



## Butadiene (Asia-Pacific)

**By Ai Teng Lim**  
**04-Oct-2024**

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

The weekly analysis on 4 October is published with information on China collected up to 30 September. Please click [here](#) for the ICIS publishing schedule.

### OVERVIEW

- **Import discussions quieter with China market shut**
- **Wider Asian sellers upbeat about post-holiday prospects in China**
- **Most end-users pull back to wait and see**

Discussions in this week's Asian spot import market for butadiene (BD) slowed down with many players in northeast Asia away for extensive regional holidays.

China is shut from 1-7 October for the extended National Day holiday, and there were public holidays during the trading week in other outlets like South Korea and India.

Furthermore, due to the onslaught of [Typhoon Krathon](#), markets in Taiwan were also shut on 2-3 October.

That said, several regional cargoes available to lift in H2 October/early November were still floated for spot sales during the week, and sellers involved were heard to be generally upbeat in their pricing outlook, riding on growing confidence about post-holiday demand support from China.

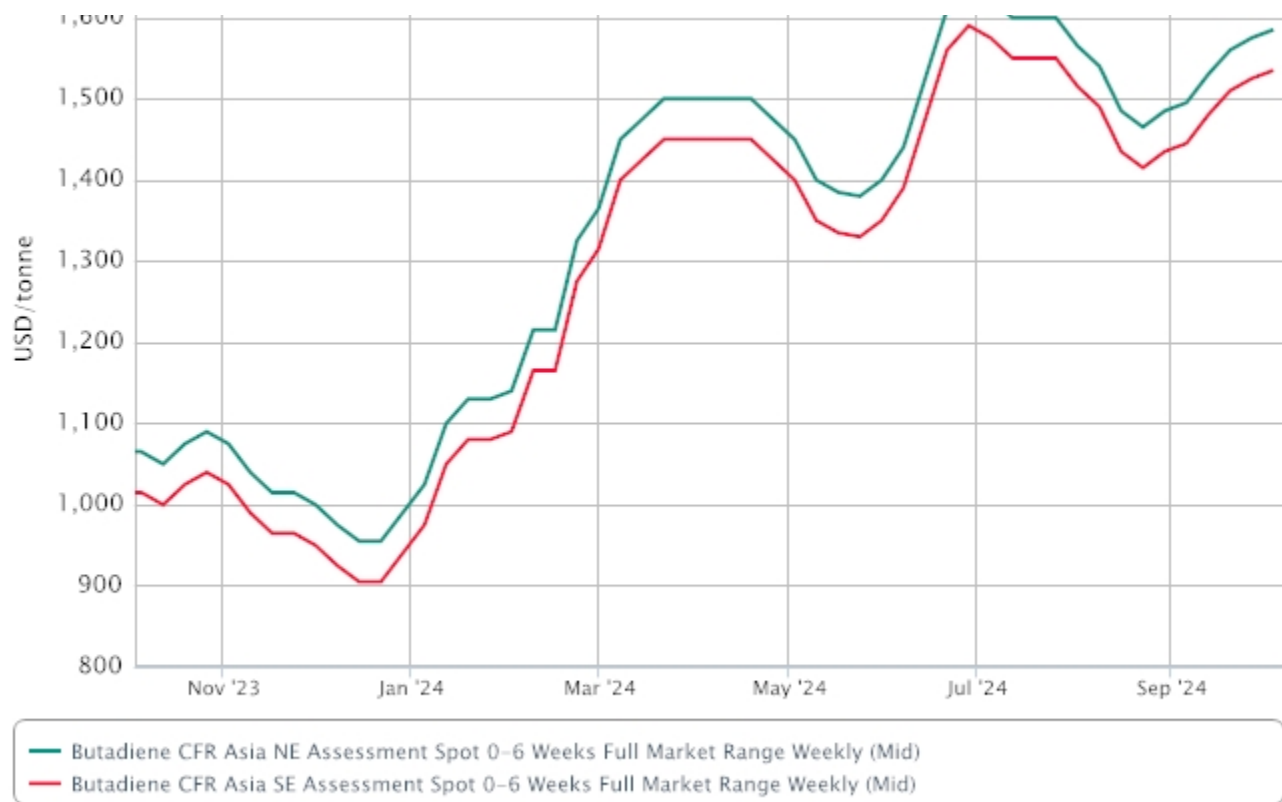
Equity markets in China amassed phenomenal gains in the last trading day before the holiday, fuelling in turn some anticipation of China's buying power and post-holiday appetite for raw materials including BD.

In wider Asia, sentiment is more muted, amid lingering [scepticism](#) about whether the latest round of Chinese fiscal stimulus measures is sufficiently effective in arresting the country's economic slow-down.

End-users in wider Asian outlets are therefore more inclined to pull back and monitor how post-holiday markets in China may trend before they finalise next procurement decisions.

They also perceived that the regional BD market will be amply supplied, if the deep-sea in-flow seen in the last few months will continue into the rest of the year.





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## OUTLOOK

- Q4 demand recovery hopes to depend on post-holiday China activity
- Plant turnarounds in Q4 to keep the squeeze on spot supplies
- Players to monitor deep-sea cargo availabilities

## 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	n/c	1600.00-1650.00	n/c	1500.00-1600.00	72.57-74.84
			0			
<b>CFR NE Asia</b>	USD/tonne	n/c	1550.00-1620.00	+20	1470.00-1520.00	70.31-73.48
			0			
<b>CFR SE Asia</b>	USD/tonne	n/c	1500.00-1570.00	+20	1420.00-1470.00	68.04-71.21
			0			

### China

Discussions were curtailed in a holiday-shortened week and FOB China assessments were rolled over.

China is shut from 1-7 October for the National Day holiday.

Domestic China trades also tapered off with the holiday.



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**Northeast Asia**

The CFR NE Asian assessment range widened, with the high end lifted on firmer selling indications.

Several regional cargoes changed hands at around the mid-point of the published range, for H2 October/November shipment to China and South Korea, market sources said.

A southeast Asia-origin cargo available to lift in end-October was also put up for spot sales, via tender, during the week, and it drew fixed-price bids at around the low end of the published range, market sources said. Further details of the outcome of the tender were not available by press time.

Separately, there were discussions surrounding some deep-sea origin materials available to ship in November and arrive in Asia within December, market sources said.

One such 5,000-tonne lot from the US may have been sold in the week at levels substantially below the range, on a delivered basis, market sources said, but further details about the terms of the trade could not be ascertained.

Monthly Contract	Aug 24	Jul 24	Jun 24	May 24	Apr 24	Mar 24	Feb 24	Jan 24
DEL, \$/tonne								
Taiwan FPCC	1,465	1,515	1,395	1,355	1,415	1,348	1,135	1,020
Korea YNCC	1,500	1,565	1,493	1,390	1,450	1,405	1,165	1,070

**Southeast Asia**

CFR SE Asian prices were adjusted up on the high end, in line with changes for CFR NE Asian assessments.

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

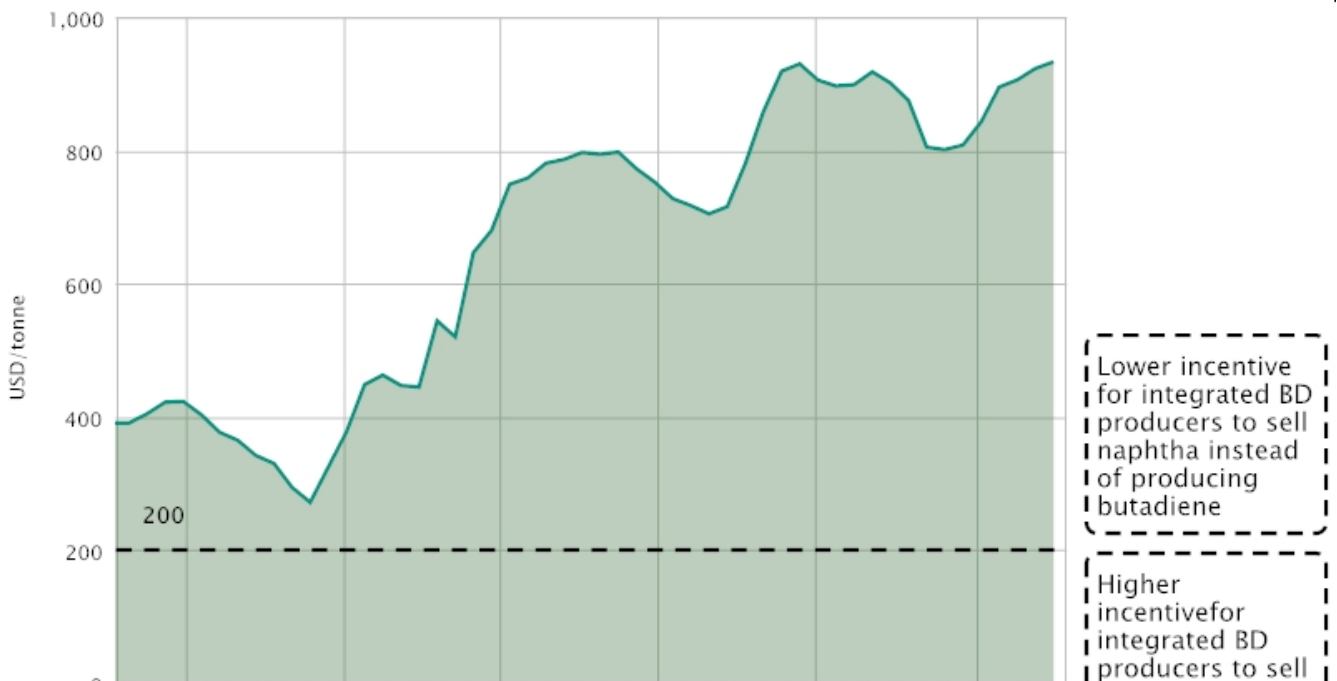
			Price Range		One Week Ago	/
<b>Butadiene</b>						
<b>Ex-Tank E China</b>	CNY/tonne	n/c	13100-13300	n/c	13200-13300	-

**UPSTREAM**

**Naphtha**

- Crack spread on 3 Oct highest since 29 Jan
- Intermonth spread also recovers, with 3 Oct value highest in nearly a month
- Mideast tensions, costlier alternative LPG feedstock provide support

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





naphtha instead of producing butadiene

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

## DOWNSTREAM

### Styrene-butadiene-rubber (SBR)

- Domestic China buoyancy lifts sentiment on China imports
- But transactions low amid holiday trade lull
- Wider Asian players hold back to wait and see

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

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



Typically healthy spread

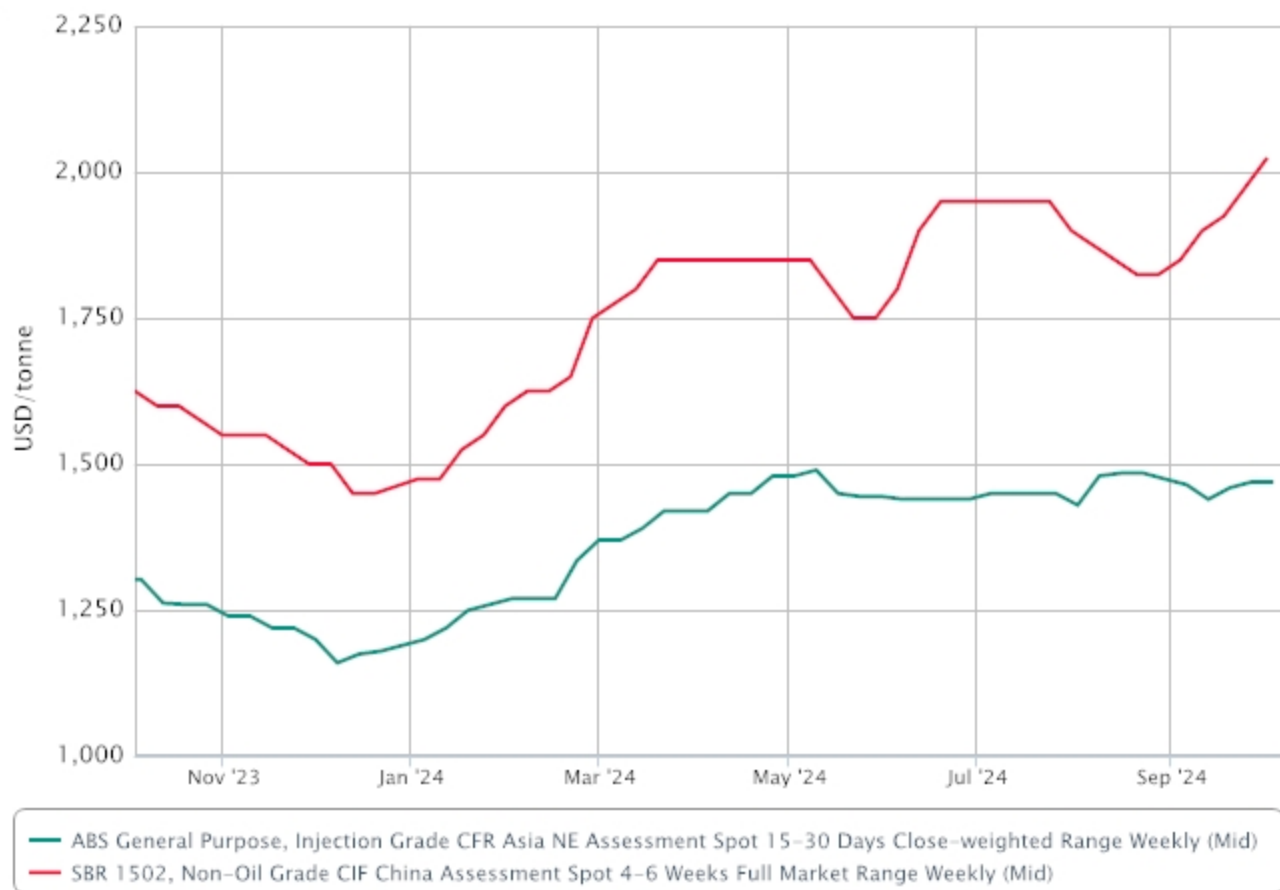
Typically unhealthy spread

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### Acrylonitrile butadiene styrene (ABS)

- Asia ABS flatlines during Golden Week
- Slower buying activities balance production cuts from typhoon

- Mixed views on China’s economic stimulus to bolster ABS performance



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## PRODUCTION

Several plants in NE Asia are shut in the late September to early November period.

Company	Location	Status	Capacity (MT/ year)	Start	End
<a href="#">Sinopec Shanghai</a>	Shanghai, China	Maintenance/ Commercial	53,000 (#1)	Sep 2023	Unknown
<a href="#">PetroChina Jinlin</a>	Jilin, China	Maintenance	189,000	H2 August	Mid-Oct
<a href="#">Zeon</a>	Tokuyama, Japan	Maintenance	180,000	Mid-Sep	End-Nov

<a href="#">LG Chem</a>	Yeosu, South Korea	Maintenance	160,000	End-Oct	Mid-Nov
<a href="#">FPCC</a>	Mailiao, Taiwan	Commercial	162,000 (#2)	August	Unknown

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

## OTHER REGIONS

### Europe

- October CP rolls over
- Supply-demand fundamentals still snug
- Planned turnarounds underway amid some resolution of unplanned issues
- Heightened discussion for exports as Asian uptrend continues

### US

- US BD production operating rates improve on increasing crude C4 (CC4) deliveries
- October BD contract nominations have so far emerged at a rollover
- [Hurricane Francine left little impact to the BD market](#)

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