



Butadiene (Asia-Pacific)

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[Overview](#) | [Outlook](#) | [Prices](#) | [Upstream](#) | [Downstream](#) | [Production](#) | [Other Regions](#)

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

The FOB China and Chinese domestic yuan (CNY) prices in the weekly analysis on 7 October are not assessed. Please click [here](#) for the ICIS publishing schedule.

OVERVIEW

- **Buying appetite low**
- **Sellers wait and see**
- **Buy-sell gap widened again**

Discussions in Asia's spot butadiene (BD) import market were muted this week, with China's market shut for holiday from 1-7 October.

Sentiment stays [weak](#) among available market participants, as various bearish macroeconomic indications continued to wear down end-use consumer confidence.

This week, the World Bank [cut](#) its 2023 global GDP forecasts, and September manufacturing activities also shrunk in several key regional hubs like [Singapore](#).

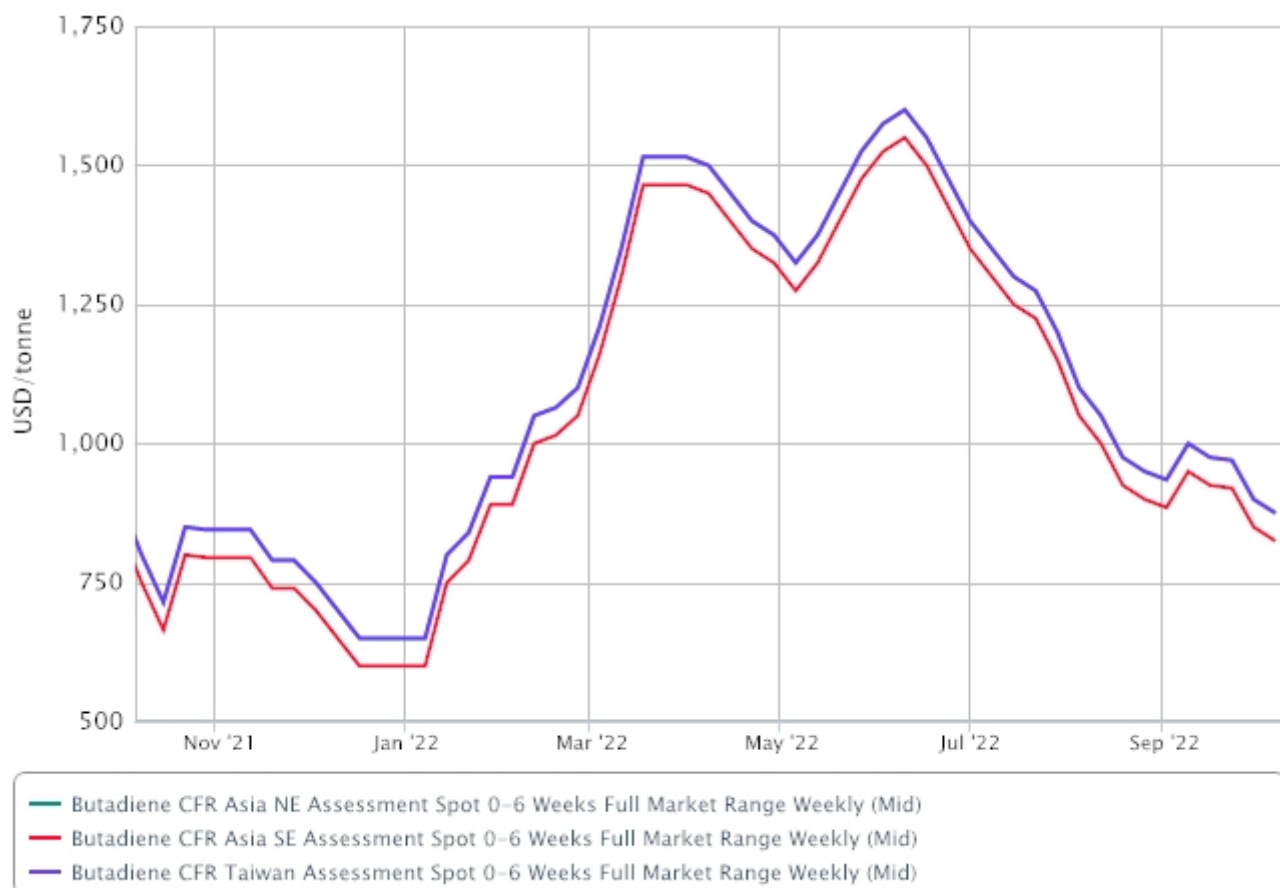
Coupled with tumbling regional currencies, many expected strong [headwinds](#) to persist for Q4 petrochemical demand in Asia.

Potential BD buyers in Taiwan and South Korea retreated deeper into the sidelines as such, and their buying indications weakened further. Requirements were low to begin with from downstream synthetic rubber sector in these outlets, market sources said.

There were no concrete offers on a fixed-price basis in the week either.

Most sellers leaned more towards discussing next spot deals on floating basis, market sources said, and even if they conceded that downstream demand conditions were generally not favourable, they were heard still reluctant to pare down their existing selling expectations until there is more clarity on how China may trend post-holiday.

However, as spot availabilities are poised to grow, not just due to anticipated capacity growth within Asia, but also from possible inflow of non-Asia origin imports, market players said that this could in due course, heighten selling pressures on Asian suppliers and dampen offers, especially if demand in China fails to pick up post-holiday.



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OUTLOOK

- Q4 [outlook](#) gloomy
- Supply may [lengthen](#) too
- Bearish sentiment to prevail

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 | -50 | 800.00-950.00 | n/c | 900.00-1100.00 | 36.29-43.09 |
| CFR Taiwan | USD/tonne | -50 | 800.00-950.00 | n/c | 900.00-1100.00 | 36.29-43.09 |
| CFR SE Asia | USD/tonne | -50 | 750.00-900.00 | n/c | 850.00-1050.00 | 34.02-40.82 |

Northeast Asia

CFR NE Asian prices were assessed in a wider range to reflect buy-sell disparities that surfaced this week.

China's market was shut for the week, and buying indications from available players in other regional outlets were capped at the low end, reflecting bearish sentiment among them for Q4 demand prospects.

The high end was rolled over in the absence of any concrete sell-side indications on a fixed-price basis. Most sellers held back substantive negotiations too, awaiting direction from post-holiday market in China before they review and recalibrate their next selling positions. Many were also mindful that upstream costs are rising and they would need to protect margins, market sources said.

CFR Taiwan assessments were adjusted in tandem with changes for CFR NE Asian assessments.

| Monthly Contract DEL, \$/tonne | Sep '22 | Aug '22 | Jul '22 | Jun '22 | May '22 | Apr '22 | Mar '22 |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Taiwan FPCC | 885 | 1,025 | 1,255 | 1,450 | 1,360 | 1,415 | 1,355 |
| Korea YNCC | 795 | 983 | 1,315 | 1,555 | 1,445 | 1,445 | 1,335 |

Southeast Asia

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

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

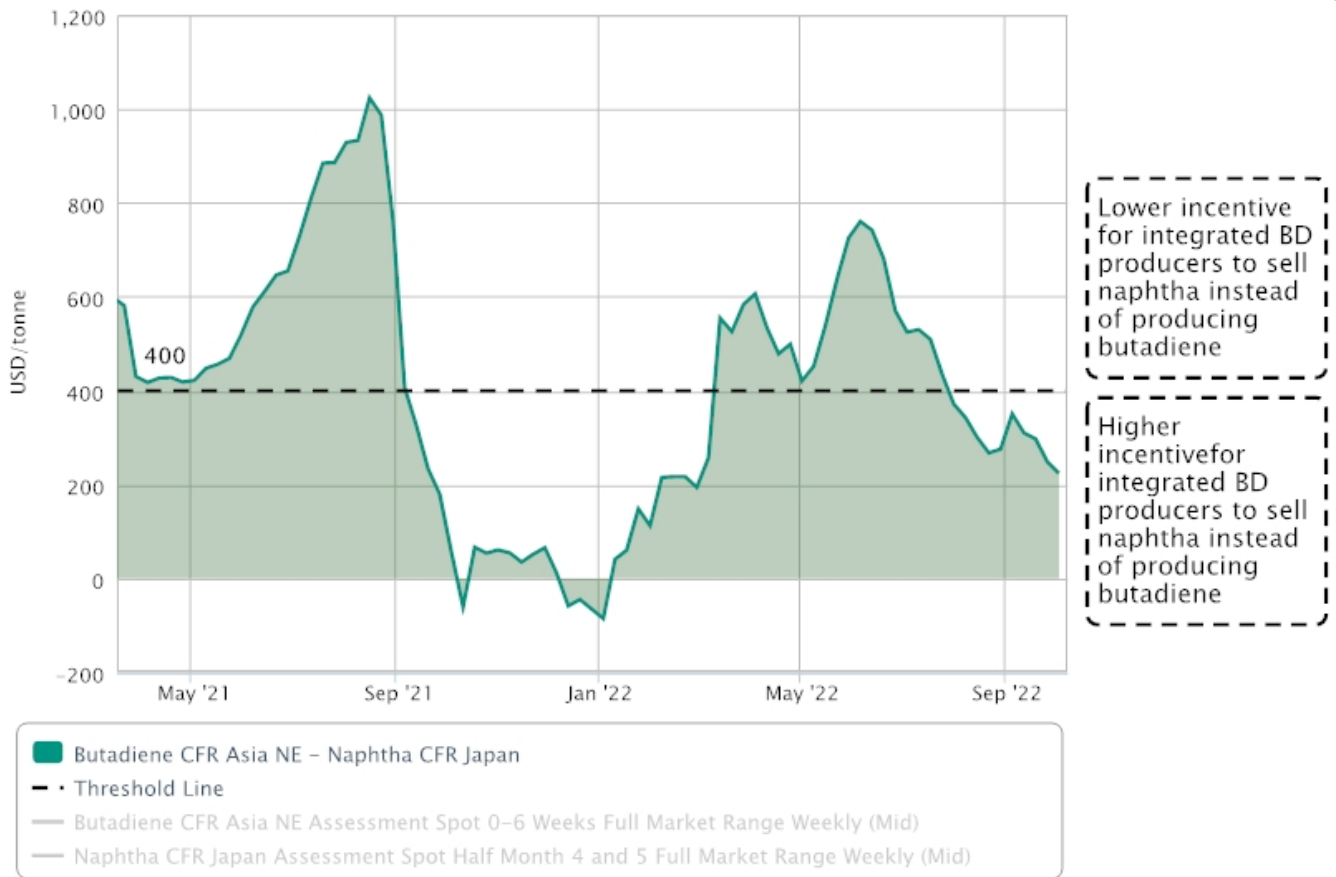
| | | Price Range | One Week Ago | / |
|------------------------|-----------|----------------|----------------|---|
| Butadiene | | | | |
| Ex-Tank E China | CNY/tonne | -200 7800-8000 | -200 8300-8400 | - |

UPSTREAM

Naphtha:

- Asia-Pacific prices driven by crude oil gains
- Buying sentiment shows optimism
- Poor economics downstream limits upward 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.

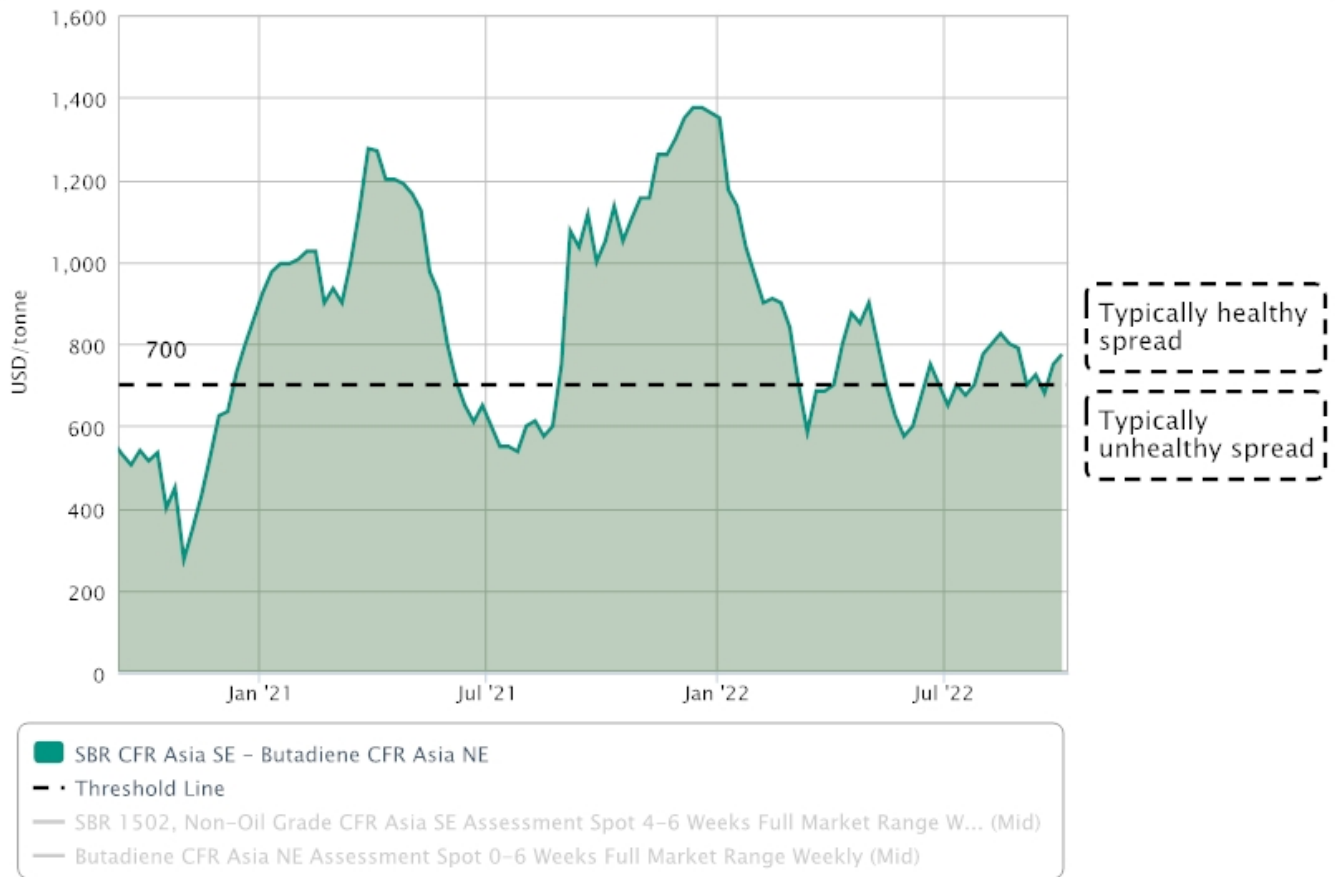
DOWNSTREAM

Styrene butadiene rubber (SBR)

- Holiday trade lull across Asia
- Buying interest thin
- Weak demand fundamentals persist

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

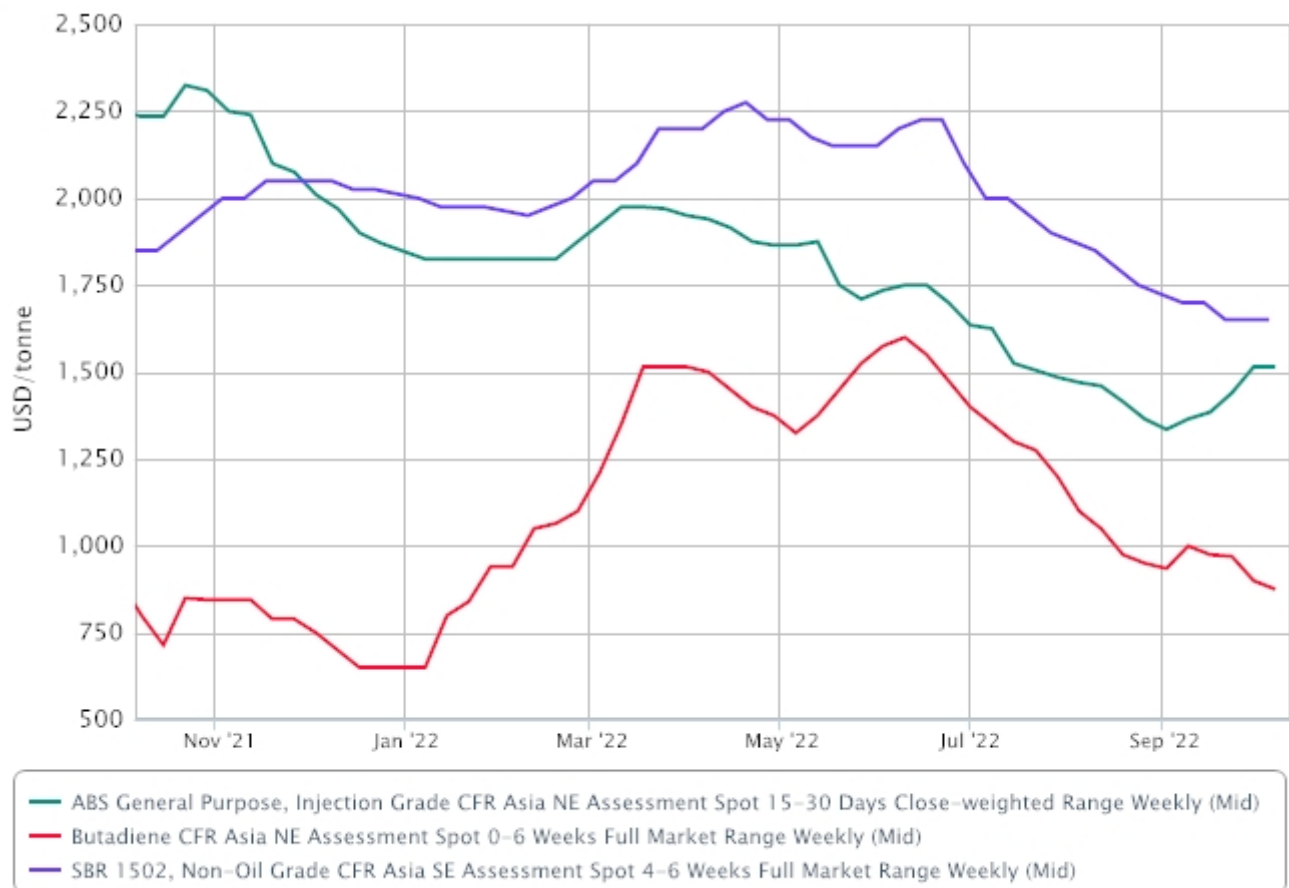
[Spread between Butadiene and Styrene Butadiene Rubber Asia](#)



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Acrylonitrile butadiene styrene (ABS)

- CFR NE Asia flat after four weeks of uptrend
- Momentum slows with China away
- Importers outside of China hold out on higher offers



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PRODUCTION

In wider Asia, BD output from extraction units in Korea and Japan may remain capped in the near term, due to sustained operating rate cuts at many upstream crackers in northeast Asia. There are also ongoing BD plant maintenance in [South Korea](#) and Taiwan.

However, these were plugged by a steady stream of spot availabilities from southeast Asia, and domestic BD supplies in the domestic China market are expected to lengthen too with several local plants [restarting](#) in end September from prior maintenance closures.

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

OTHER REGIONS

Europe

- Bearish fundamentals persist - all concerned on pessimistic outlook
- Demand under pressure, reduced consumption, high energy costs
- Production cuts in place in mitigation
- Spot market very quiet, notional adjustment to prices

US

- [US Oct BD contracts settle lower on weaker demand](#)
- Spot prices held steady, remain at discount to contract
- Supply balanced to long as demand softens

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