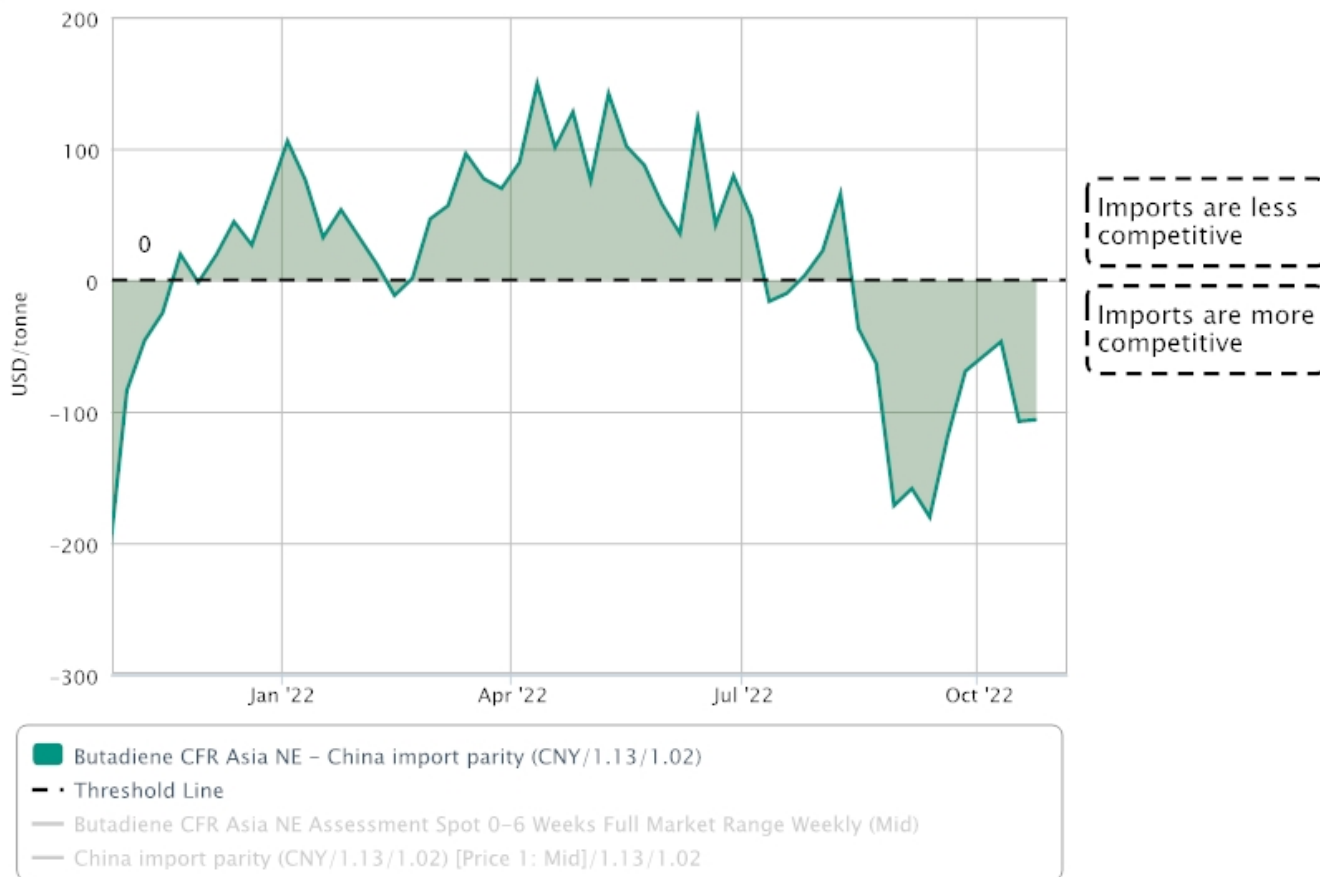
CFR NE Asian assessments were stable-to-soft, tracking limited discussions and deals heard.

Buying indications polled from possible buyers in diverse NE Asian outlets were capped at the low end, and a small lot also changed hands at around this level for late November/early December shipment.

The high-end reflects sell-side expectations.

Even though domestic China prices have softened substantially this week, market players said that as these were still, on a US dollar parity basis, higher than prevailing import prices, it reinforced sell-side perceptions that China buyers could afford to pay more for imports, if they really needed to secure such volumes.

[Import parity of domestic BD prices](#)



© 2022 ICIS

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

Monthly Contract	Oct 22	Sep 22	Aug 22	Jul 22	Jun 22	May 22	Apr 22
DEL, \$/tonne							
Taiwan FPCC	795	885	1,025	1,255	1,450	1,360	1,415
Korea YNCC	745	920	983	1,315	1,555	1,445	1,445

**Southeast Asia**

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

There is some buying interest detected this week for November deliveries to SE Asia, in part to fill potential supply gaps that may surface if a regional cracker [shut](#) for repairs this month. But no deals materialised, market sources said.

**SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY**

		Price Range	One Week Ago	/
<b>Butadiene</b>				
<b>Ex-Tank E China</b>	CNY/tonne	-50	6800-6800	-200
			7300-7400	-

## UPSTREAM

### Naphtha:

- Asia markets lack momentum on downbeat demand
- Poor downstream margins curb buying
- Naphtha cracks languish in negative zone

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



© 2022 ICIS

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

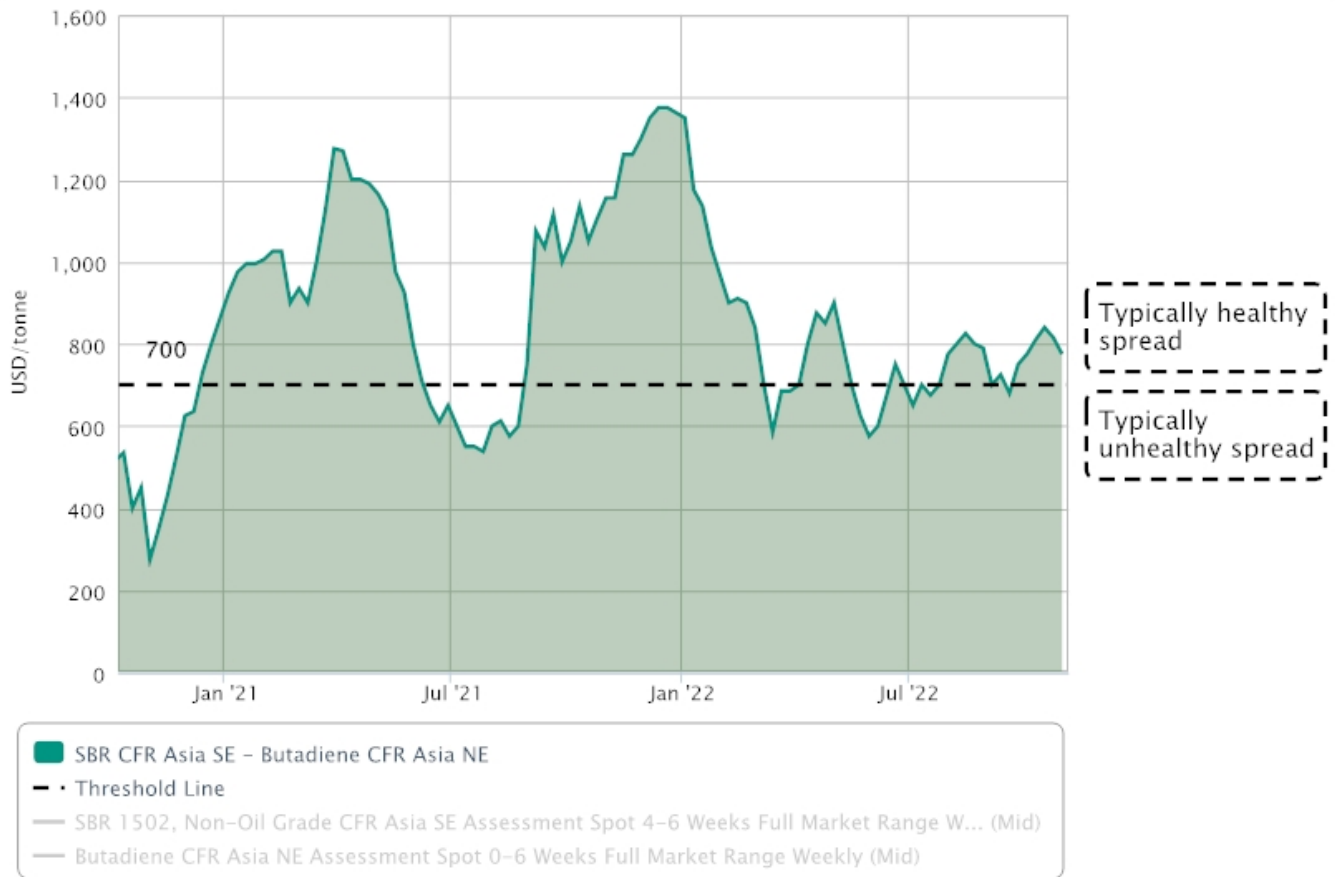
## DOWNSTREAM

### Styrene-butadiene-rubber (SBR)

- Price downtrend continues in domestic China
- Import discussions affected as such
- Poor buying interest across Asia

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

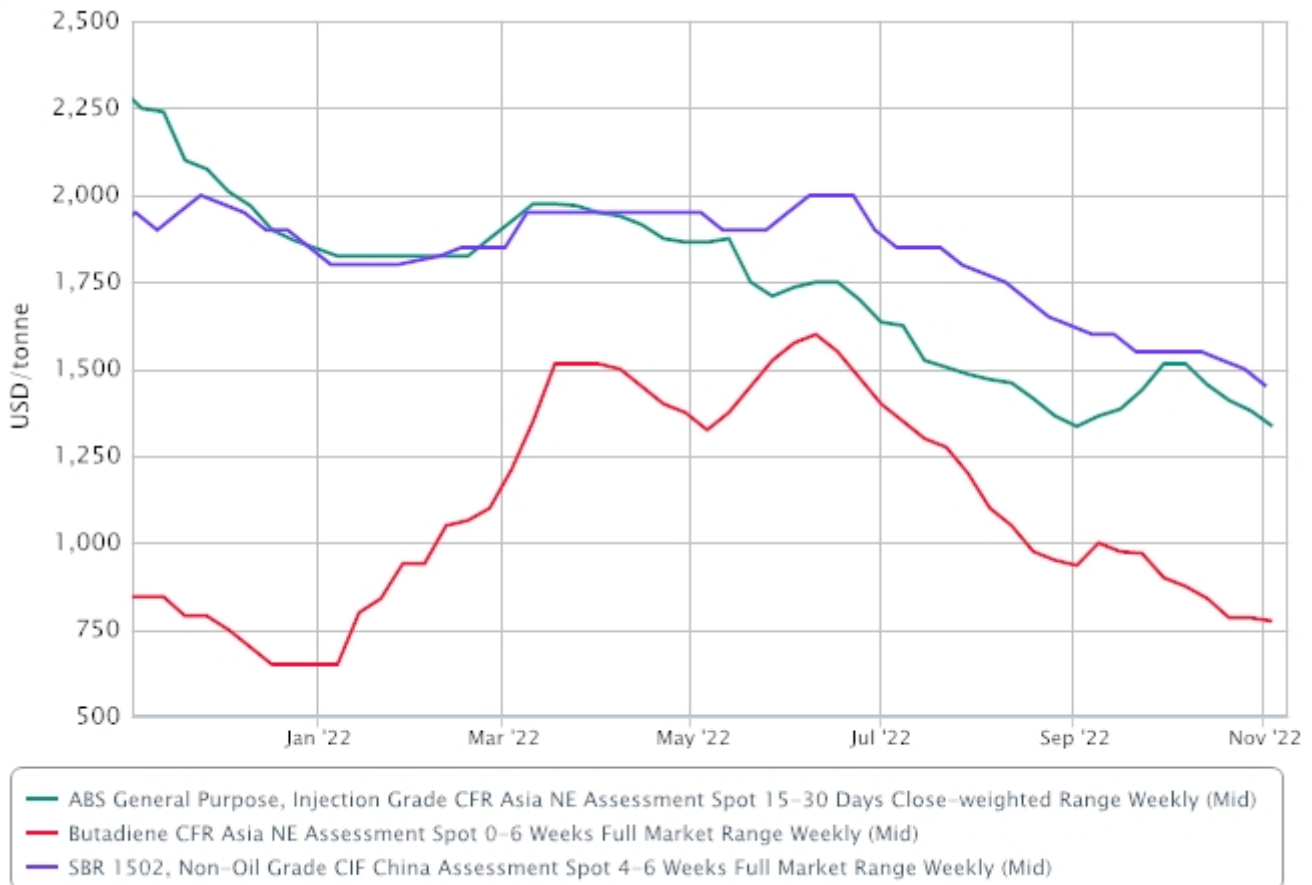
[Spread between Butadiene and Styrene Butadiene Rubber Asia](#)



© 2022 ICIS

### Acrylonitrile-butadiene-styrene (ABS)

- CFR NE Asia down for fourth week
- Prices back to more than two-year low
- Loss of feedstock, demand support



© 2022 ICIS

## PRODUCTION

In wider Asia, BD output from extraction units in Korea and Japan is expected to remain capped in the near term, as weak margins continue to weigh on operating rates at many upstream crackers. There are also ongoing BD maintenances in [South Korea](#), as well as an unplanned [outage](#) in Taiwan.

Domestic BD supplies in China may [lengthen](#) if more new projects managed to start up in the next two months as earlier expected, but prompt supplies are in the meantime tightened by an unplanned [outage](#).

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

## OTHER REGIONS

### Europe

- Soft fundamentals persist
- Demand at a low level, focus on inventory management
- Supply managed through production cuts at crackers, BD units

### US

- November contracts fall on weaker demand
- Spot steady, buying interest muted
- Cracker rate cuts limit CC4; supply balanced with demand

**Butadiene (Asia-Pacific) | 04-Nov-2022.** ICIS accepts no liability for commercial decisions based on the content of this report. Unauthorised reproduction, onward transmission or copying of the Butadiene (Asia-Pacific) Report in either its electronic or hard copy format is illegal. Should you require a licence or an additional copy of the Butadiene (Asia-Pacific) Report, please contact ICIS at [sales.uk@icis.com](mailto:sales.uk@icis.com)

ICIS, Quadrant House, The Quadrant, Sutton, Surrey, SM2 5AS. United Kingdom. ICIS accept no liability for commercial decisions based on the content of this report. Copyright violation is a serious offence. Any distribution or forwarding of information that is not expressly permitted by your subscription agreement is a copyright violation. ICIS uses software to monitor unauthorised electronic redistribution of reports.

© 2023 Reed Business Information Limited. ICIS is a member of RELX Group. [www.icis.com](http://www.icis.com)

