



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

- **Asia market supported by firm trend in China**
- **Outages and curtailed production buoy sentiment**
- **Firm discussion limited, focus on contract negotiation**

Asian butadiene (BD) market sentiment was buoyed by a firmer China domestic market and tight spot supply.

In the China domestic market, prices dropped in early week on concerns of impending new capacity but regained losses later in the week following an [outage](#) at Sinopec Yangzi's No 1 BD plant.

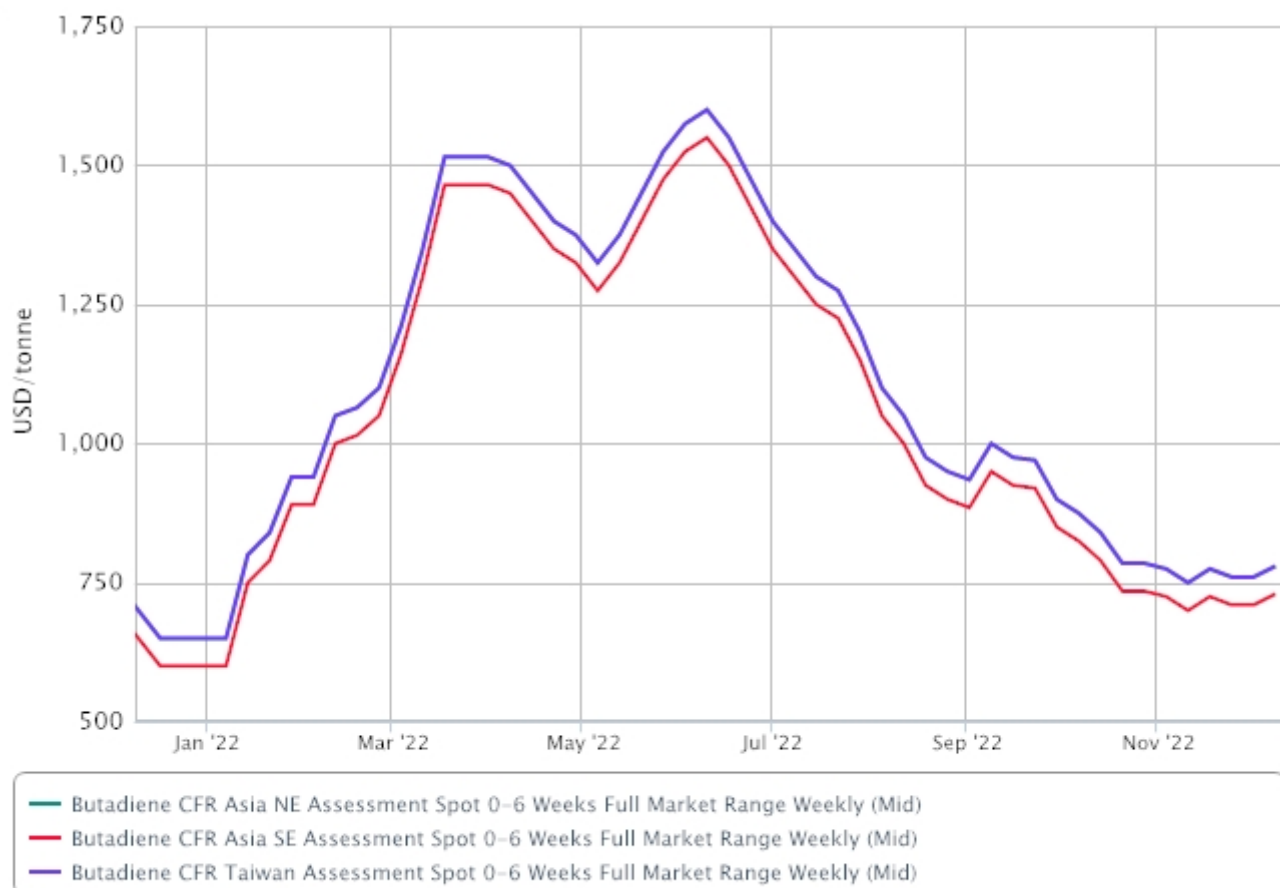
In South Korea, crackers' run rates were reduced amid high cost pressure and to manage inventory, resulting in tight spot supply. The [truckers' strike](#) that persisted for more than two weeks disrupted logistics but the crisis was resolved when truckers [voted](#) on Friday to end the strike.

Spot discussions were quiet, with most market players being preoccupied with 2023 contract negotiations that were largely stuck in a stalemate.

However, buying sentiment was firmer in the week despite a lack of firm offers.

Spot demand is expected to emerge in the coming weeks for January cargoes, especially if buyers and sellers still cannot come to an agreement for term contracts.

Despite weak derivative performance, buyers are expecting to have to pay more in order to secure spot cargoes.



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OUTLOOK

- **New BD and downstream capacities upcoming**
- **January spot purchase to be active as contract negotiations delay**
- **Cost pressure may continue to impact production**

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	+50	800.00-850.00	n/c	800.00-850.00	36.29-38.56
CFR NE Asia	USD/tonne	+40	760.00-800.00	n/c	720.00-780.00	34.47-36.29
CFR Taiwan	USD/tonne	+40	760.00-800.00	n/c	720.00-780.00	34.47-36.29
CFR SE Asia	USD/tonne	+40	710.00-750.00	n/c	670.00-730.00	32.21-34.02

China

FOB China was increased at the low end of the range based on offers amid rising China domestic prices.

Domestic ex-tank prices in east China fell in early week but rose later in the week.



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Northeast Asia

CFR NE Asian prices were increased at the low end of the range on rising buying indications for January shipments.

Nonetheless, some downstream players were still in the midst of finalising production levels for January and did not have spot buying demand yet and maintained low buying indications.

CFR Taiwan prices were assessed in line with CFR NE Asia prices, based on higher buying indications.

Monthl	Nov 22	Oct 22	Sep 22	Aug 22	Jul 22	Jun 22	May 22	Apr 22	Mar 22	Feb 22	Jan 22
y											
Contra											
ct											
DEL, \$											
/tonne											
Taiwan	755	795	885	1,025	1,255	1,450	1,360	1,415	1,355	1,040	795
FPCC											
Korea	755	745	920	983	1,315	1,555	1,445	1,445	1,335	1,015	835
YNCC											

Southeast Asia

CFR SE Asia prices were adjusted in line with CFR NE Asia prices in the absence of firm discussions heard.

Recently, there has been no spot offers or tenders floated for southeast Asian cargoes.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

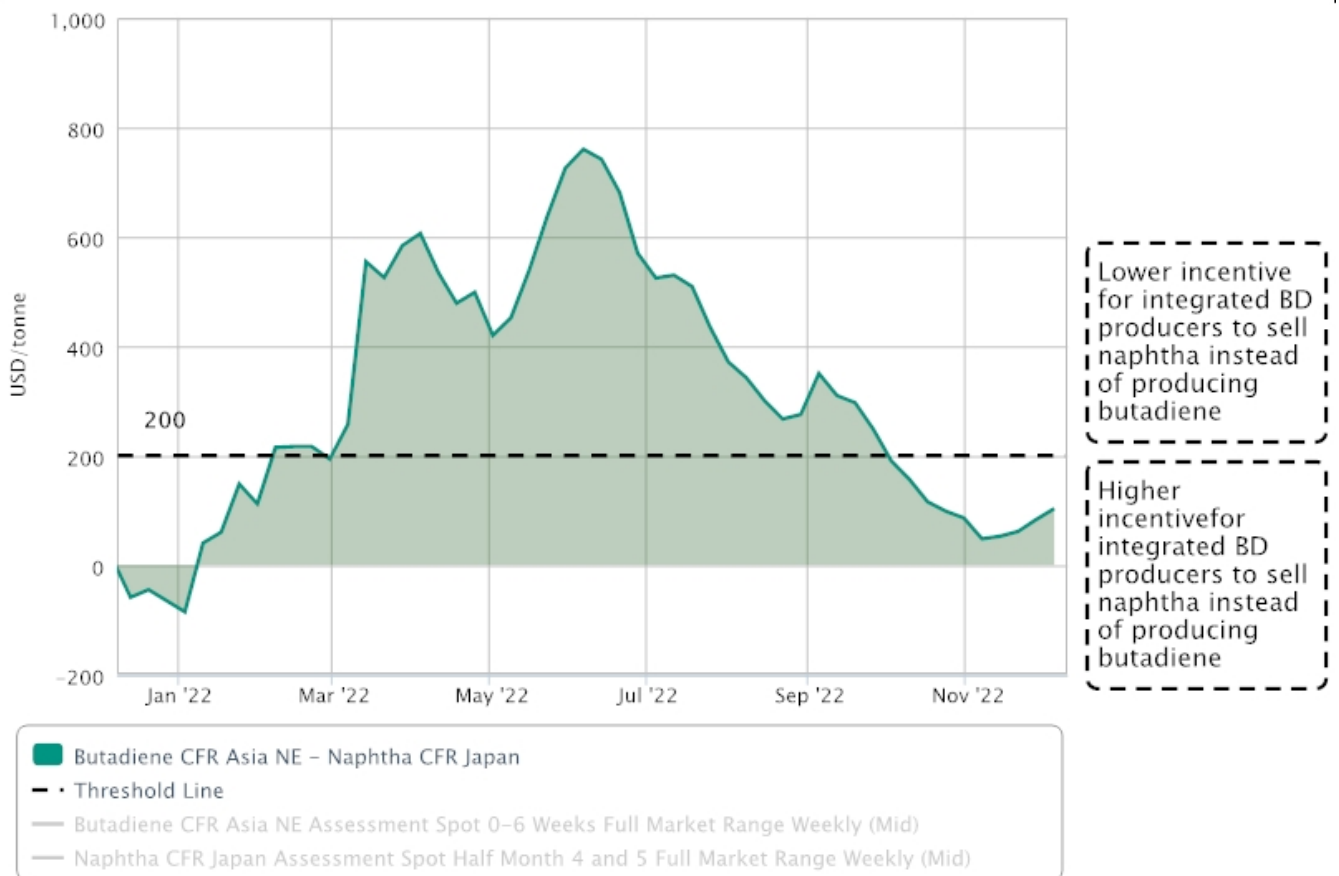
			Price Range		One Week Ago	/
Butadiene						
Ex-Tank E China	CNY/tonne	+100	6600-6700	+100	6300-6500	-

UPSTREAM

Naphtha:

- Asia naphtha prices tumble to 2022 lows
- Demand slack on poor returns in downstream sectors
- China’s easing of zero-COVID curbs yet to lift market sentiment

[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.

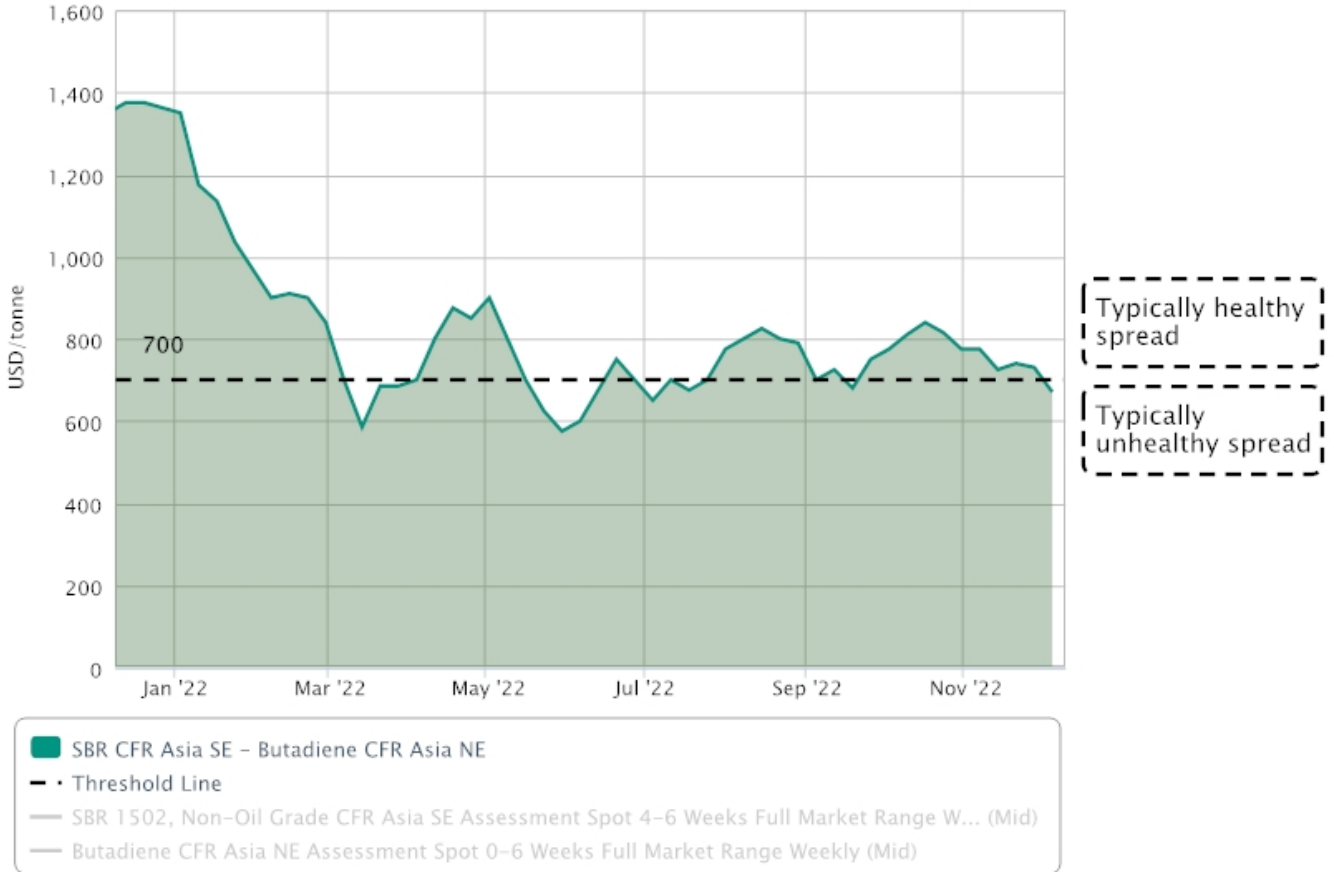
DOWNSTREAM

Styrene-butadiene-rubber (SBR)

- China's reopening cautiously welcomed
- But downward pressure still weighs on markets
- Concern over impact of Korea trucker strikes

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

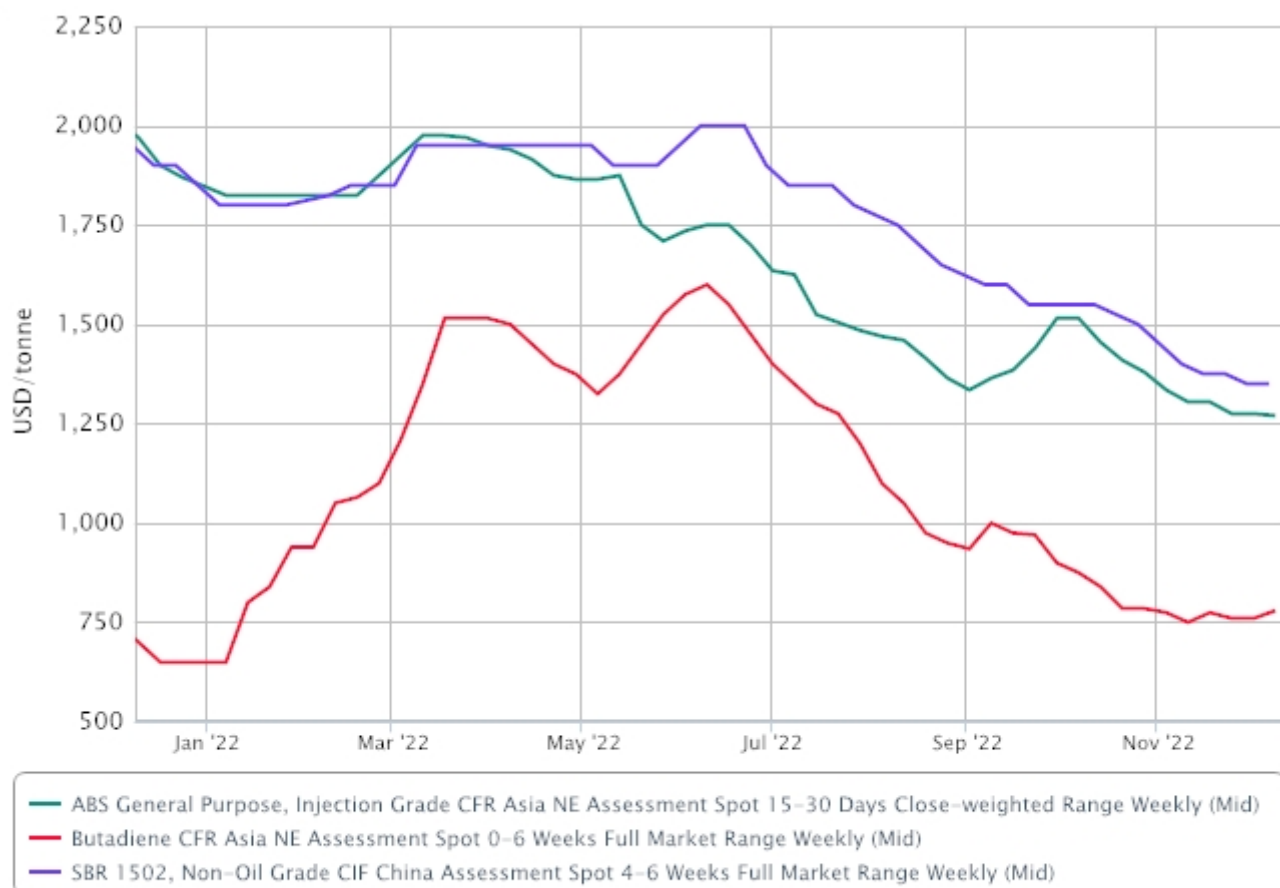
[Spread between Butadiene and Styrene Butadiene Rubber Asia](#)



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Acrylonitrile-butadiene-styrene (ABS)

- CFR NE Asia mid-point tumbles on bargain-hunting
- Cautious sentiment amid changing Covid-19 policies in China
- Boost rendered to domestic arena not immediately manifested in import sentiment



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PRODUCTION

In wider Asia, several plants [restarted](#) this month from prior maintenance closures. But overall BD output from extraction units in Korea and Japan is expected to remain capped in the near term, as weak margins continue to weigh on operating rates at many upstream crackers.

In China, while domestic BD supplies are currently tighter on the back of planned maintenance [closures](#), more [length](#) may set in if new projects start up by the year-end.

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

OTHER REGIONS

Europe

- Bearish fundamentals persist
- Demand soft
- Production cuts, co-cracking, exports undertaken in mitigation

US

- Spot prices pressured by low demand
- Buying appetite thin on destocking, year-end slowdown
- Supply ample ahead of Q1 turnarounds

(Covering editor: Chng Li Li)

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