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

The FOB China and China domestic yuan (CNY) prices in the weekly analysis on 6 October will not be assessed. Please click [here](#) for the ICIS publishing schedule.

OVERVIEW

- **Holiday trade lull across Asia**
- **Divergence in buy-sell outlook widens**
- **Supply still snug, demand uncertainties persist**

Long holidays and market closures in northeast Asia dampened discussions for Asia's butadiene (BD) spot imports.

Major outlet China will only resume business from 7 October, and Taiwan is winding down for the extended double-tenth celebrations which stretch until 10 October.

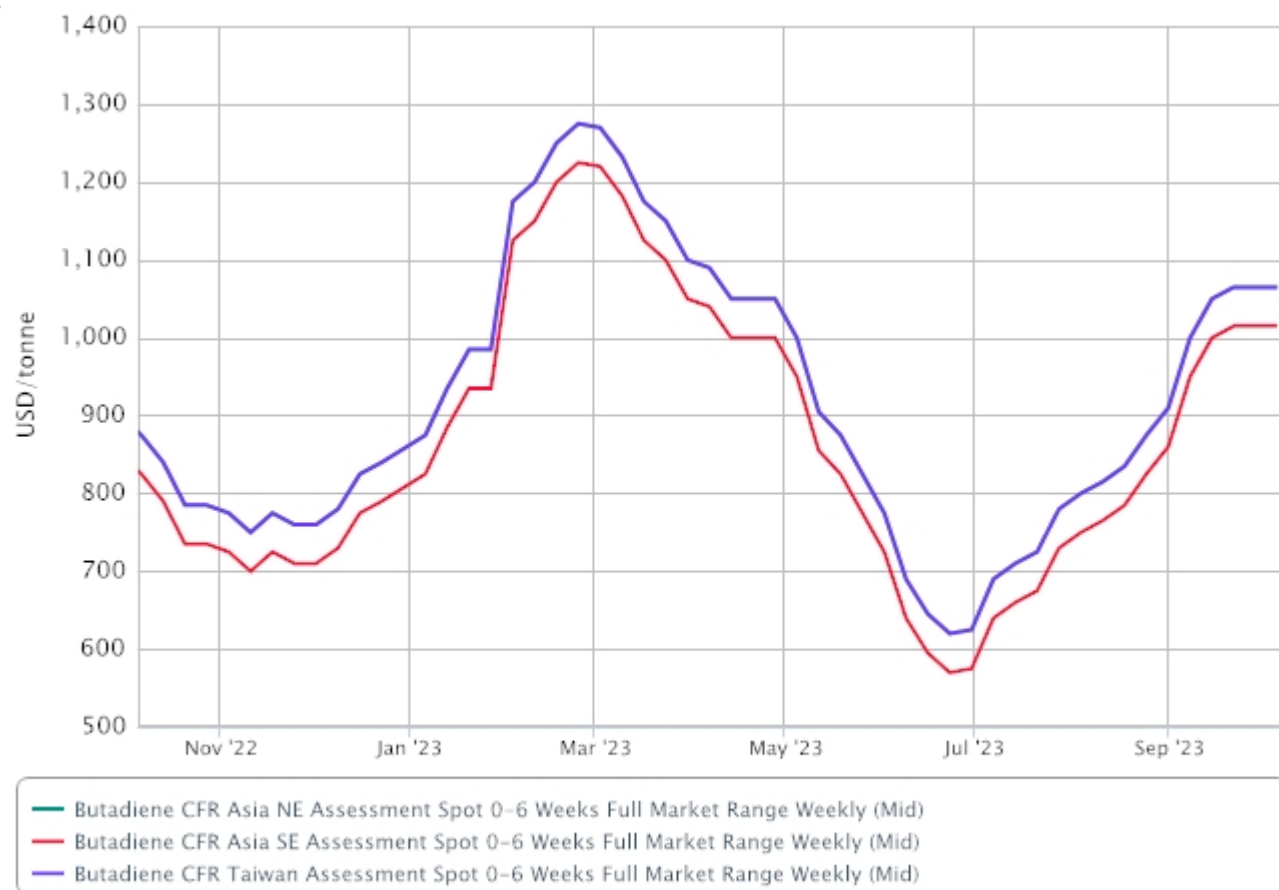
Meanwhile, the difference in the buy-sell pricing outlook seems to be widening.

Sellers remain mostly bullish as they expect regional supplies to remain snug amid subdued cracker operations and upcoming BD plant maintenance in NE Asia. There was an unplanned outage in SE Asia this week, which further accentuated supply concerns and could give rise to some short-covering requirements, sources said.

However, buyers were still visibly conservative this week, with many pulling back after oil prices [slumped](#). Some thought the crude slide could help temper BD offers moving forward, and others wanted to wait until the holidays had ended.

Even though China's [manufacturing sector](#) returned to the expansion zone in September, buy-side elements said it was still unclear if China could sustain the tempo post the holiday.

Given that the ICIS [forecast](#) that domestic BD demand in Europe will stay subdued in the near term, Asia-based end-users are hopeful that deep-sea BD cargoes will continue to flow to Asia to ease regional supply concerns.



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OUTLOOK

- **Supplies tight in wider Asia, but may lengthen in China**
- **Demand to hinge on post-holiday market dynamics in China**
- **Buy-sell tussle could continue**

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	-	n/a	-	n/a	n/a
CFR NE Asia	USD/tonne	n/c	1000.00-1130.00	n/c	950.00-1050.00	45.36-51.26
CFR Taiwan	USD/tonne	n/c	1000.00-1130.00	n/c	950.00-1050.00	45.36-51.26
CFR SE Asia	USD/tonne	n/c	950.00-1080.00	n/c	900.00-1000.00	43.09-48.99

China

The FOB China and domestic ex-tank markets are at a stand-still with China shut for the Mid-Autumn and National Day holidays from 29 September to 6 October.

Northeast Asia

The CFR NE Asia assessments were kept unchanged amid muted, albeit broadly rangebound, buy-sell indications.

There were no concrete offers, with most regional producers heard already sold out of October delivery materials, and yet to finalise fully on November availabilities.

Generally, sellers expect November to stay tight as cracker operations are still low, limiting in turn their BD output. Domestic requirements are still positive in South Korea too, and this could weigh on its export availabilities. Sell-side targets were heard still mostly at the high end.

However, potential buyers in wider Asia were not in a rush to finalise spot deals this week, and kept to buying indications at the lower end. They want to see how downstream demand pans out post the holiday in China.

The CFR Taiwan assessments were unchanged in line with the stable CFR NE Asia assessments.

Monthly	Contract	Sep 23	Aug 23	Jul 23	Jun 23	May 23	Apr 23
DEL, \$/tonne							
Taiwan FPCC		940	750	650	655	875	1,015
Korea YNCC		980	770	665	635	855	1,060

Southeast Asia

CFR SE Asia prices were unchanged along with the stable CFR NE Asia assessments.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

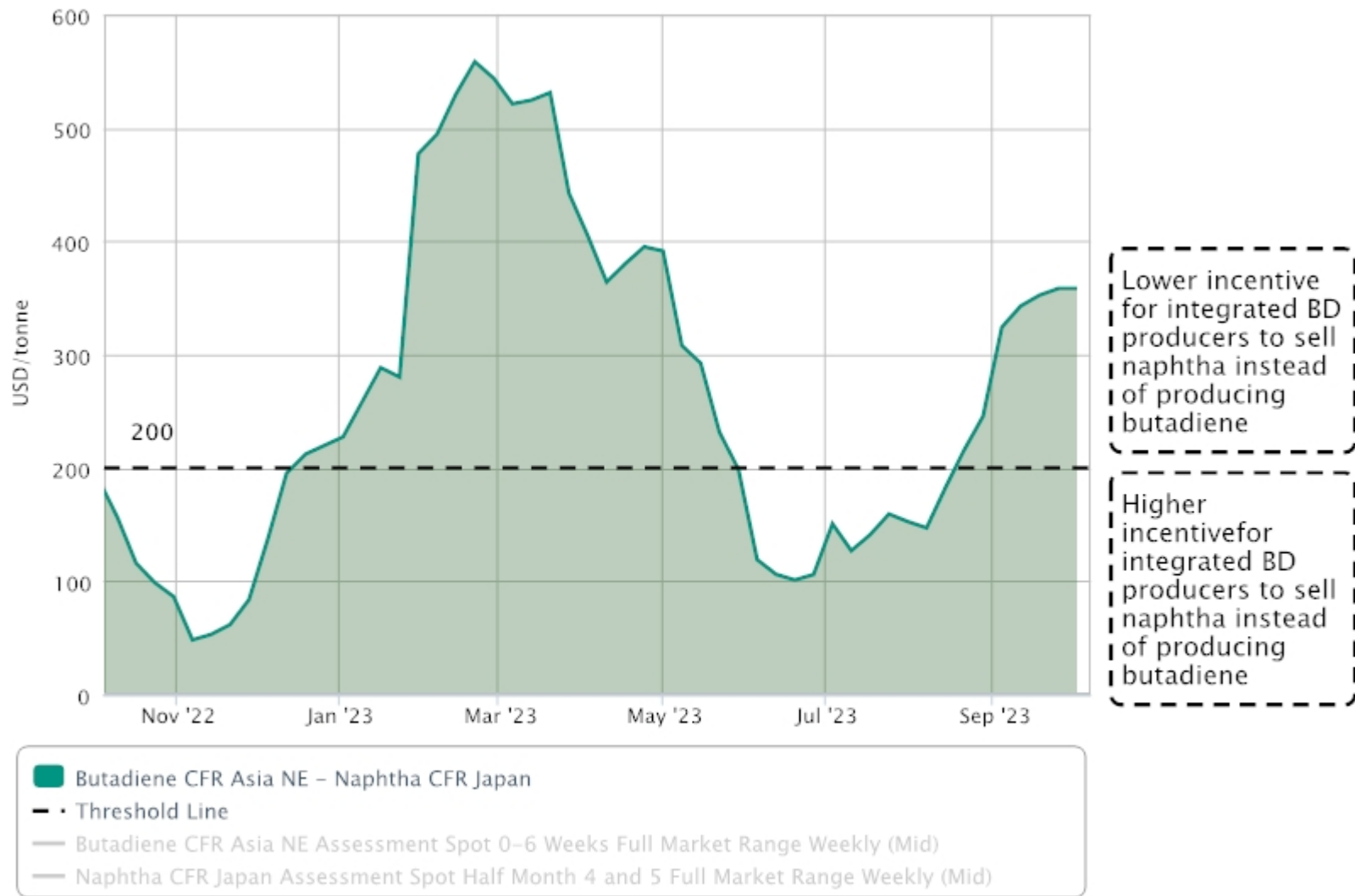
			Price Range		One Week Ago	/
Butadiene						
Ex-Tank E China	CNY/tonne	n/c	8300-8500	n/c	8400-8500	-

UPSTREAM

Naphtha

- Crack on 5 Oct at highest since 22 Sep as crude dives
- Spot demand mostly absent
- Oct arbitrage cargoes seen lower versus Sept

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



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DOWNSTREAM

Styrene-butadiene-rubber (SBR)

- Supply may lengthen with plants returning from turnarounds

- Demand growth to hinge on post-holiday market dynamics in China
- Sustained rally of [crude prices](#) may cloud outlook

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 flat after two-week decline
- Limited discussions with markets on holiday
- Players cautious amid feedstock volatility



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PRODUCTION

There was an unplanned [shutdown](#) this week in southeast Asia, and several plants in South Korea have [turnarounds](#) planned in Q4, which collectively will keep spot supplies in wider Asia generally snug.

In China, however, supply may lengthen with some plants [restarting](#) after completing planned maintenance.

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

OTHER REGIONS

Europe

- Market fundamentals largely unchanged week on week
- Industry event quietens market
- Domestic spot prices notionally higher led by export values

US

- October contracts [rise](#) on firm costs, Asian price uptrend
- Constrained US supply supports higher prices
- Demand remains limited

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