



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

- **Fresh August availabilities emerge within the regional supply pool**
- **Additional deep-sea cargoes floated for sale too**
- **[Buying interest](#) duller as end-users pull back to wait and see**

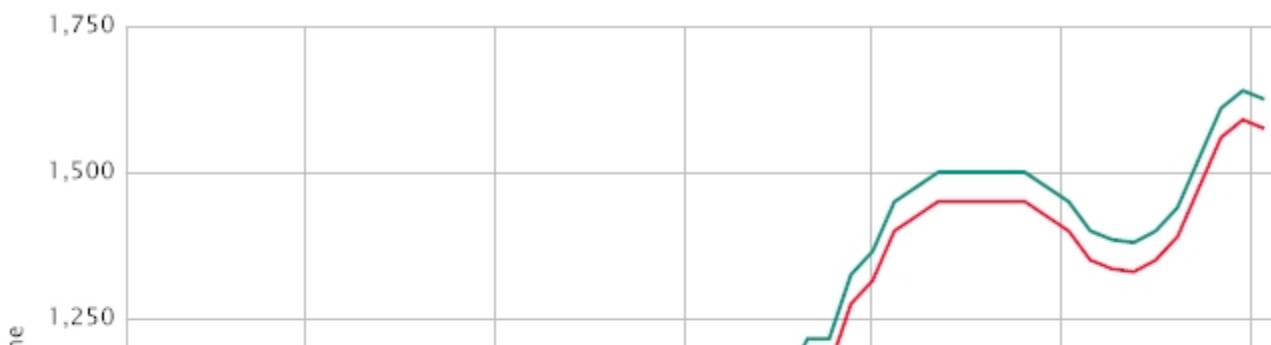
Sentiment in this week's discussions for Asian spot butadiene (BD) imports was weighed down by the emergence of, not only deep-sea cargoes, but also several fresh regional cargoes available to ship in August.

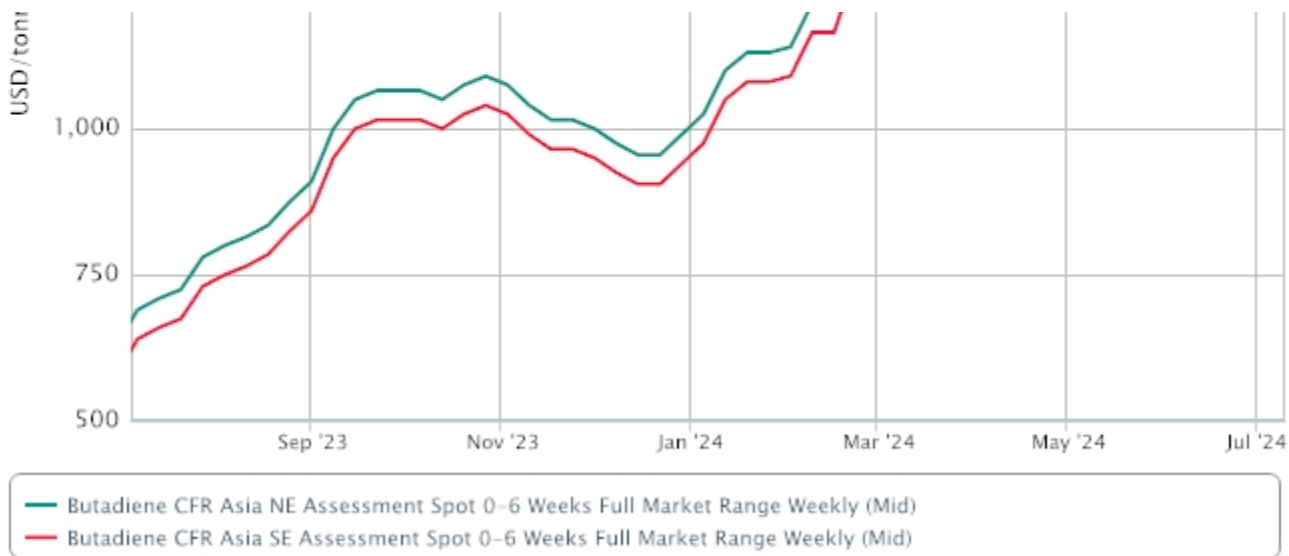
These new spot availabilities helped assuage, to some extent, prior supply anxieties, and buying momentum receded in line, with many end-users heard pulling back to wait and see.

End-users held fast to more subdued pricing indications, although to little avail as regional sellers were reluctant to commit at lower levels too, even if they acknowledged that buying appetite is poorer this week, compared to previous weeks.

Regional BD makers do not see the need to rush to conclude deals as some were still of the conviction that in the longer term, the supply balance in Asia remains on the tighter side, especially once another wave of cracker maintenance closures gets underway within China in H2 2024.

The buy-sell gap remains wide, hampering in turn meaningful negotiations and conclusions for more BD spot trades, market sources said.





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OUTLOOK

- **Import market sentiment may sway with how domestic China trends**
- **Players to monitor closely shipment progress of deep-sea cargoes**
- **Pricing disparity may deepen between regional and deep-sea materials**

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	+30	1580.00-1650.00	n/c	1350.00-1450.00	71.67-74.84
CFR NE Asia	USD/tonne	n/c	1550.00-1700.00	-30	1400.00-1480.00	70.31-77.11
CFR SE Asia	USD/tonne	n/c	1500.00-1650.00	-30	1350.00-1430.00	68.04-74.84

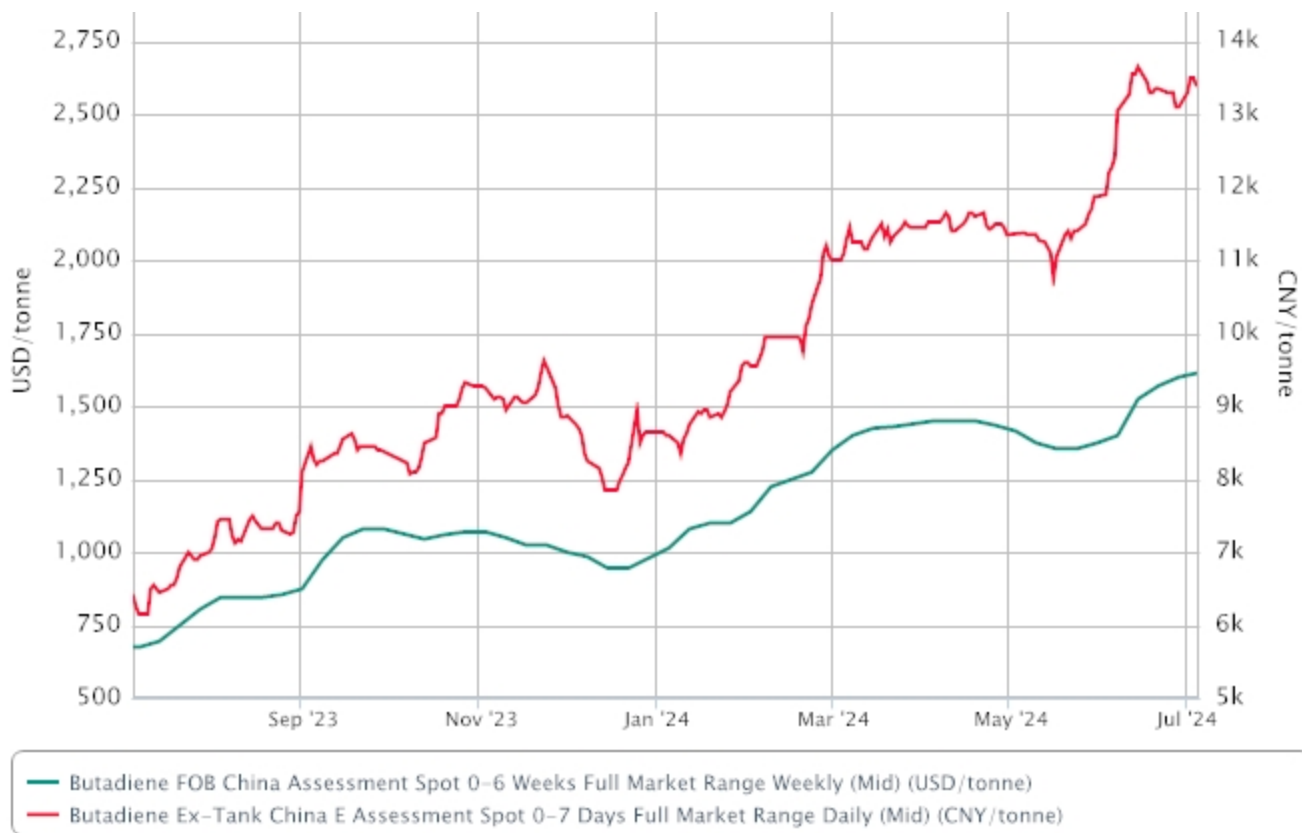
China

FOB China assessments are lifted at the low-end with a bid heard, while offers were heard at the high-end and up.

But there were no verified trades done for the trading week, market sources said.

Domestic ex-tank prices in east China eased slightly in late week's trading but finished on the average, higher week-on-week.





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Northeast Asia

CFR NE Asian assessments were adjusted down at the low-end, to capture the full spectrum of deals and discussions for cargoes of diverse origins and delivery windows.

Deep-sea cargoes available to lift from Europe in late July/early August were indicated this week, and some volumes changed hands at the low-end for delivery to east China destinations.

Several southeast Asia-origin cargoes available to lift within August were also floated for tender sales in the week.

One of these – an early August lifting parcel – was heard sold on formula-linked basis, although the tender also drew a fixed priced bid of around low-to-mid \$1,500s/tonne, on FOB southeast Asia basis, market sources said.

Another tender, involving two other August-lifting southeast Asia-origin cargoes, will close in the coming week, and some market players held back to wait for pricing directions emerging from the outcome of this tender.

Otherwise, substantive discussions were limited too for potential CFR NE Asian trades on fixed price basis.

Some buyers held fast to buying indications at the published low-end for August shipment cargoes of regional materials, but did not receive meaningful feedstock from potential sellers, many of whom were of the view that this was unrealistically low.

Selling indications were heard at the higher-end, but these went unanswered too as buy-side elements saw this as excessively expensive.

The buy-sell gap may continue to crimp meaningful discussions and hamper trades, market players said.

Monthly Contract	Jun 24	May 24	Apr 24	Mar 24	Feb 24	Jan 24
Taiwan FPCC	1,395	1,355	1,415	1,348	1,135	1,020
Korea YNCC	1,493	1,390	1,450	1,405	1,165	1,070

Southeast Asia

CFR SE Asia assessments is adjusted with changes for the CFR NE Asian assessments, in the absence of concrete discussions and transactions on CFR SE Asian terms.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

			Price Range		One Week Ago	/
Butadiene						
Ex-Tank E China	CNY/tonne	n/c	13300-13500	n/c	13100-13100	-

UPSTREAM

Naphtha

- Intermonth spread on 2 Jul at highest since 26 Jun before easing
- High naphtha price weighs on petchem margins
- Slow spot demand this week as high prices start to keep buyers on sidelines

[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)

- China stalls as players pull back to wait and see
- But upstream strengths keep SE Asia and India supported
- Buyers cautious and keep purchases to small lots

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

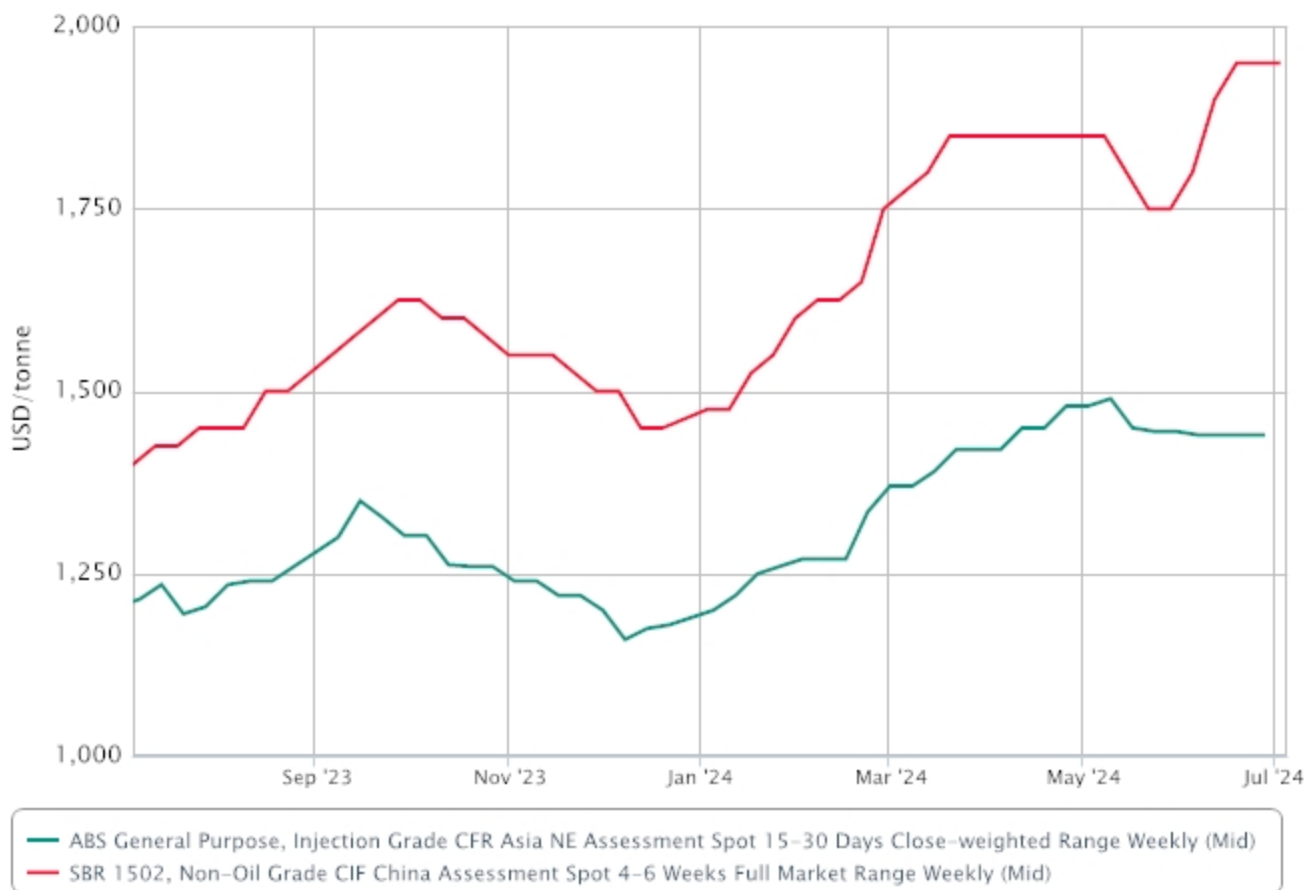
[Spread between Butadiene and Styrene Butadiene Rubber Asia](#)



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Acrylonitrile-butadiene-styrene (ABS)

- Import prices mixed across Asia
- Sellers pressurised by feedstock cost, buyers grapple with poor demand
- High freight cost continue to hamper trades



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PRODUCTION

In China, a 58,000 tonnes/year unit in [Shanghai](#) was turned off on 2 July for maintenance that could stretch for a week, market sources said. At the same site, another [53,000 tonnes/year line](#) remains shut, since late 2023, for extended maintenance, and it is unclear when this unit will be restarted.

Another 250,000 tonnes/year unit in [Zhoushan](#) went off-line from late June for unplanned repairs, market sources said.

A 130,000 tonnes/year unit in [Urumqi](#) is also off-line currently for a two-month-long maintenance beginning mid-May.

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

OTHER REGIONS

Europe

- July CP rolls over
- Market holding firm on ongoing supply constraints albeit some relief on the way, healthy export demand
- Domestic demand steady, some export opportunities supported by ongoing Asian price uptrend

US

- July contract nominations expected flat to down on sliding spot prices
- June CDI contracts up on weather related outages tightening global supply
- Spot prices fall on improved domestic prompt availability
- [Tropical storm Alberto causes minimal effect to chemical operations along the US and Mexican Gulf Coast](#)

ANALYTICS

ICIS crude outlook

The global crude oil market in Q3 2024 will be shaped by various critical factors. OPEC+ plans to gradually phase out its production cuts of 2.2 million bbl/day, starting in October 2024 through September 2025. This is expected to influence supply dynamics significantly, with OPEC's crude oil production projected to average around 41 million bbl/day. Demand growth varies, with OPEC forecasting a 2.2 million bbl/day increase, while ICIS anticipate a more modest rise of about 1 million bbl/day. Geopolitical tensions are redirecting supply and adding volatility. The oil ban and price cap on Russian oil have shifted global supply chains, with increased exports to China, India, and Turkey. Speculative trading has also influenced prices, evident from an 8% drop in ICE Brent prices due to selloffs in early June. Seasonal demand in the US, driven by the summer driving season and potential impacts from the hurricane season, will further affect market dynamics. Overall, these factors will drive the complex interplay of supply and demand, shaping global crude oil prices and market stability in the coming months.

By **David Jorbenaze**, senior analyst, david.jorbenaze@icis.com

ICIS naphtha outlook

The European naphtha market is expected to remain volatile due to fluctuations in Brent crude prices and OPEC+'s phased output cuts. The market initially dropped by 8% but has stabilized with the anticipated rise in seasonal demand. The summer driving season is likely to boost gasoline consumption, enhancing naphtha blending activities. Weak European demand is redirecting Mediterranean cargoes to Asia, supported by the potential reopening of the arbitrage between the US and ARA (Amsterdam-Rotterdam-Antwerp). Global naphtha demand and supply are projected to grow by 1.5%, driven by new refineries in China and the Middle East. However, challenges such as overcapacity, subdued demand, and geopolitical tensions will add complexity. Northeast Asia's positive capacity utilization trend and European shutdowns will influence market adjustments.

By **David Jorbenaze**, senior analyst, david.jorbenaze@icis.com

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