



Butadiene (Asia-Pacific)

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

The weekly pricing analysis will not be published on 29 December 2023. Please click [here](#) for the ICIS publishing schedule.

ICIS plans to discontinue the CFR Taiwan spot assessment in Q1 2024, as import trade in this market would already be considered for assessment purposes in the CFR NE Asia quote. For any queries, please contact aiteng.lim@icis.com.

OVERVIEW

- **Wider losses in domestic China market**
- **[Buying appetite](#) curtailed in line for spot imports**
- **Players more preoccupied with term negotiations too**

Discussions in the Asian spot import market for butadiene (BD) were subdued as domestic yuan prices in China sunk lower this week on sluggish buying tempo at home.

The yuan losses weighed down buying interest for US dollar-denominated imports, and more bearish buying indications surfaced across Asia.

Substantive requirements were limited to begin with, heading into the year-end holiday season.

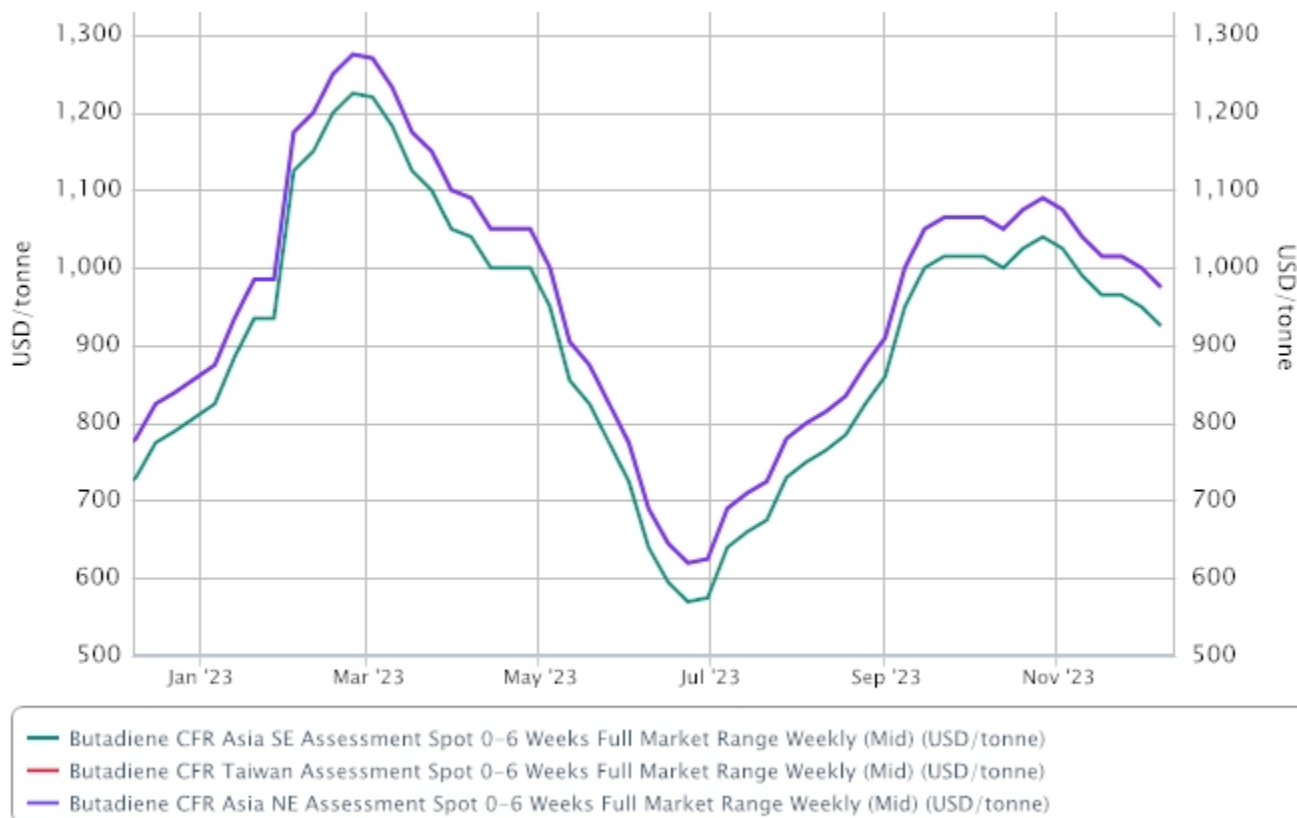
Most end-users were already amply covered for December production requirements, and are currently more preoccupied with ongoing negotiations for 2024 term contracts, than to look into fresh spot procurement.

If term contracts could not be finalised soon enough, it may give rise to heavier-than-expected spot requirements, as some end-users may need to procure additional January volumes as buffer stocks against potential shortfall in term deliveries.

But there was no supply anxiety detected among buy-side elements, many of whom believe that there would be sufficient spot volumes and need not rush to book.

For one, regional output could rise now that several northeast Asia plants have [restarted](#) from maintenance. Many also expected deep-sea cargoes, displaced by weak domestic downstream demand outlook in US and Europe as ICIS' [forecast](#) indicated, would continue to flow to Asia.





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OUTLOOK

- 2024 term negotiations could take longer than expected to complete
- Spot requirements may keep up if so
- Spot supply poised to rise with regional turnarounds completed

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	n/c	950.00-1020.00	-30	1000.00-1100.00	43.09-46.27
CFR NE Asia	USD/tonne	-10	950.00-1000.00	-40	1000.00-1080.00	43.09-45.36
CFR Taiwan	USD/tonne	-10	950.00-1000.00	-40	1000.00-1080.00	43.09-45.36
CFR SE Asia	USD/tonne	-10	900.00-950.00	-40	950.00-1030.00	40.82-43.09

China

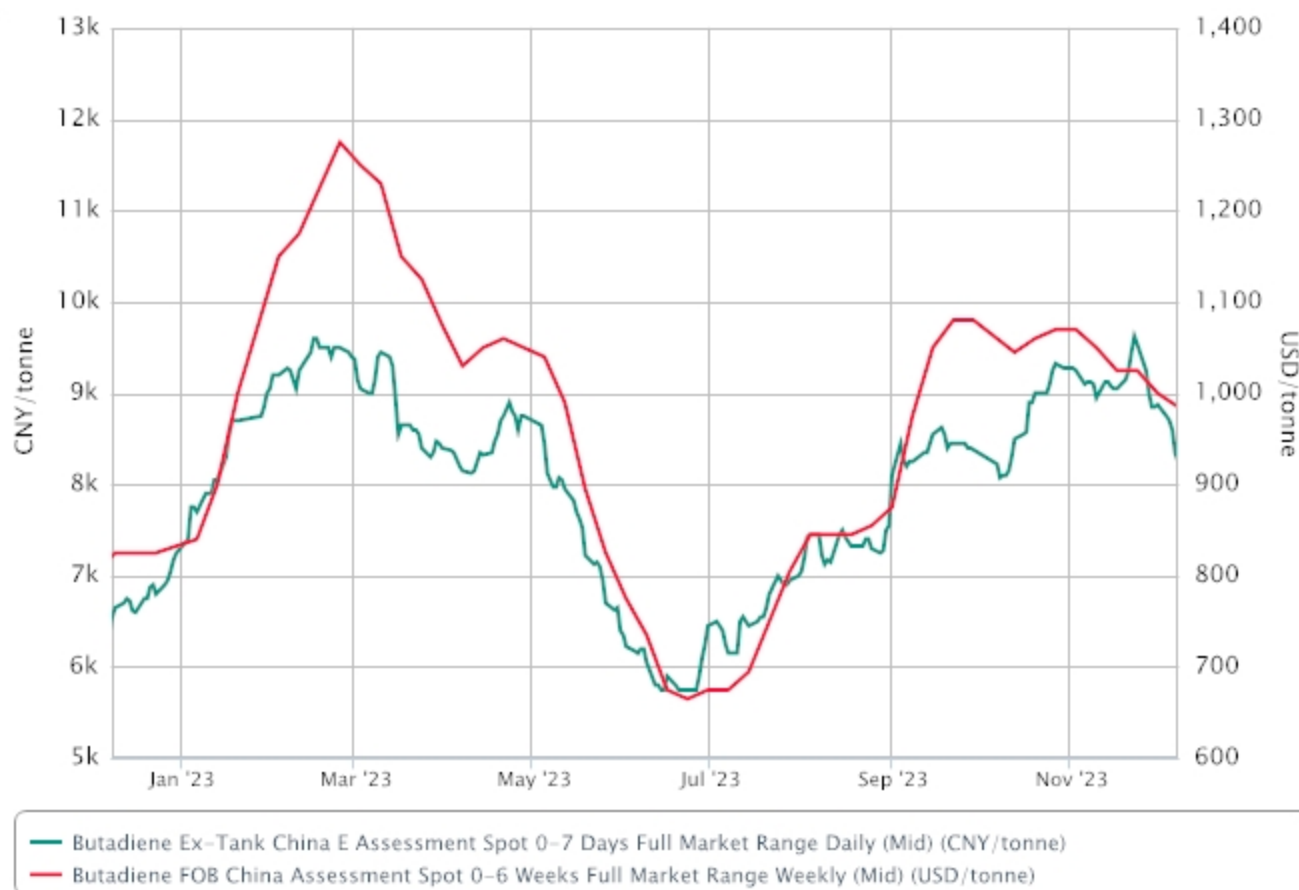
Domestic ex-tank China prices lost fresh ground with sluggish buying at home.

On 8 December, a major China BD producer adjusted down its domestic list prices to yuan (CNY) 8,400/tonne. This was the second downward correction in a week – just a day prior on 7 December, it had cut CNY300/tonne

off list prices to CNY8,800/tonne.

Selling indications for FOB China cargoes were down in line and captured at the high end.

The low end was kept unchanged, in the absence of any buy-side response.



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Northeast Asia

Both ends of the CFR NE Asia assessment were down to capture the full spectrum of trades and buy-sell indications heard, both for regional and deep-sea-origin material.

Most regional producers kept to entrenched selling indications of no less than \$1,000/tonne CFR NE Asia, but many were focused on term talks at the expense of spot business.

There were a few transactions on FOB terms though, including a northeast Asia-origin cargo heard sold at high-900's/tonne for January-lifting, and another southeast Asia-origin cargo changed hands for late December-lifting on formula linked to the CFR SE Asia index. The latter cargo is expected to be delivered to north China.

Buying interest for December and January cargoes were still more pronounced in China, than other northeast Asia outlets, as domestic availabilities in China are still being squeezed by ongoing planned and unplanned outages of local plants.

But buying indications for China-bound shipment faltered to the mid-\$900's/tonne CFR NE Asia level, as reflected at the low end.

There was a \$960/tonne CFR NE Asia trade, involving a NE Asia-origin cargo due for January arrival to China, but seller details could not be ascertained.

Some deep-sea volumes were heard sold too at around the mid-point of the published range for January-arrival to northeast Asia, but fuller details were hazy.

CFR Taiwan assessments were adjusted with changes in CFR NE Asia assessments.

Monthly Contract DEL, \$/tonne	Nov 23	Oct 23	Sep 23	Aug 23	Jul 23	Jun 23
Taiwan FPCC	955	995	940	750	650	655
South Korea YNCC	1,000	1,035	980	770	665	635

Southeast Asia

CFR SE Asia assessments were adjusted with changes in CFR NE Asia prices.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

		Price Range	One Week Ago	/
Butadiene				
Ex-Tank E China	CNY/tonne	-100	8200-8300	-100
			8850-8900	-

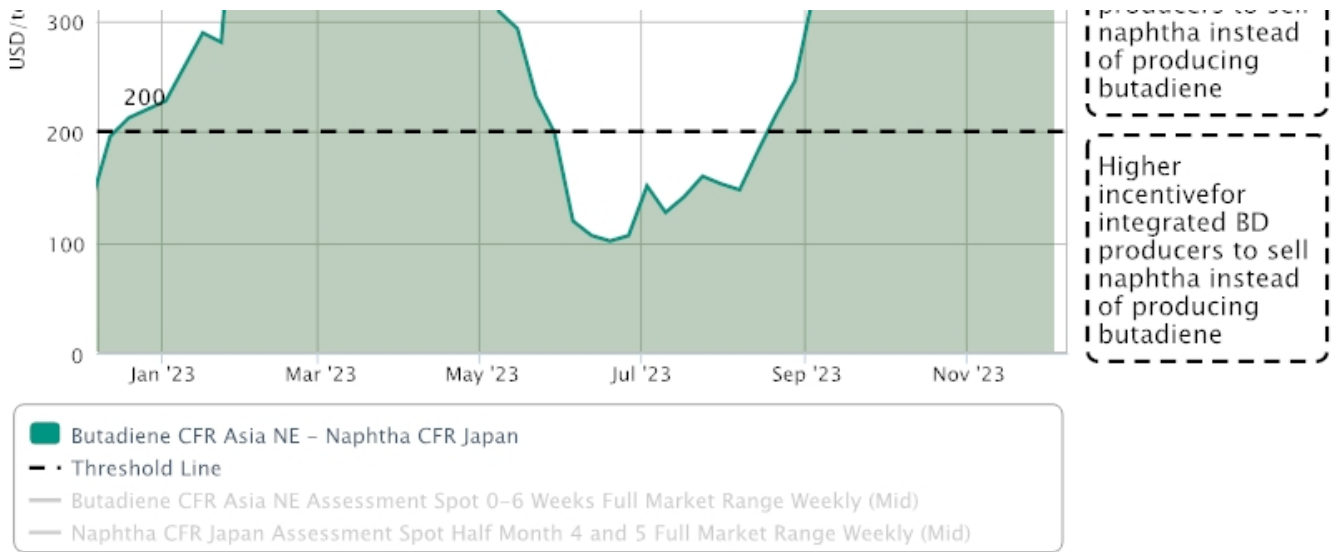
UPSTREAM

Naphtha

- Intermonth spread hits eight-month high
- Crack starts the week at highest since end-March as crude eases
- Spot prices still at a premium

[Feedstock spread between naphtha CFR Japan and BD CFR NE Asia](#)





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

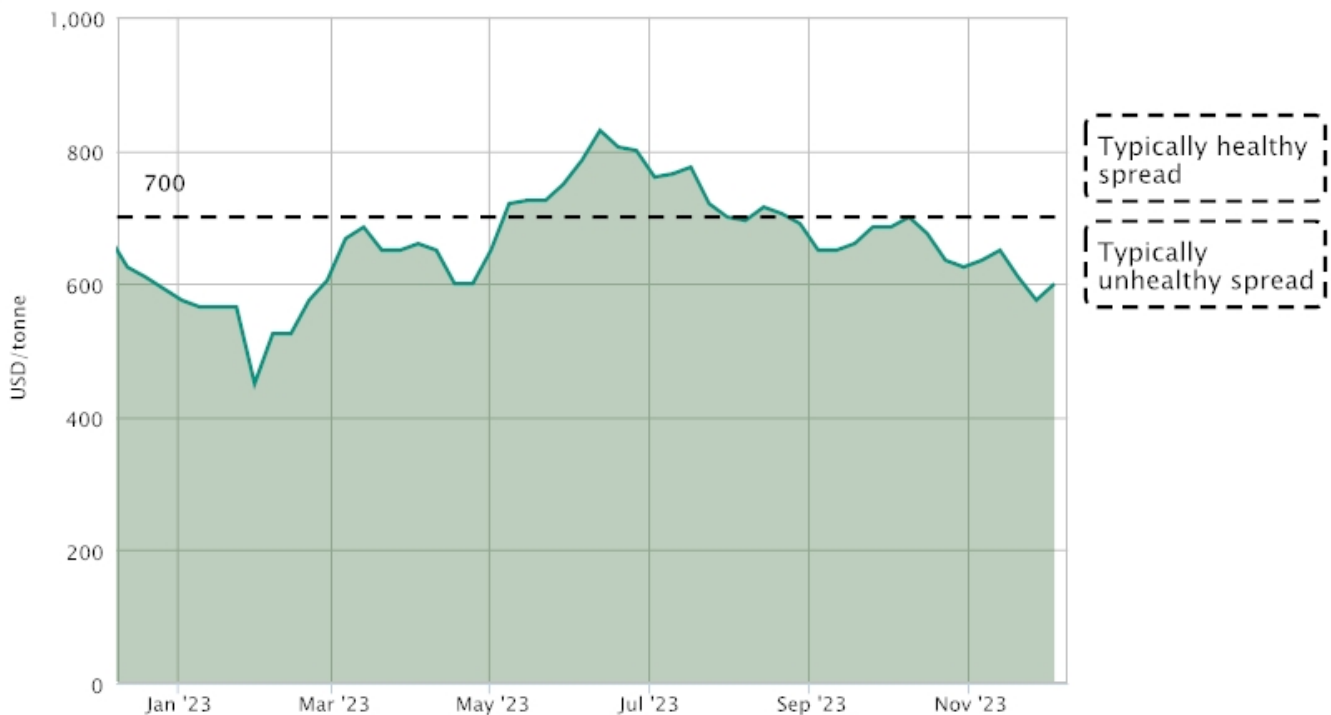
DOWNSTREAM

Styrene-butadiene-rubber (SBR)

- Discussions in limbo
- Sellers reel under compressed margins
- But buyers' push for discounts unrelenting too

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

[Spread between butadiene and SBR Asia](#)





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Acrylonitrile-butadiene-styrene (ABS)

- CFR NE Asia down to a 3.5-year low
- Traditional lull worsened by underperforming economic indexes; concerns about upcoming capacity additions
- Seller margins stay in the doldrums



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PRODUCTION

Regional output poised to improve with [completion](#) of several turnarounds in NE Asia.

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

OTHER REGIONS

Europe

- Spot supply limited on unplanned issues, cracker maintenance, recent trade
- Underlying fundamentals unchanged, expected to stay through December
- Asian pricing mixed, lack of clarity for January pricing

US

- Contracts settle lower
- Spot prices lower
- Supply ample amid weak demand

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