



Butadiene (Asia-Pacific)

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

OVERVIEW

- **Domestic China losses widen**
- **But China stays active on the export front**
- **Import discussions dampened in line**

Discussions in the Asian spot import market for butadiene (BD) were dull as extended losses in the [domestic yuan-denominated China](#) market dampened buying interest.

In China, a major BD producer made successive downward revisions within the week to its domestic BD list prices, to stay in line with recent declines seen in ex-tank trades in east China.

Invariably, this also dampened buying interest for US dollar denominated imports, not just among China-based end-users, but also among end-users in wider Asia, many of whom wanted to defer next procurement decisions till after there is more clarity on how domestic China markets may trend in coming weeks.

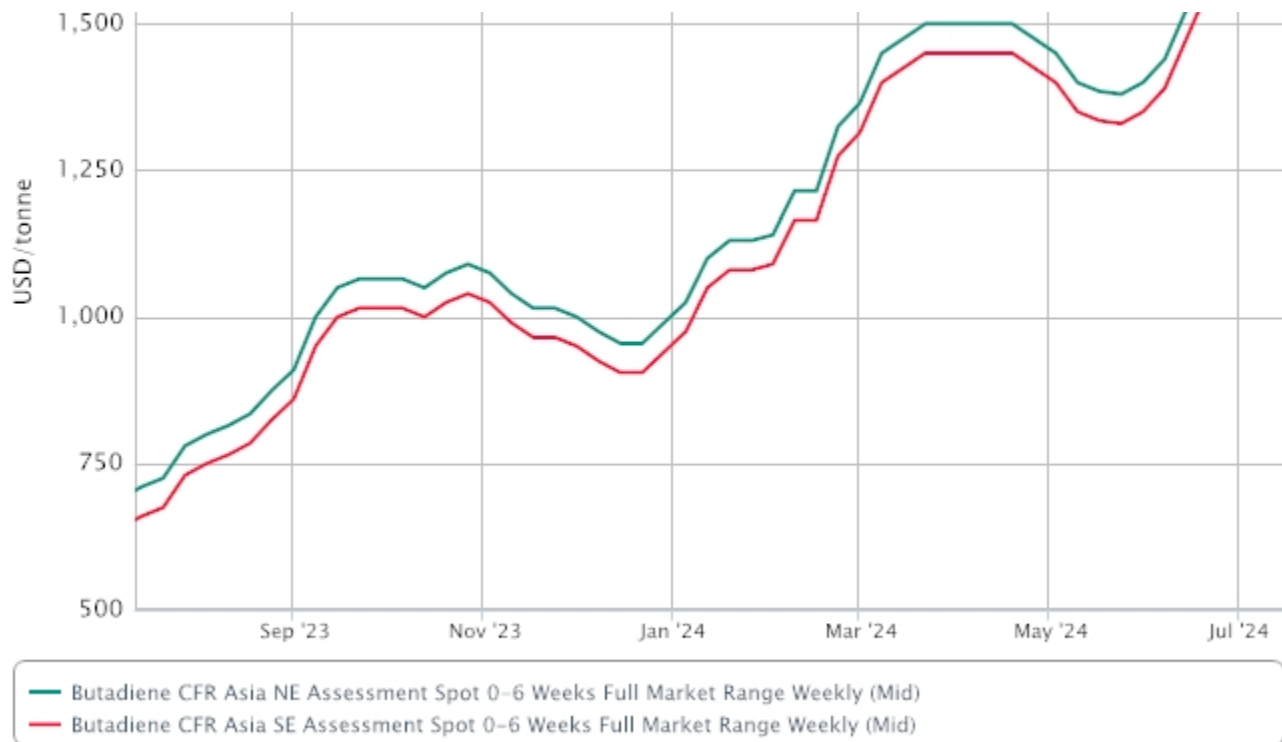
In the meantime, in part to compensate for the slower domestic sales, China BD producers diverted more resources to export sales.

And the injection of China-origin materials into the export market alleviated to some extent prior anxieties among wider Asian players about regional supply shortage, shoring up in turn potential buyers' confidence that they could indeed afford to wait and shop.

That said, as regional supply balance is expected to stay structurally snug, amid ongoing plant outages in [southeast Asia](#), as well as protractedly subdued operations of regional crackers, some traders remained on a keen look-out for prevailing spot availabilities, in anticipation of any potential need to purchase to cover term supply shortfall. This in turn kept up sell-side expectations for any spot volumes that may be up for sale currently, market sources said.

1,750





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OUTLOOK

- Domestic China market movements to provide direction
- Chinese export availabilities may help plug some regional supply gaps
- But buy-sell pricing gap may not bridge soon

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

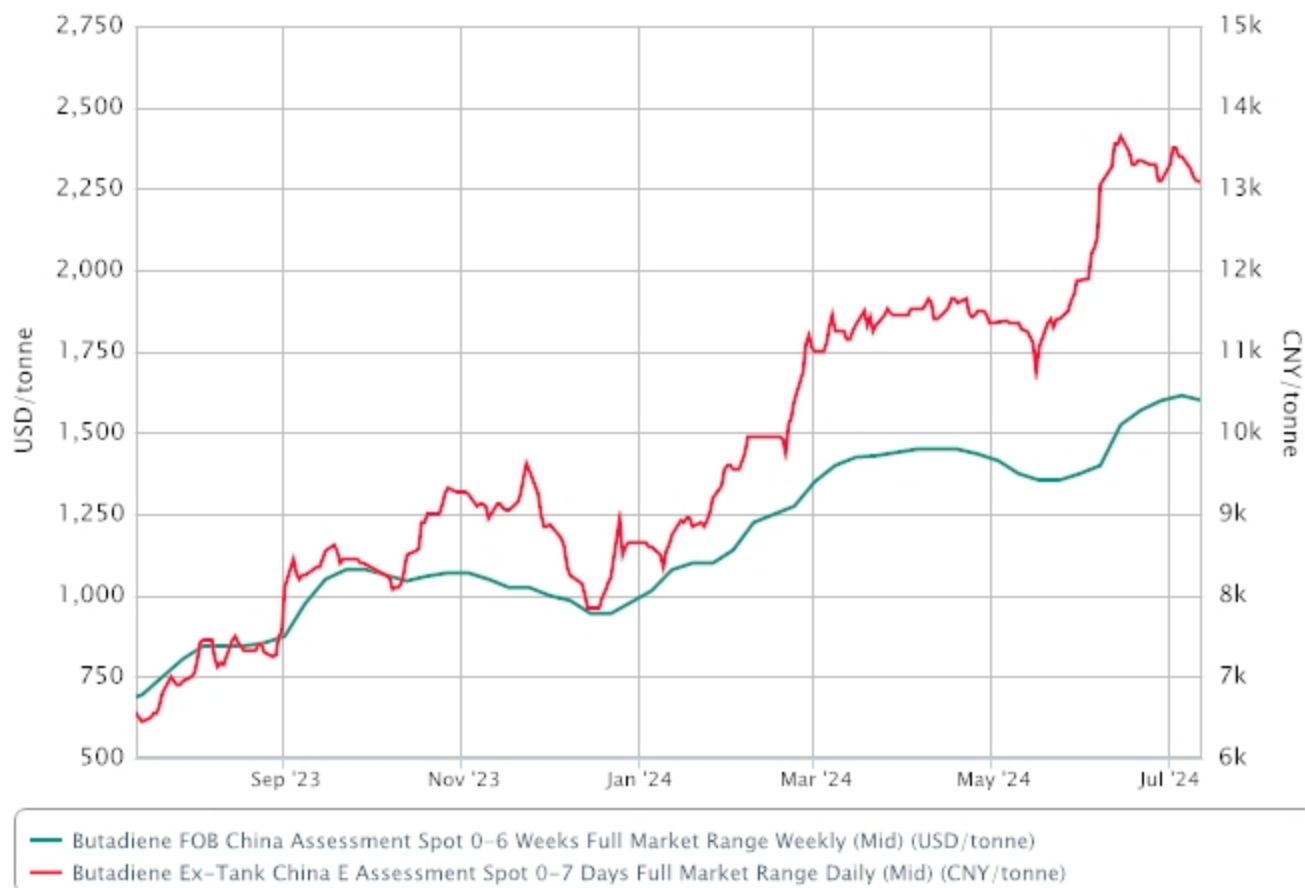
			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	+10	1590.00-1610.00	-40	1450.00-1600.00	72.12-73.03
CFR NE Asia	USD/tonne	n/c	1550.00-1650.00	-50	1450.00-1600.00	70.31-74.84
CFR SE Asia	USD/tonne	n/c	1500.00-1600.00	-50	1400.00-1550.00	68.04-72.57

China

Several China-origin cargoes available to lift within August were heard sold in the week, in a mix of fixed priced trades and formula-linked transactions.

FOB China assessments were adjusted to reflect the full range of fixed price trades heard.

Domestic China prices fell, as buying tempo tapered amid downstream margin concerns.



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Northeast Asia

CFR NE Asian assessments are stable-to-soft, with the high-end adjusted down to reflect majority buy-sell discussions and indications.

There were discussions surrounding two August-lifting regional cargoes at levels near the higher and lower end of the published range, market sources said, although it was not clear if the discussions were conclusive by press time.

Majority end-users said that they had already covered the bulk of their August requirements, and would not consider booking fresh cargoes unless these were priced at or below the published low-end.

But selling indications were heard mostly at the high-end or up, among traders who had earlier booked cargoes – including from the deep-sea supply pool – and now looking to re-sell, market sources said.

In the same week, two August-lifting cargoes, of southeast Asia-origin, were sold on tender. The deals were heard closed on formula-linked basis, and on FOB SE Asia basis, market sources said,

A 1,000 tonnes-sized lot of NE Asia-origin material was also heard sold late week, at \$1,700/tonne, FOB basis, for early August lifting to a NE Asian outlet. But market sources said that the trade may have been closed at a higher-than-expected level as only select sellers could meet the stringent buy-side requirements.

Monthly Contract	Jun 24	May 24	Apr 24	Mar 24	Feb 24	Jan 24	Dec 23
DEL, \$/tonne							
Taiwan FPCC	1,395	1,355	1,415	1,348	1,135	1,020	910
Korea YNCC	1,493	1,390	1,450	1,405	1,165	1,070	945

Southeast Asia

CFR SE Asia assessments is adjusted with changes for the CFR NE Asian assessments, in the absence of concrete discussions and transactions on CFR SE Asian terms.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

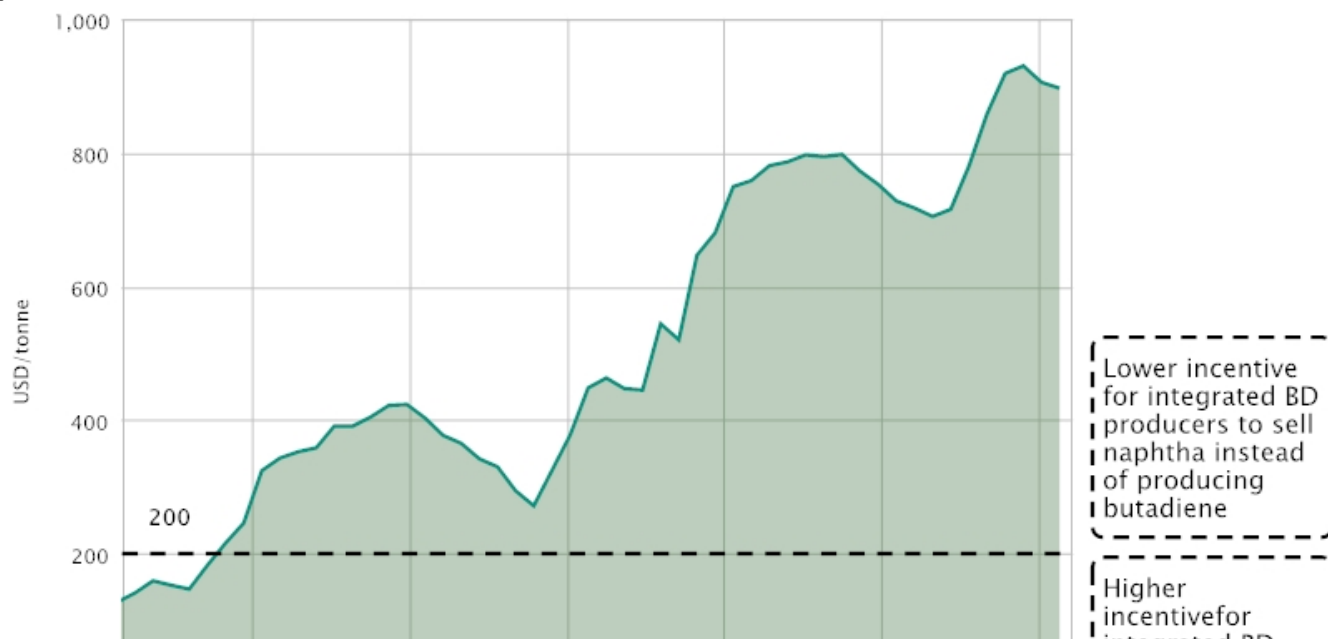
			Price Range		One Week Ago	/
Butadiene						
Ex-Tank E China	CNY/tonne	-100	13000-13100	n/c	13300-13500	-

UPSTREAM

Naphtha

- Intermonth spread on 11 Jul at its lowest since 19 Apr
- Impending shutdown of Taiwan cracker hurts sentiment
- S Korea demand still healthy with a number of buyers seen this week

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





Integrated BD producers to sell naphtha instead of producing butadiene

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

DOWNSTREAM

Styrene-butadiene-rubber (SBR)

- Discussions in limbo
- Upstream markets started to slow down
- Buyers pull back to wait and see

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

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



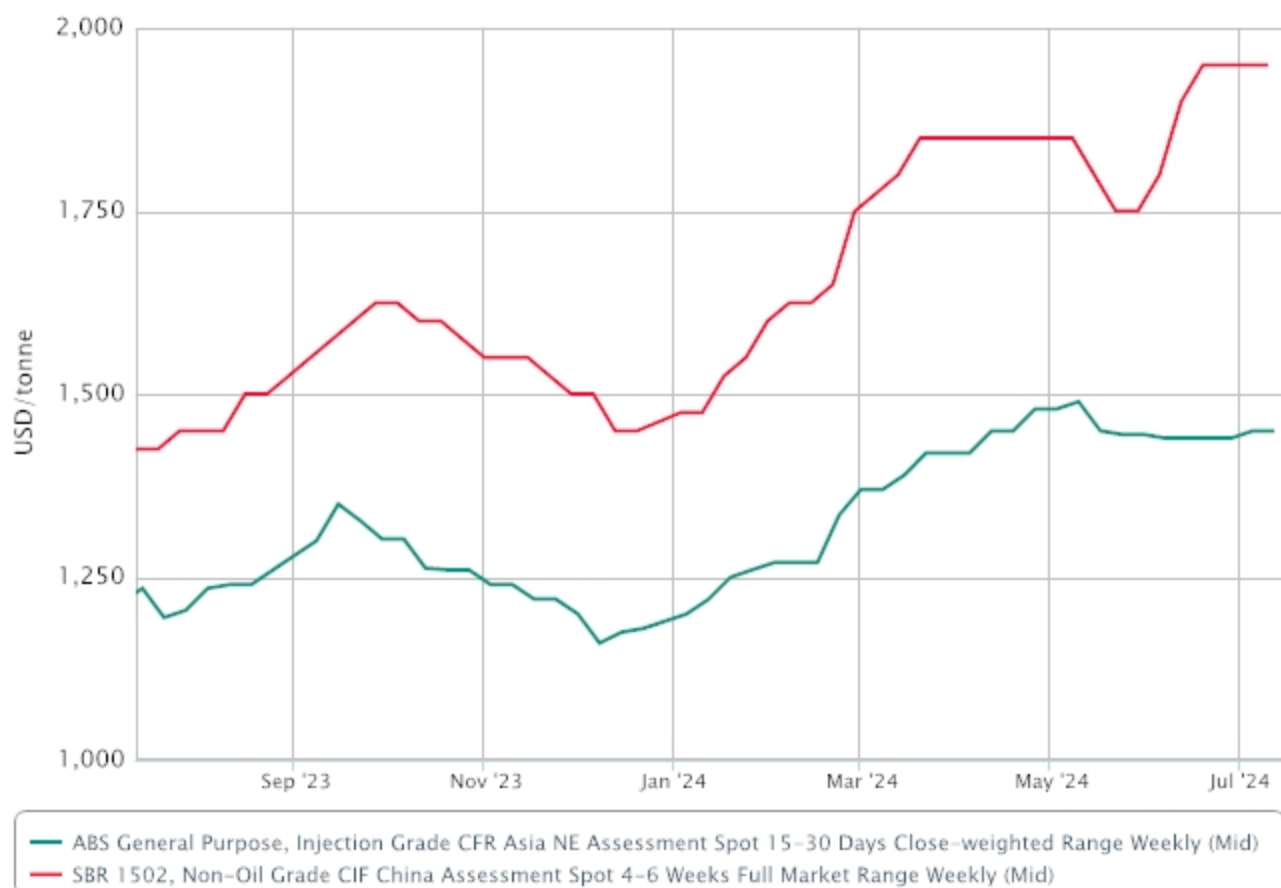
Typically healthy spread

Typically unhealthy spread

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Acrylonitrile-butadiene-styrene (ABS)

- Import prices flat across Asia
- Trades hindered by freight cost, widening buy-sell gap
- Seller margins hover below threshold line in week ended 5 July



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PRODUCTION

In China, a 100,000 tonnes/year plant in [Liaoning](#) also shut this week for a near-two-month-long maintenance.

Elsewhere in China, a total of 111,000 tonnes/year worth of production capacity, spread between two plants in [Shanghai](#), is shut currently for servicing.

These join a 250,000 tonnes/year unit in [Zhoushan](#) which went off-line from late June for unplanned repairs, market sources said. Another 130,000 tonnes/year unit in [Urumqi](#) is also off-line currently for a two-month-long maintenance beginning mid-May.

In wider Asia, a [162,000 tonnes/year unit](#) in Taiwan will shut in August for maintenance, but another [109,000 tonnes/year unit](#) at the same site, which has been shut since March, will restart in September.

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

OTHER REGIONS

Europe

- Firm market conditions persist
- Steady to slightly firmer domestic demand in some pockets
- Healthy demand for export volumes

US

- US BD spot prices stable ahead of long holiday week
- Supply and demand dynamics remain balanced
- [Hurricane Beryl could disrupt chemical operations](#)

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