



## Butadiene (Asia-Pacific)

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

### OVERVIEW

- **Offers rise**
- **Prompt supplies limited**
- **Buyers cautious**

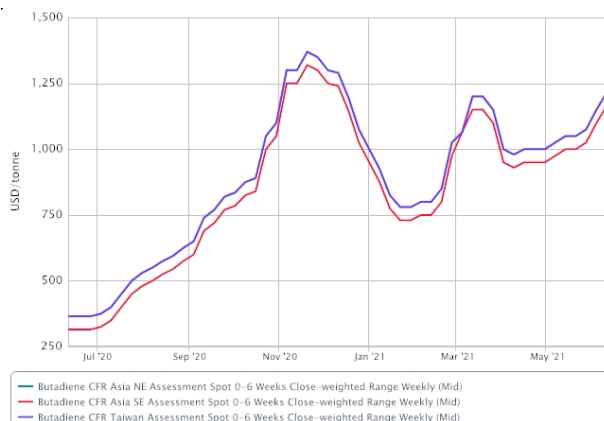
Asian spot assessments for butadiene (BD) rose, with firmer pricing indications heard, but trade liquidity in Asia is curtailed by a widening gap in pricing outlook between buyers and sellers.

Sellers were bullish, as they expected sustained demand pull from the [US](#) to lift BD values in Asia too. Furthermore, prompt Asian supplies were limited, as the bulk of June/July spot allocation has been sold earlier.

Those who may still have some volumes at hand for intra-Asian deliveries thus hiked their asking prices, and were heard not prepared to negotiate much as they asserted that they could readily divert the cargoes to the US, where demand is strong and pricing conditions discernibly more attractive.

On the buy-side, even if some end-users did acknowledge the reality that if any pressing procurement need should arise at this juncture, they may have few options but to raise bids to secure cargoes, most remained cautious and held fast to a wait-and-see mode on fresh spot talks.

Buyers' outlook are clouded by firstly, recent declines seen in downstream synthetic rubber markets, and secondly, by anticipations that regional supplies will only [lengthen](#) in due course, once more new BD projects start up in the coming months.



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### OUTLOOK

- **Supply shortage in the US may persist, drawing in turn more Asian cargoes**
- **Structurally, Asian output poised to grow with new upcoming projects**
- **Demand to hinge on performance of downstream synthetic rubber markets**

## PRICES

### SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
<b>Butadiene</b>						
<b>CFR NE Asia</b>	USD/tonne	+50	1150.00- 1280.00	+80	1000.00-1100.00	52.16-58.06
<b>CFR Taiwan</b>	USD/tonne	+50	1150.00- 1280.00	+80	1000.00-1100.00	52.16-58.06
<b>CFR SE Asia</b>	USD/tonne	+50	1100.00- 1230.00	+80	950.00-1050.00	49.90-55.79

### Northeast Asia

CFR NE Asia assessments rose, taking into account the full spectrum of buy-sell talks heard.

The bulk of offers were heard in the low-to-mid \$1,200's/tonne range, on an FOB NE Asia basis. This was up to \$80/tonne higher on-week, and the high-end was raised in line with this quantum to reflect sell-side pricing sentiment.

The low-end was lifted too to capture the highest buying indication heard, on a CFR NE Asia basis.

CFR Taiwan assessments were adjusted up, alongside firmer CFR NE Asian assessments.

Monthly      May 21      Apr 21      Mar 21      Feb 21      Jan '21      Dec '20  
 Contract  
 DEL, \$/tonne

Taiwan FPCC	1,010	1,050	1,135	880	950	1,255
Korea YNCC	1,010	987	1,102.50	827.50	867	1,263

**East China domestic prices**

Domestic prices in the yuan-denominated market rose, as more prompt supplies are diverted away for export sales.

Price (CNY/tonne)	Current week	Previous week
DEL east China	8,700-8,800	8,400-8,500

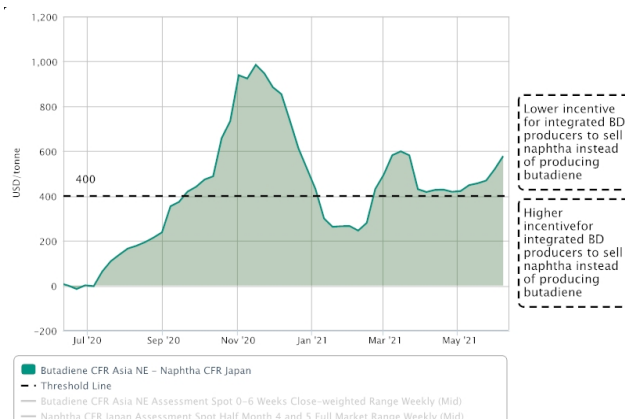
**Southeast Asia**

CFR SE Asia assessments were raised in line with the changes in the CFR NE Asia prices, in the absence of any concrete business and discussions.

**UPSTREAM**

Asia-Pacific naphtha markets were cushioned by steady buying interest for H2 July spot parcels. Upcoming start-ups of cracking capacities in South Korea are anticipated to lift feedstock demand for downstream petrochemical production. Naphtha’s market structure held in backwardation.

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



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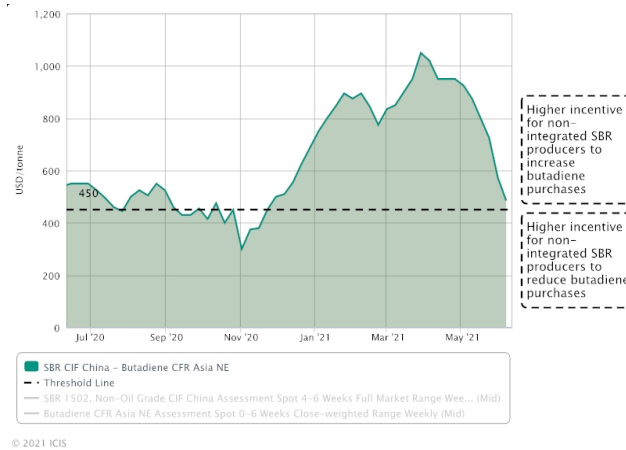
Click [here](#) for the Asia feedstocks and petrochemicals weekly summary.

## DOWNSTREAM

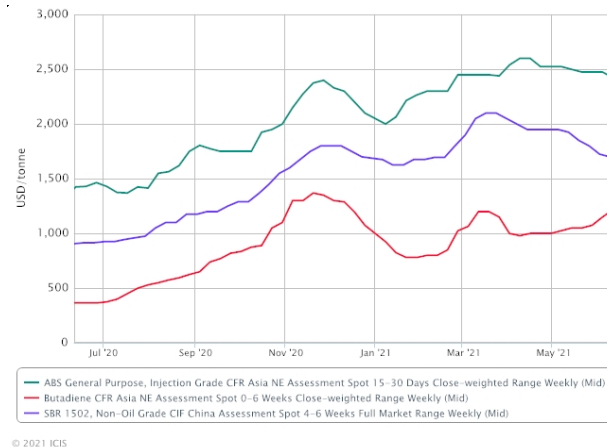
Asia's **styrene-butadiene-rubber (SBR)** market remains weighed down by seasonally lower demand and lengthening supplies.

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

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



Demand in Asia's **acrylonitrile-butadiene-styrene (ABS)** market is also dampened by [electricity outages in China](#) and coronavirus related production constraints.



## PRODUCTION

Asian supplies may [lengthen](#) into Q3, once more new projects come on stream in northeast Asia within the second half of the year.

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

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