



Butadiene (Asia-Pacific)

By Ai Teng Lim
13-Sep-2024

[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

- **Domestic China prices skyrocket**
- **Bullish discussions for China imports amid higher domestic prices**
- **Spot supply lengthens in SE Asia**

Domestic China prices for butadiene (BD) soared early in the week, [driving up](#) discussions for China-bound shipment of US dollar-denominated imports, even if spot supply of the latter had lengthened of late with fuller production in southeast Asia.

In China, a major BD producer made successive revisions early in the week to its yuan-denominated listed BD prices, with prices rising to yuan (CNY) 13,600/tonne on 12 September, nearly 5% higher than the week prior.

This lifted sentiment for discussions of China-bound imports and potential sellers separately elevated targets, while some China-based players, from traders to end-users, did not seem averse to bidding upward for late September or October shipment parcels.

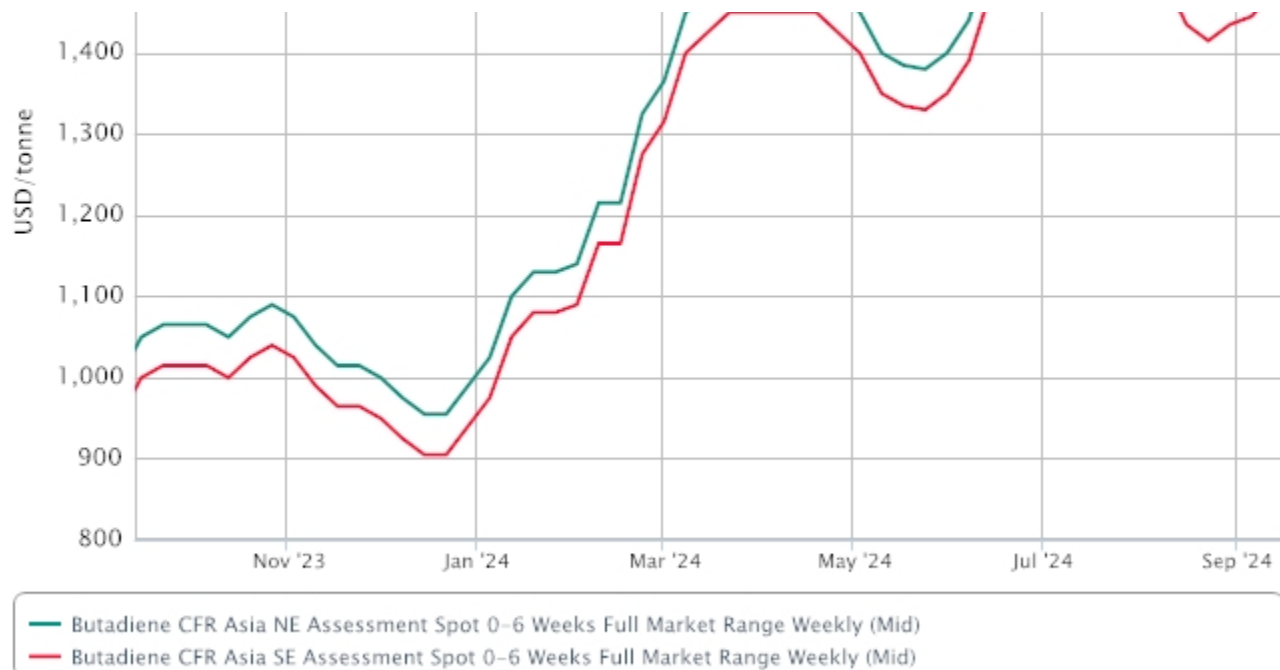
That said, even as China's appetite for import procurement was more positive this week, potential buyers there were still mostly cautious not to bid excessively.

There is no lack of spot supplies in wider Asia, particularly from southeast Asia, where at least four cargoes totaling 8,000 tonnes of October shipment supplies surfaced this week, seeking takers.

Demand-wise, the mood is quite upbeat within China, as robust futures for both natural and synthetic rubber spurred local synthetic rubber makers to ramp up operations.

However, the picture is distinctly more subdued in wider Asia, where a number of synthetic rubber plants are preparing to shut for scheduled Q4 maintenance.





© 2024 ICIS

OUTLOOK

- China-bound imports to take direction from domestic China price trend
- Divergent supply picture to prevail: longer in SE Asia, NE Asia tight on upcoming turnaround
- Demand picture may stay mixed; positive within China but lackluster in wider Asia

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	+50	1550.00-1650.00	+50	1430.00-1500.00	70.31-74.84
			0			
CFR NE Asia	USD/tonne	+20	1490.00-1570.00	+50	1470.00-1500.00	67.59-71.21
			0			
CFR SE Asia	USD/tonne	+20	1440.00-1520.00	+50	1420.00-1450.00	65.32-68.95
			0			

China

FOB China assessments were lifted at the high end, tracking firmer selling indications.

BD producers in China separately elevated their expectations for export cargoes to keep pace with domestic price increases.

However, substantive offers were limited, with producers mostly fully focused on domestic sales.

As there were no concrete FOB China buying indications either, the low end was adjusted upward, in line with changes at the high end.

Domestic China prices spiked early in the week but stabilized slightly later in the week.



© 2024 ICIS

Northeast Asia

CFR NE Asia assessments went up, taking into account deals and discussions heard in the week for China-bound shipment.

Discussions were centered on deliveries to the China market, with other regional outlets, such as the South Korea and Taiwan markets, on the sidelines amid lackluster domestic demand.

Several southeast Asia-origin cargoes were up for spot sales this week, with one lot available for lifting in early October sold early in the week. This price formed the low end.

Another lot, for H2 October lifting, was heard to have been offered later in the week, the price of which formed the high end.

Some northeast Asia-origin volumes for October delivery to China were also sold within the range, in the low \$1,500s/tonne CFR NE Asia, market sources said.

Monthly Aug '24 Jul '24 Jun '24 May '24 Apr '24 Mar '24 Feb '24 contract

DEL, \$/tonne							
Taiwan FPCC	1,465	1,515	1,395	1,355	1,415	1,348	1,135
S Korea YNCC	1,500	1,565	1,493	1,390	1,450	1,405	1,165

Southeast Asia

CFR SE Asia prices were up in tandem with increases seen for CFR NE Asia assessments.

A number of southeast Asia-origin cargoes were floated for October shipment spot sales in the week but these were all earmarked for delivery to northeast Asia, specifically China, and there were no discussions on CFR SE Asia terms, market players said.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

			Price Range		One Week Ago	/
Butadiene						
Ex-Tank E China	CNY/tonne	-100	13200-13400	n/c	12600-12700	-

UPSTREAM

Naphtha

- Slower spot demand but market stays stable
- Crack spread returns to over \$100/tonne on 12 Sep amid volatile crude
- Sep arb cargoes sharply lower vs Aug

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





of producing butadiene

© 2024 ICIS

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

DOWNSTREAM

Styrene-butadiene-rubber (SBR) (as at 11 Sep)

- Domestic China prices surge
- Discussions more upbeat for China-bound shipments
- Sentiment also up in wider Asia

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

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



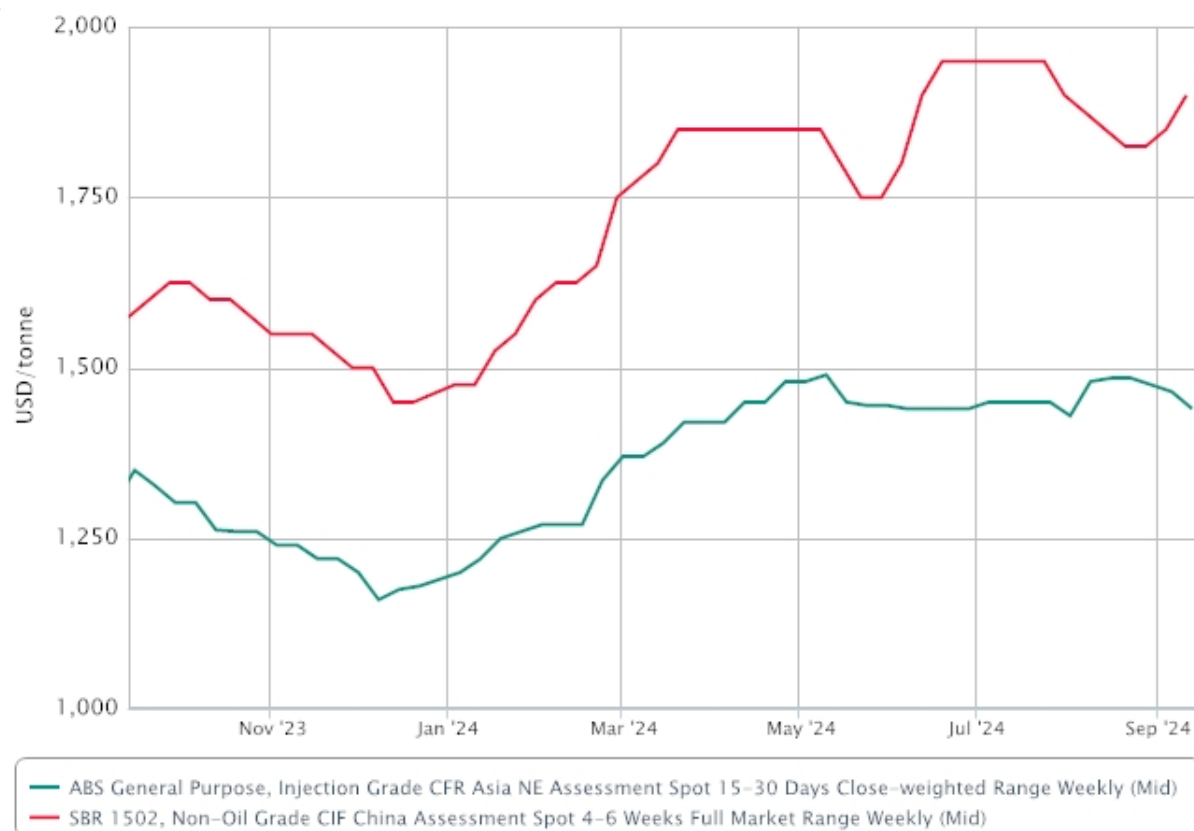
Typically healthy spread
Typically unhealthy spread



© 2024 ICIS

Acrylonitrile-butadiene-styrene (ABS) (as at 13 Sep)

- Import markets stable to soft for fourth week
- Disappointment as annual National Day Golden Week pick-up splutters
- Seller margins see surprise improvement from larger feedstock cost plunge



© 2024 ICIS

PRODUCTION

A 109,000 tonne/year unit in Taiwan will [resume](#) operations in late September, bringing to a close an extended maintenance period that started in March.

In China, a 200,000 tonne/year unit in Zhoushan [has gone offline](#) since early September for maintenance over 15 days. Another 100,000 tonne/year unit in [Panjin](#) is undergoing maintenance for 50 days, commencing from early July.

In Japan, a 180,000 tonne/year unit in Tokuyama will [shut](#) from mid-September to end-November for maintenance, while another 160,000 tonne/year unit in Yeosu, South Korea, is gearing up for [maintenance](#) over two weeks in early November.

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

OTHER REGIONS

Europe (as at 6 Sep)

- Spot supply snug
- Unexpected production constraints to be resolved in the middle of month
- Planned autumn turnaround season underway

- Demand steady

US (as at 6 Sep)

- US BD production rates remain thin on lingering feedstock allocation issues, turnarounds
- US BD shortage may be offset as large BD consumer also down for maintenance
- Spot prices softened slightly with demand

Butadiene (Asia-Pacific) | 13-Sep-2024. ICIS accepts no liability for commercial decisions based on the content of this report. Unauthorised reproduction, onward transmission or copying of the Butadiene (Asia-Pacific) Report in either its electronic or hard copy format is illegal. Should you require a licence or an additional copy of the Butadiene (Asia-Pacific) Report, please contact ICIS at sales.uk@icis.com

ICIS, Quadrant House, The Quadrant, Sutton, Surrey, SM2 5AS. United Kingdom. ICIS accept no liability for commercial decisions based on the content of this report. Copyright violation is a serious offence. Any distribution or forwarding of information that is not expressly permitted by your subscription agreement is a copyright violation. ICIS uses software to monitor unauthorised electronic redistribution of reports.

© 2024 Reed Business Information Limited. ICIS is a member of RELX Group.



www.icis.com