



Butadiene (Asia-Pacific)

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[Overview](#) | [Outlook](#) | [Prices](#) | [Upstream](#) | [Downstream](#) | [Production](#) | [Other Regions](#)

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

OVERVIEW

- **Downside pressures rise on spot talks**
- **Poor buying appetite**
- **No spot supply constraints either**

Discussions in the Asian spot butadiene (BD) import market [slid lower](#), as demand did not improve, while spot supply did not tighten either, contrary to earlier expectations.

End-users' buying appetite for feedstock BD remains curbed by poor derivative market performance.

Those with room to take in additional spot volumes pressed for deeper discounts on fixed price trades, failing which they said they could afford to hold back and wait.

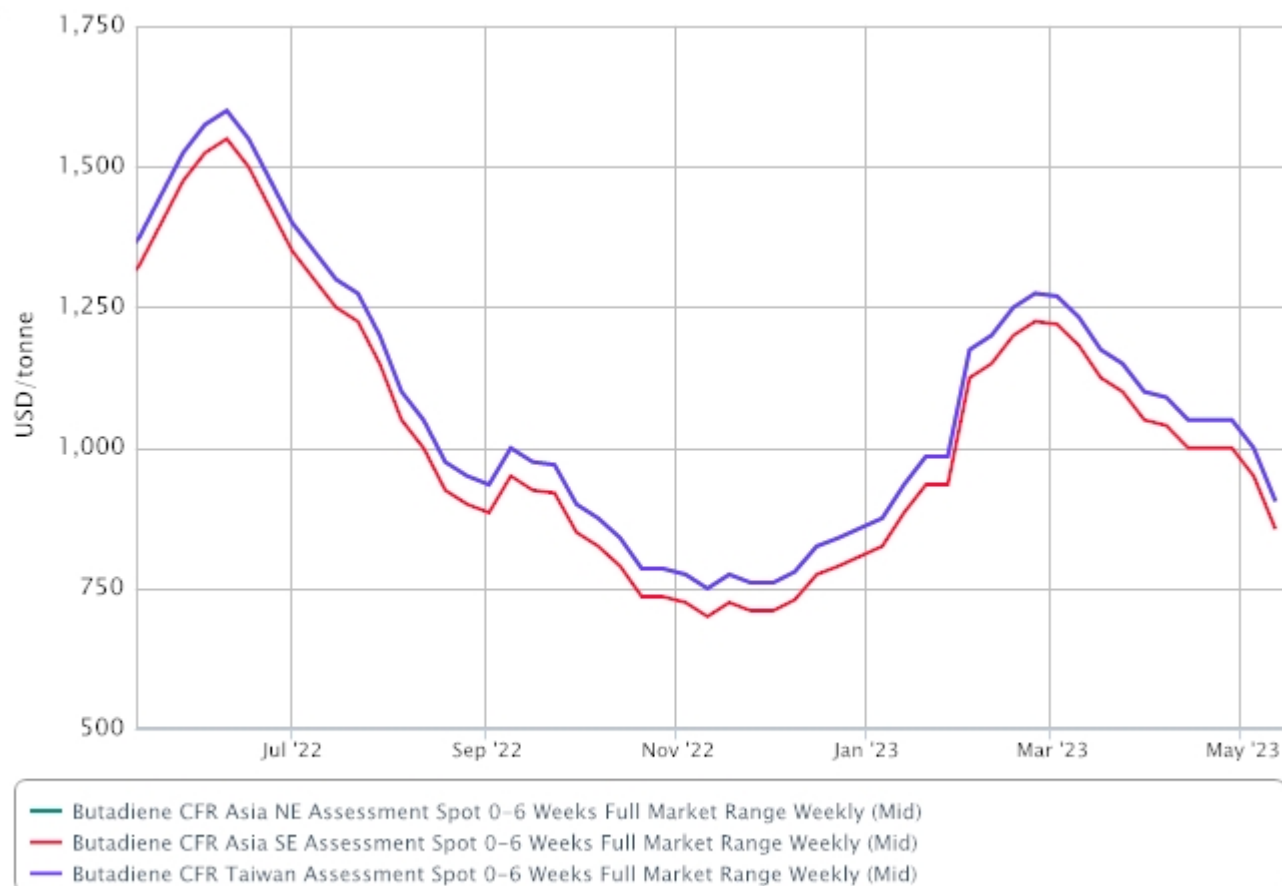
Some other end-users scaled back their contractual in-take of BD, due to slower-than-expected downstream requirements. Displaced term cargoes are finding their way back into the spot market, as affected term suppliers sought to secure alternative takers.

This also served to plug any shortfall that could have arisen from a heavy Q2 maintenance wave across northeast Asia.

Arbitrage supplies could increase too, as [Europe](#) and US producers would need to find alternative markets to absorb surplus BD given the lacklustre local downstream demand outlook at home.

This further boosted regional end-users' confidence that the Asian BD spot market will have no lack of supplies, and that they could take their time to bargain and shop.

But, in reality, it may not be easy to pull through fresh sales on deep-sea cargoes. If Asian buyers keep to bearish bids, and considering the high deep-sea freight element, it would not be economically tenable to ship cargoes to Asia, market players said.



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OUTLOOK

- Demand outlook hazy
- Eye on whether more deep-sea availabilities will surface
- Sentiment expected to stay bearish in near term

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

| | | | Price Range | | Four Weeks Ago | US CTS/lb |
|--------------------|-----------|-----|----------------|------|-----------------|-------------|
| Butadiene | | | | | | |
| FOB China | USD/tonne | -70 | 950.00-1030.00 | -30 | 1020.00-1080.00 | 43.09-46.72 |
| CFR NE Asia | USD/tonne | -70 | 880.00-930.00 | -120 | 1000.00-1100.00 | 39.92-42.18 |
| CFR Taiwan | USD/tonne | -70 | 880.00-930.00 | -120 | 1000.00-1100.00 | 39.92-42.18 |
| CFR SE Asia | USD/tonne | -70 | 830.00-880.00 | -120 | 950.00-1050.00 | 37.65-39.92 |

China

Domestic ex-tank prices in east China were weighed down by lacklustre downstream buying.

During the week, a major China producer made several downward revisions to its domestic list prices, and this dented sentiment further.

FOB China assessments were adjusted down with lower selling indications heard from mainstream suppliers and in the absence of any meaningful buy-side response.



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Northeast Asia

CFR NE Asian assessments fell, taking into account lower fixed-priced trades heard. The latter were centered on prompt H2 May/early June lifting cargoes, while sellers holding cargoes available to lift only later in June were more inclined to discussing only on formula-linked terms.

Two deals were heard closed in the week on a fixed-price basis, involving southeast Asia- origin cargoes and for late-May shipment to China. They formed the respective high and low ends of the CFR NE Asian assessment range.

Another June cargo was sold this week, via tender and on an FOB basis at a two-digit discount to CFR NE Asian values. It is ear-marked for shipment to northeast Asia.

CFR Taiwan assessments were adjusted in line with changes for CFR NE Asian assessments.

Monthly Apr 23 Mar 23 Feb 23 Jan 23 Dec 22 Nov 22
 Contract
 DEL, \$/tonne

| | | | | | | |
|-------------|-------|-------|-------|-----|-----|-----|
| Taiwan FPCC | 1,015 | 1,085 | 1,085 | 855 | 755 | 755 |
| Korea YNCC | 1,060 | 1,145 | 1,178 | 905 | 795 | 755 |

Southeast Asia

CFR SE Asian assessments were adjusted with changes in CFR NE Asian assessments.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

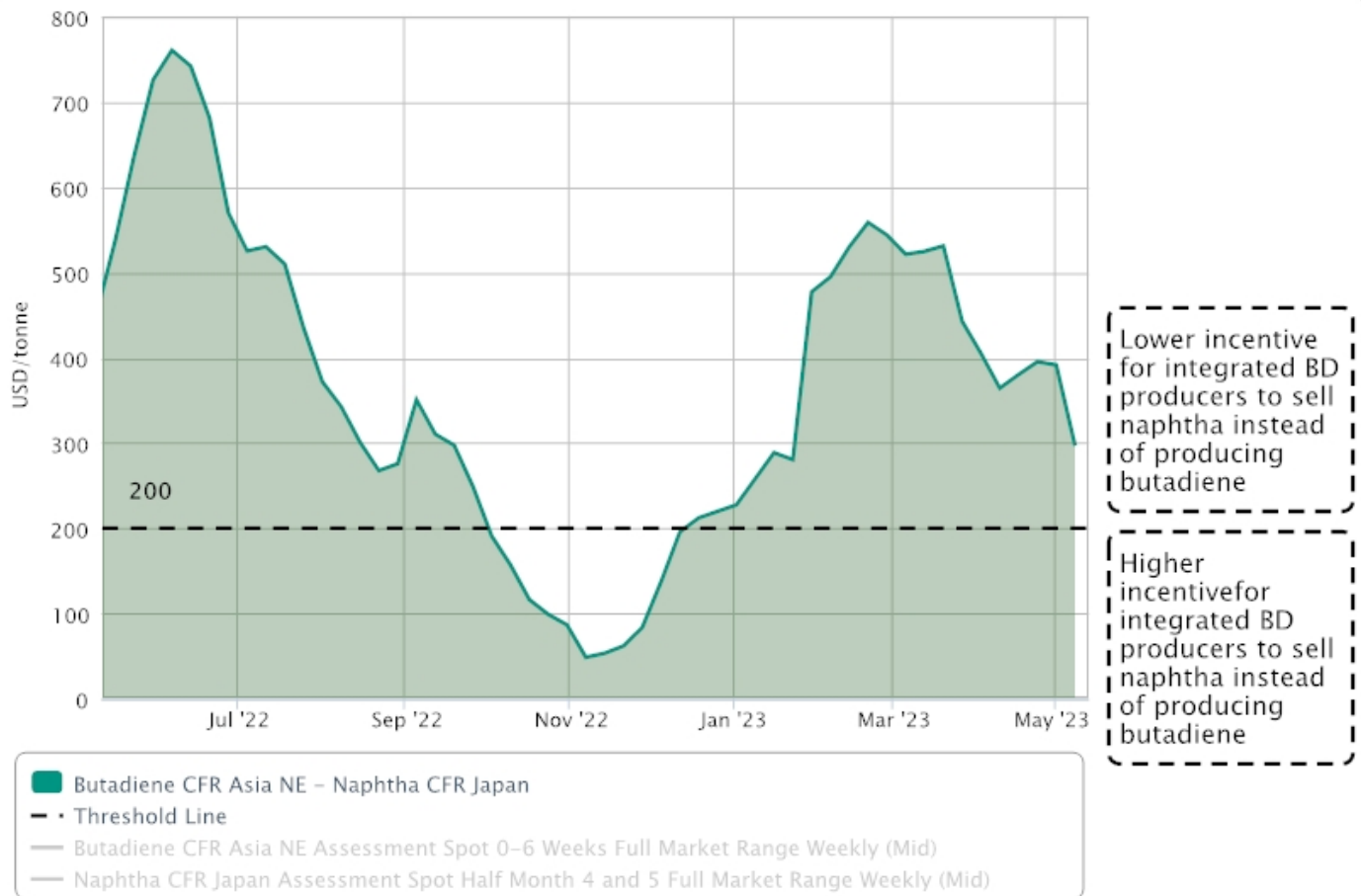
| | | | Price Range | | One Week Ago | / |
|------------------------|-----------|------|-------------|------|--------------|---|
| Butadiene | | | | | | |
| Ex-Tank E China | CNY/tonne | -100 | 7900-8000 | -100 | 8400-8500 | - |

UPSTREAM

Naphtha:

- Market backwardated structure narrows on bearish sentiment
- Reduced western arbitrage flows to come to Asia
- Demand downbeat; refining margin weakens

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



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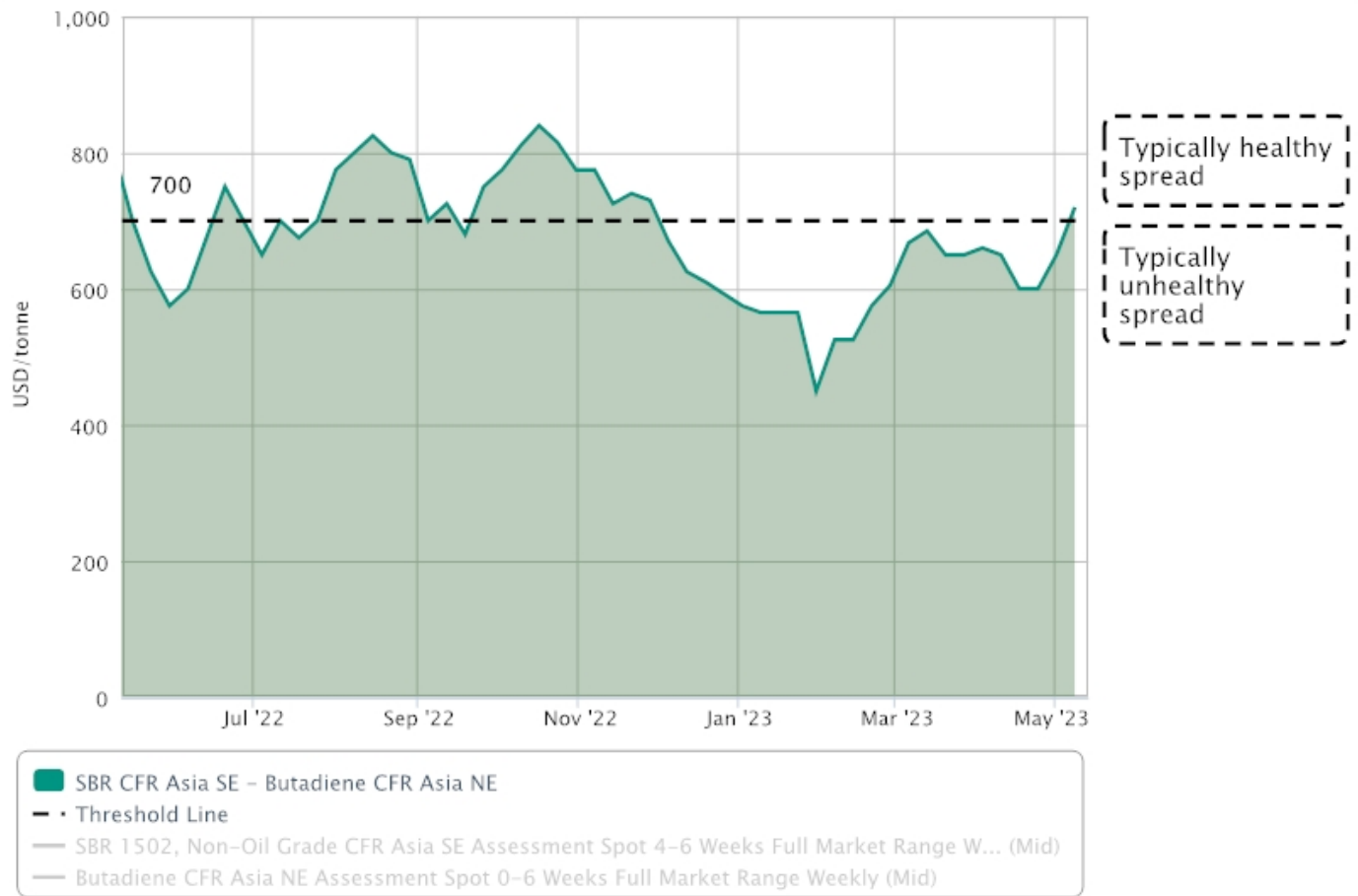
Click [here](#) for the Asia feedstocks and petrochemicals weekly summary.

DOWNSTREAM

Styrene-butadiene-rubber (SBR)

- Weak upstream weighs on sentiment
- Buyers in wait-and-see mode
- Sellers resistant to dishing out deeper discounts

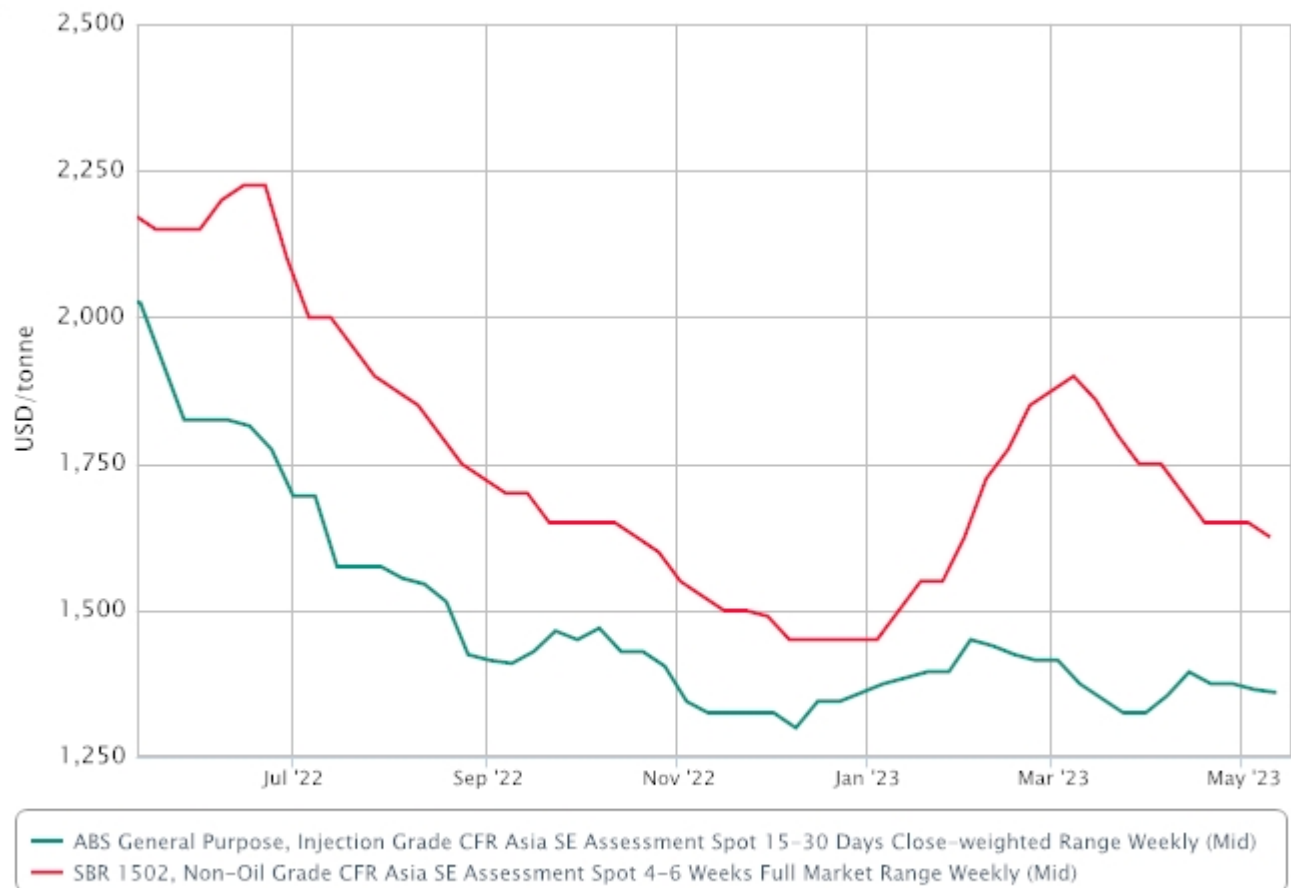
[Spread between Butadiene and Styrene Butadiene Rubber Asia](#)



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Acrylonitrile-butadiene-styrene (ABS)

- Import prices stable to soft
- Post-holiday restocking performance disappoints
- End-use demand stays weak, hurts margins



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PRODUCTION

Spot suppliers in northeast Asia are tight amid a heavy wave of maintenance closures in Q2, from [Taiwan](#), [Japan](#) and [South Korea](#).

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

OTHER REGIONS

Europe

- Steady, lacklustre market
- Export prices under pressure as Asia softens, US exporting too
- Overall, little expectation for change in demand levels over May

US

- Spot prices soften on muted domestic buying interest
- Reports emerge of additional US exports
- Supplies more than sufficient to meet weak demand

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