



Butadiene (Asia-Pacific)

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

ICIS plans to discontinue the CFR Taiwan spot assessment from 2 February 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

- **Buying interest picks up on shortcovering requirements**
- **Export offers [firmer](#) from China**
- **Buy-sell gap persists, weighs on liquidity of fixed-price basis trades**

Sentiment was bullish in this week's Asian butadiene (BD) spot market, as firmer offers surfaced, while buying interest was also deemed more upbeat than weeks prior.

Several supply-front developments stimulated procurement interest for the limited January and February spot availabilities.

Firstly, there were unplanned plant [outages](#) in China. Other Asian BD units may not be able to ramp up operations if their feedstock supplies get squeezed anew by lower-than-expected January cracker utilization rates in some Asian outlets, such as South Korea, market sources said.

For end-users who have earlier bought deep-sea BD cargoes, there were concerns that arrival of these shipment may now be delayed if the [maritime security situation](#) in the Suez Canal area deteriorates.

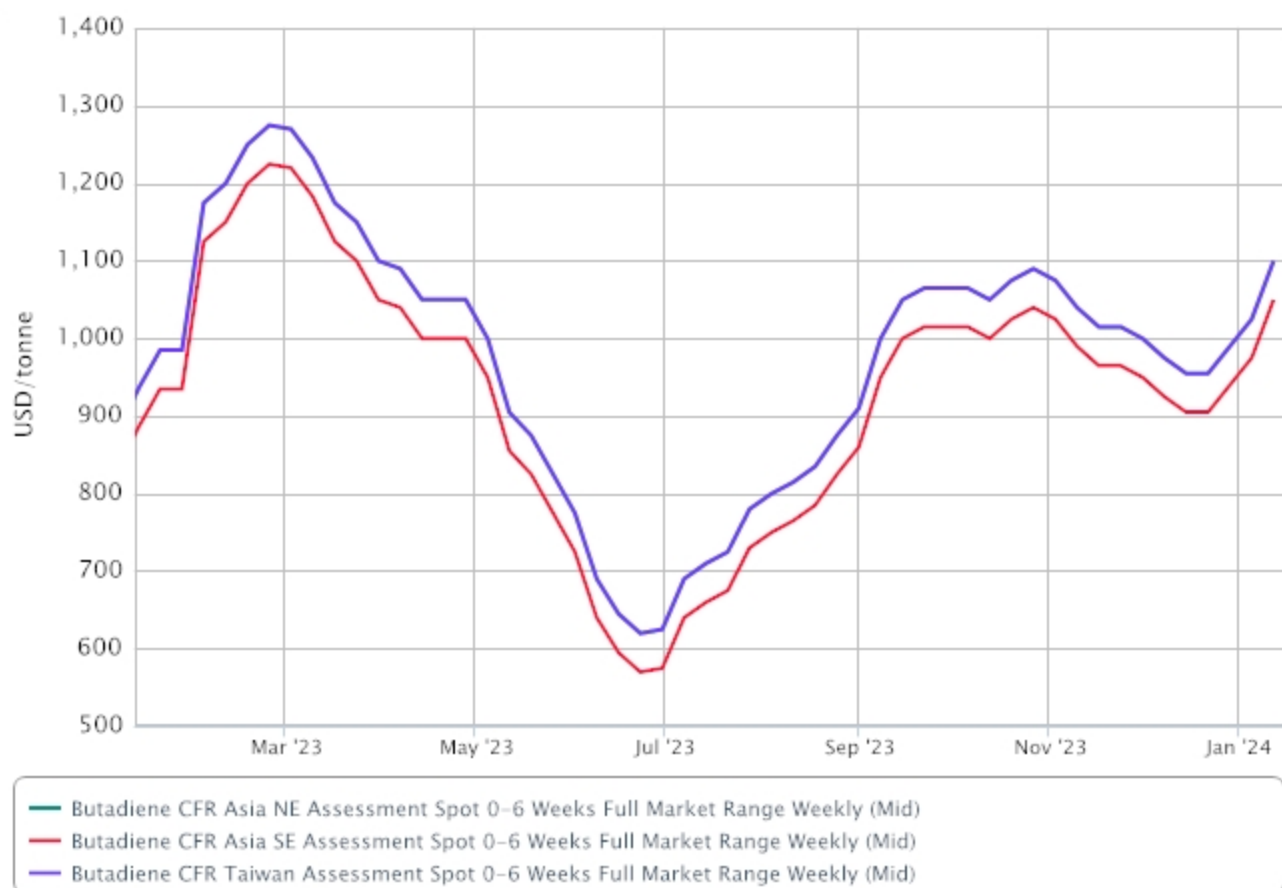
As 2024 term negotiations are also not fully completed, some end-users may need to get additional spot volumes to fill term delivery voids for the January-February period, market sources said.

All these contributed to a more active stream of buying enquiries this week, bolstering in turn BD sellers' confidence to chase higher selling targets, such as on China-origin materials available to lift within January or early February.

However, even as buyers also acknowledged that they have to be prepared to pay more to secure spot supplies, their firmer buying indications continued to lag behind sellers' expectations.

Liquidity for fixed-price basis trades were therefore curbed by this persistent buy-sell gap, and more players in

wider Asia continued to lean towards negotiating on formula-based terms to sidestep the differences and close deals, market players said.



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OUTLOOK

- Regional supplies [unlikely to lengthen](#) much in the near term
- Demand would hinge on recovery in derivative markets
- Global economic headwinds cloud [longer-term outlook](#)

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	+80	1060.00-1100.00	+50	910.00-980.00	48.08-49.90
			0			

CFR NE Asia	USD/tonne	+50	1050.00-1150.00	+100	930.00-980.00	47.63-52.16
CFR Taiwan	USD/tonne	+50	1050.00-1150.00	+100	930.00-980.00	47.63-52.16
CFR SE Asia	USD/tonne	+50	1000.00-1100.00	+100	880.00-930.00	45.36-49.90

China

FOB China assessments were up, with both ends lifted to capture the full spectrum of deals and discussions heard in the week.

Several cargoes ready to lift in late January were sold in the \$1,060-1,080/tonne FOB China range, and discussions are ongoing for additional late January/early February loading parcels at the published high end, market sources said.

Domestic ex-tank China prices started the trading week on a softer note, but rebounded towards the end of the week, tracking more robust activities on the export front.



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Northeast Asia

CFR NE Asian assessments went up on the high end with bullish selling indications heard.

There were no concrete transactions this week that were negotiated and closed on a fixed price, CFR NE Asian basis. However, majority of market players agreed that should there be players mutually agreeable to conclude on a fixed price CFR NE Asia basis, the published range will broadly reflective of the workable negotiation and transaction range.

Otherwise, most preferred to transact on either FOB NE/SE Asia basis, or for CFR NE Asian trades, on formula basis.

The FOB trades included at least two cargoes that were sold for end January/early February lifting from China, as well as two H2 February loading southeast Asia-origin cargoes that were floated for sale via tender earlier in the week.

The latter were heard possibly done in the low-to-mid \$1,000s/tonne FOB SE Asia, but fuller details about pricing and players involved could not be ascertained.

These cargoes were heard earmarked for delivery to South Korea, but end-users in this outlet maintained that they could not afford more than \$1,100/tonne CFR NE Asia, which is the mid-point of the published range.

For buyers in other regional outlets like China and Taiwan, potential buyers were more subdued in their buying indications, heard at around mid-\$1,000s/tonne CFR NE Asia. The low end is lifted in line with this, and also to capture the full spectrum of buying appetite across different NE Asian outlets.

CFR Taiwan assessments are adjusted in line with changes in the NE Asian assessments.

Monthly Contract DEL, \$/tonne	Dec 23	Nov 23	Oct 23	Sep 23	Aug 23	Jul 23	Jun 23
Taiwan FPCC	910	955	995	940	750	650	655
Korea YNCC	945	1,000	1,035	980	770	665	635

Southeast Asia

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

There were no discussions or transactions on CFR SE Asian terms, but two SE Asia-origin cargoes available to lift in H2 February, were offered in the week for sale via tender. Details of the tender outcome were not available by press time.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

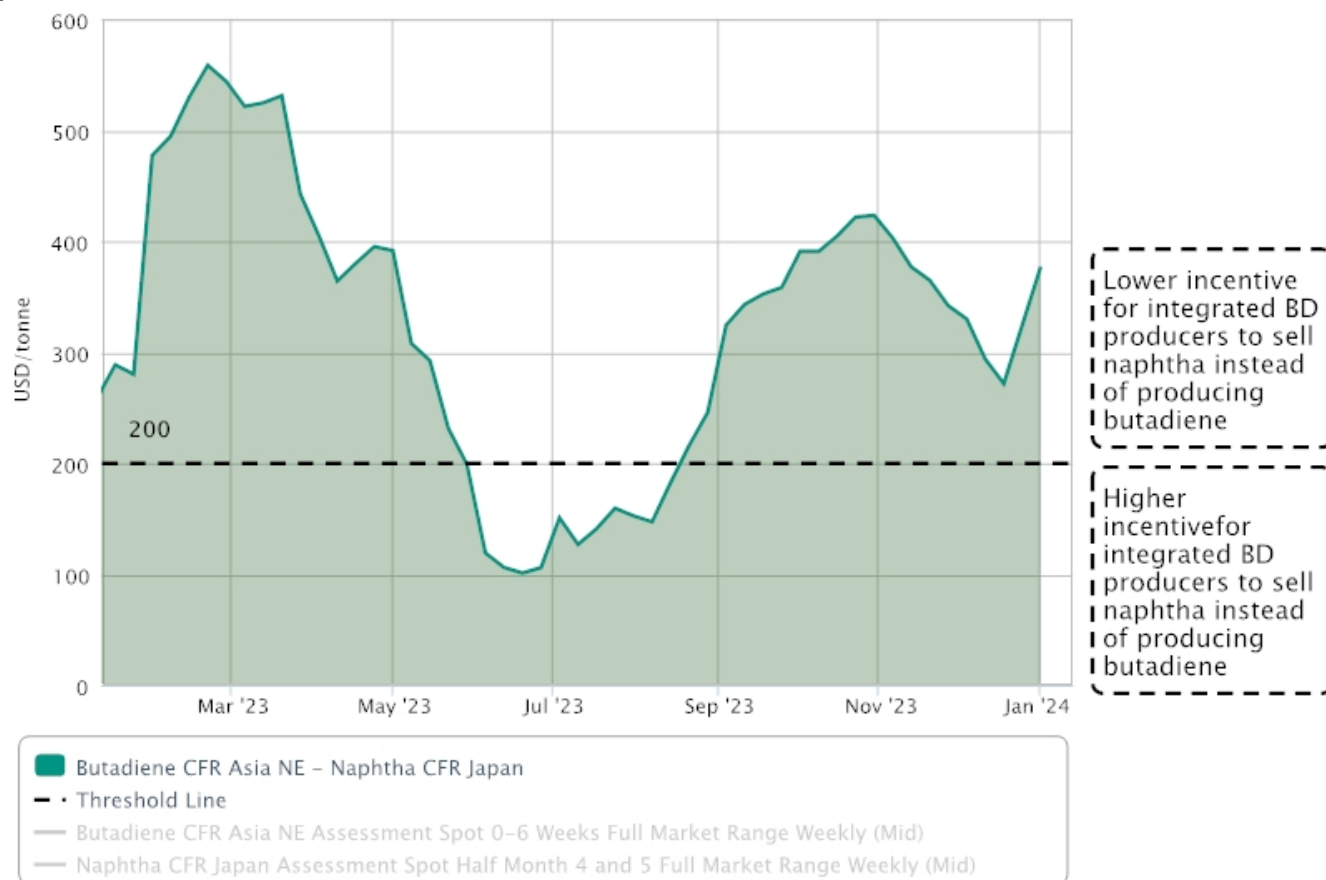
			Price Range		One Week Ago	/
Butadiene						
Ex-Tank E China	CNY/tonne	+150	8700-8800	+100	8600-8600	-

UPSTREAM

Naphtha

- Intermonth spread at five-session low on 9 Jan before recovering
- Incoming arb cargoes for Jan seen higher vs Dec 2023
- Spot prices for now remain in premiums, with buyers seen this week

[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.

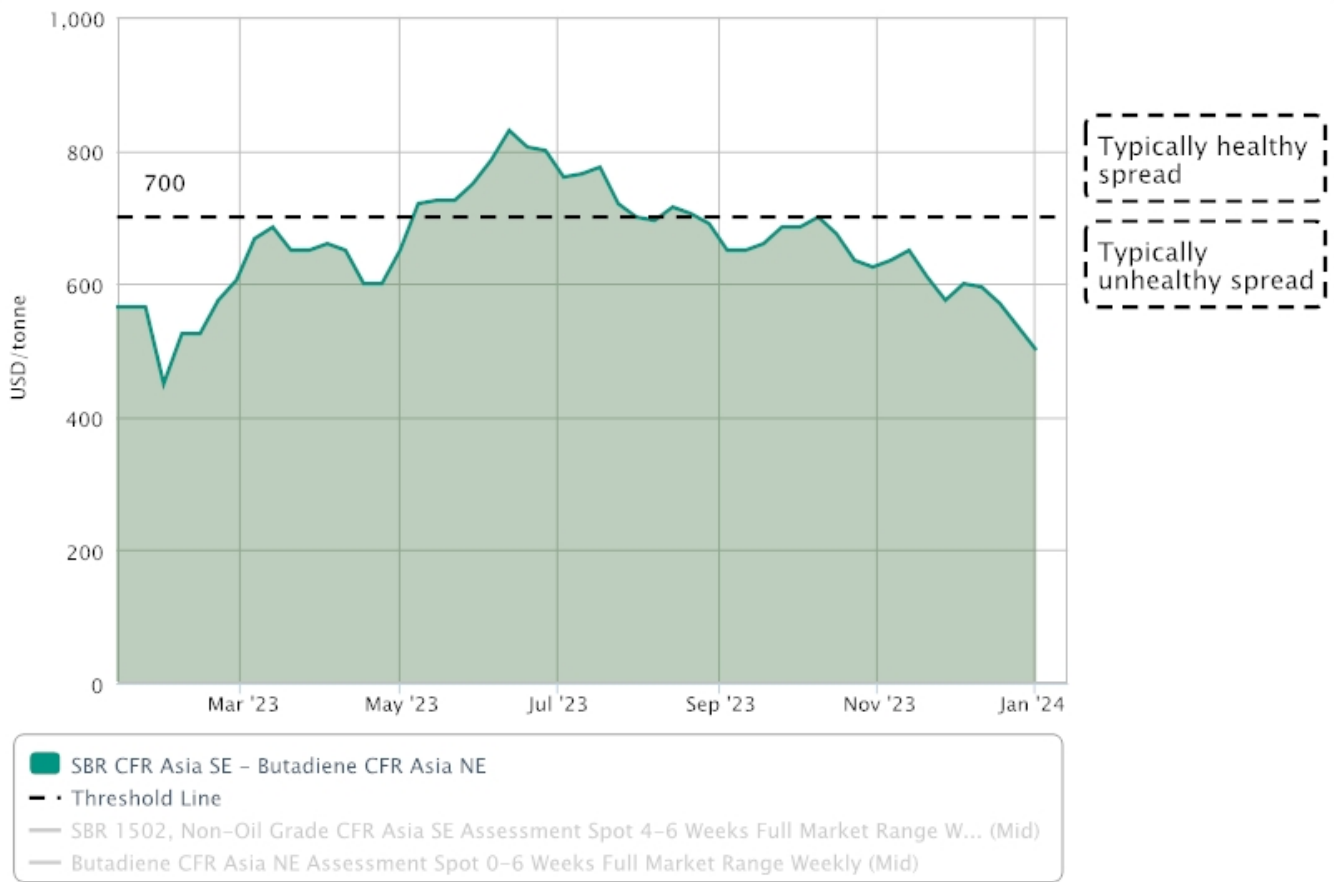
DOWNSTREAM

Styrene-butadiene-rubber (SBR)

- Sellers chase higher targets to mitigate costs
- But buy-side resistance strong
- Buy-sell disparity develops

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

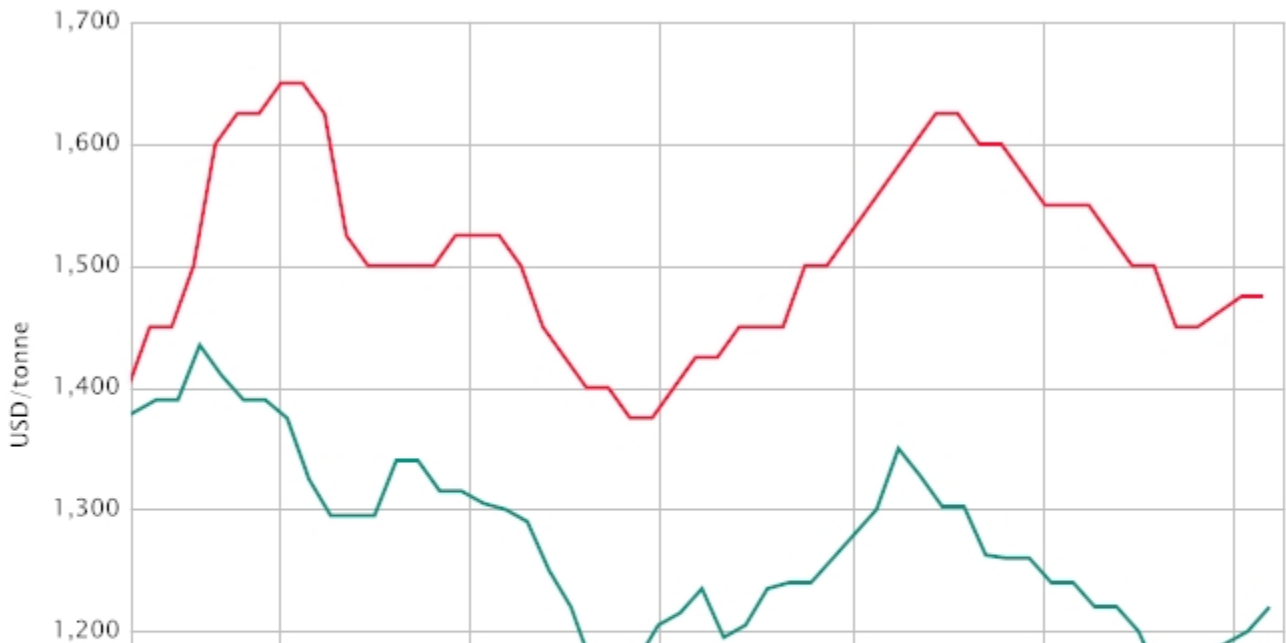
[Spread between Butadiene and Styrene Butadiene Rubber Asia](#)



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Acrylonitrile-butadiene-styrene (ABS)

- CFR NE Asia uptrend continues for second week
- Upstream, post-holiday restocking render support
- Volumes capped by cautious procurement amid poor margins





— ABS General Purpose, Injection Grade CFR Asia NE Assessment Spot 15-30 Days Close-weighted Range Weekly (Mid)
 — SBR 1502, Non-Oil Grade CIF China Assessment Spot 4-6 Weeks Full Market Range Weekly (Mid)

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PRODUCTION

BD supply balance remains tight across Asia. In Taiwan, while a 58,000 tonnes/year unit [restarted](#) this week from a near-two-month-long turnaround, another 130,000 tonnes/year unit will go [off-line](#) from mid-January for a similar duration of maintenance.

In China, a 120,000 tonnes/year unit in Liaoning resumed after a two week-long unplanned outage. But two [units](#) in Beijing, with a total nameplate capacity of 135,000 tonnes/year, have been rendered out of action for H1 January for unscheduled servicing.

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

OTHER REGIONS

Europe

- Quiet market, holidays ongoing for some
- Supply constrained through cracker and BD outages
- Demand levels unclear but generally assumed much stronger than December
- No spot deals/activity heard

US

- [US January BD contracts decline; nine consecutive months at discount to Europe](#)
- Spot price range widens to align with contract price range; buying interest muted
- ExxonMobil unit expected offline during January

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