



# Butadiene (Asia-Pacific)

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

**Effective on 7 August 2023, ICIS will adjust its butadiene methodology as below: cargo size ranges are typically 50-300 tonnes for domestic assessments; purity requirement for import cargoes is at 99.5%; domestic cargoes assessed by ICIS conform to premium grades of GB/T 13291-2021. Any queries please email [aviva.zhang@icis.com](mailto:aviva.zhang@icis.com).**

## OVERVIEW

- **Domestic China supported on prompt production constraints**
- **Import talks into China kept buoyant as such**
- **Outlook in wider Asia less upbeat**

Domestic yuan-denominated prices for butadiene (BD) saw [support](#) this week from some disruptions in local production, and this domestic strength kept up sellers' expectations for US dollar-denominated imports into China.

However, the buying appetite for imports was uneven in China, depending on the profile of potential import buyers.

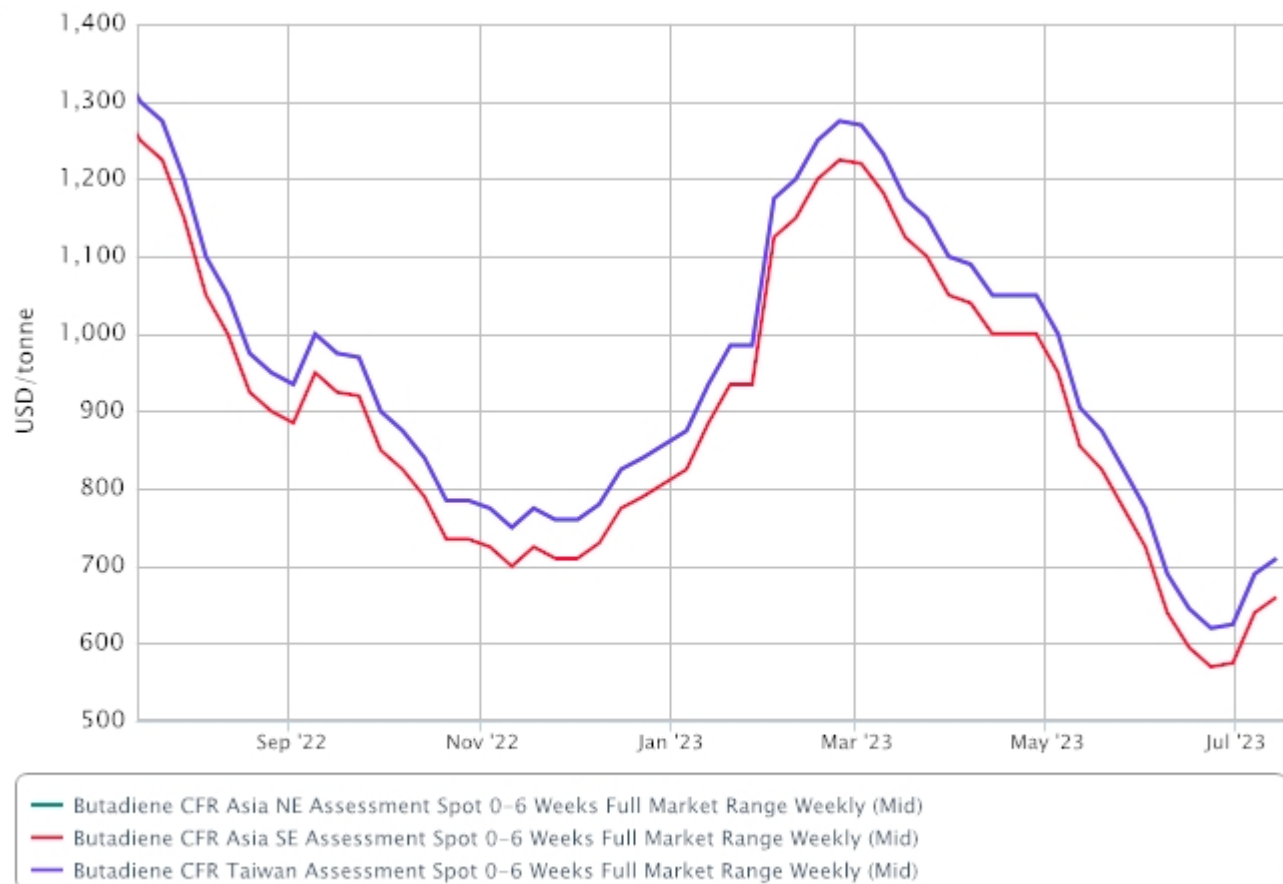
Some traders were heard more proactively seeking imports, and at bids closer to sellers' expectations, especially since they deemed these still broadly competitive compared with prevailing US dollar parity values for domestic cargoes.

However, other end-users in China were largely cautious, citing concerns that the domestic yuan market may have turned by the time these forward import cargoes arrive at shore.

After all, [confidence](#) was still somewhat lacking that downstream demand fundamentals within China could pick up significantly in the near term, market sources said.

Outside of China, BD discussions were discernibly weaker in other northeast Asian outlets. End-users there said that they prefer to wait and see, and consider fresh import purchases only when the domestic situation in China has stabilised.

These buyers also saw no supply issues in the near term, as besides the anticipated arrivals of several bulk deep-sea shipment in Q3, they are expecting more regional spot availabilities to surface too.



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## OUTLOOK

- Divergent buying appetite between China and wider Asia
- China import interest contingent on domestic market performance
- Uncertainties abound in near-term outlook

## PRICES

### SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
<b>Butadiene</b>						
<b>FOB China</b>	USD/tonne	+20	670.00-720.00	+20	650.00-700.00	30.39-32.66
<b>CFR NE Asia</b>	USD/tonne	+20	670.00-750.00	+20	620.00-670.00	30.39-34.02
<b>CFR Taiwan</b>	USD/tonne	+20	670.00-750.00	+20	620.00-670.00	30.39-34.02
<b>CFR SE Asia</b>	USD/tonne	+20	620.00-700.00	+20	570.00-620.00	28.12-31.75

### China

FOB China assessments are up on the high end, tracking firmer selling indications.

Concrete buy-side response is muted, and the low end is notionally adjusted in line with high end changes.

Domestic ex-tank prices in east China rose in early week's trading, amid fresh news of local supply disruption, but gains were returned by late week.



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## Northeast Asia

CFR NE Asian discussions were more active and upbeat for China-bound shipment.

Selling indications were at the high end or above, and buy-side response varies across different northeast Asian outlets.

Players in South Korea and Taiwan were resistant to higher levels, and their buying indications were capped at the low end.

Some traders and end-users in China were heard still seeking July/August shipment materials.

Some southeast Asia-origin materials were sold early in the week at the low end of the range, for August arrival to China.

Subsequently, up to 4,000 tonnes of July loading Taiwan-origin materials, as well as another 4,000 tonnes of August-loading materials from South Korea, were sold, albeit on a FOB basis and in a mix of fixed-price and formula-linked trades, also heard for eventual shipment to China.

Taking into account estimated freight costs, market players said that these would be the equivalent to the low-to-mid \$700s/tonne, on a CFR NE Asia basis.

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

Monthly Contract DEL, \$/tonne	Jun '23	May '23	Apr '23	Mar '23	Feb '23	Jan '23	Dec '22	Nov '22
Taiwan FPCC	655	875	1,015	1,085	1,085	855	755	755
Korea YNCC	635	855	1,060	1,145	1,178	905	795	755

### Southeast Asia

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

A southeast Asia-origin cargo available to lift in H1 August was put up for tender sales this week, but it was not conclusive, market sources said.

### SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

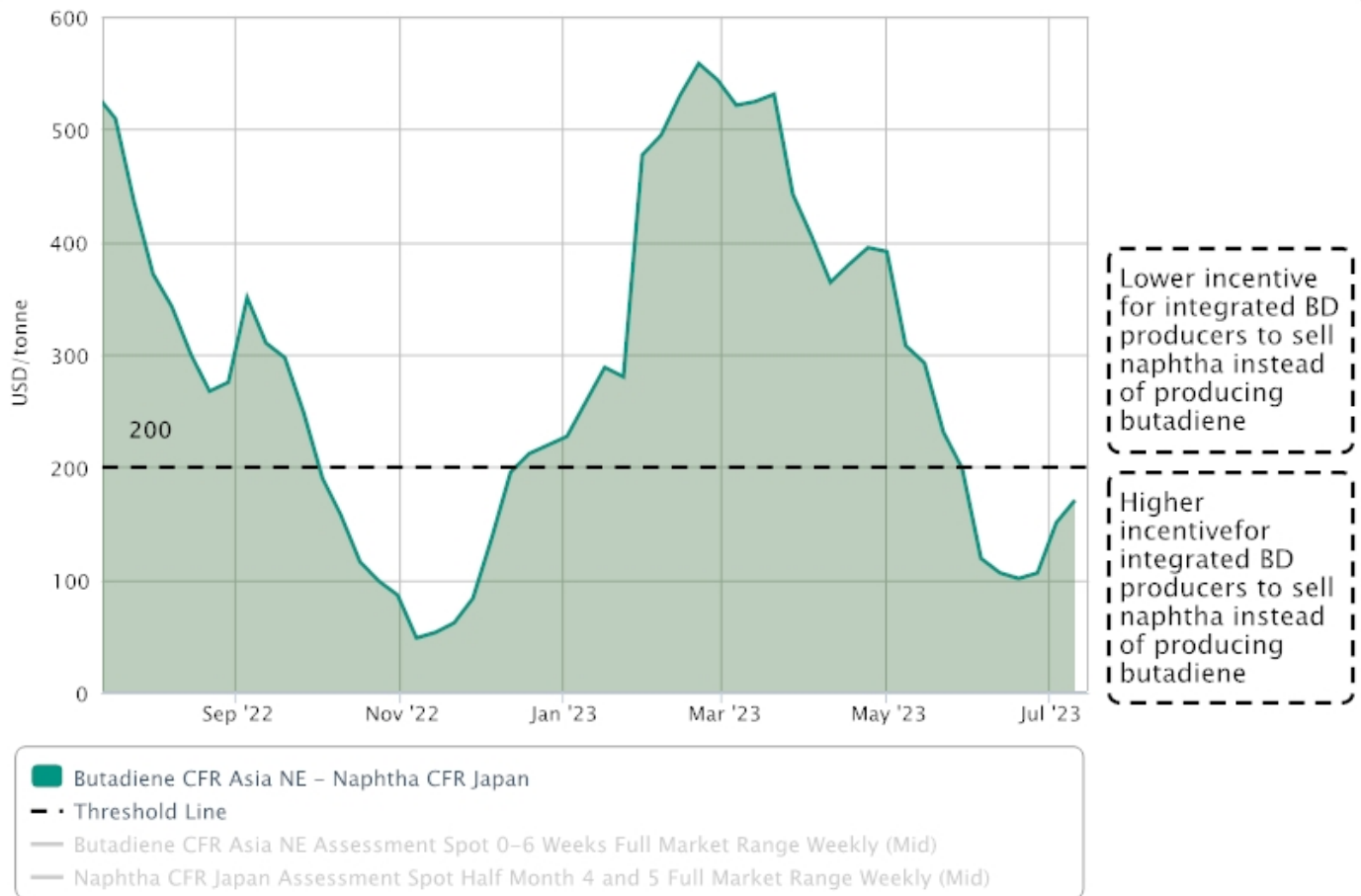
			Price Range		One Week Ago	/
<b>Butadiene</b>						
<b>Ex-Tank E China</b>	CNY/tonne	n/c	6400-6500	-100	6100-6200	-

### UPSTREAM

#### Naphtha:

- Lack of Russian cargoes impacts market sentiment
- Cracks improved, but still in discounts
- Outright price surpasses \$600/tonne due to crude

[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.

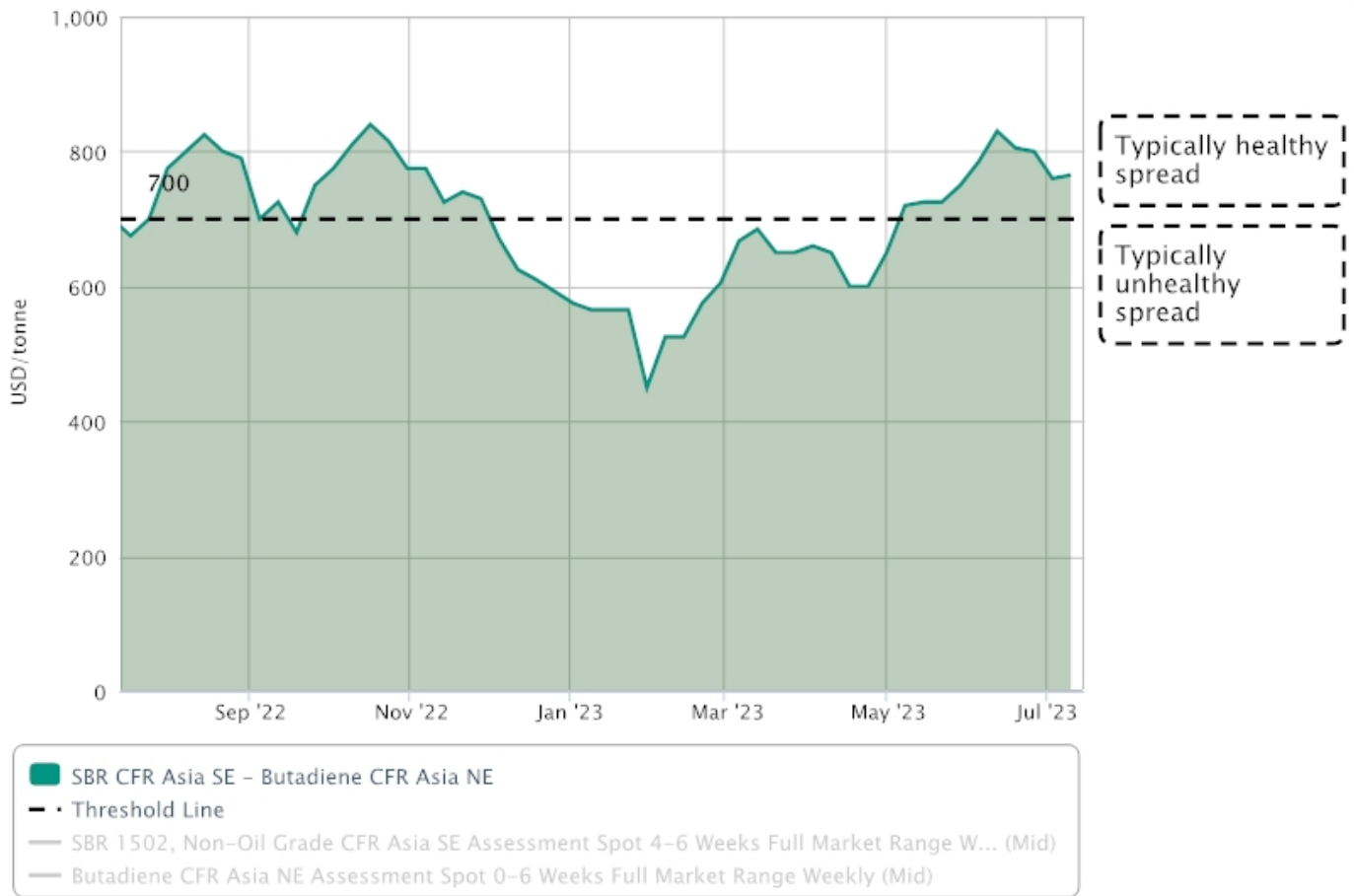
## DOWNSTREAM

### Styrene butadiene rubber (SBR)

- Offers tap on upstream strength for support
- More active restocking interest
- Prevailing downstream operations still dull

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

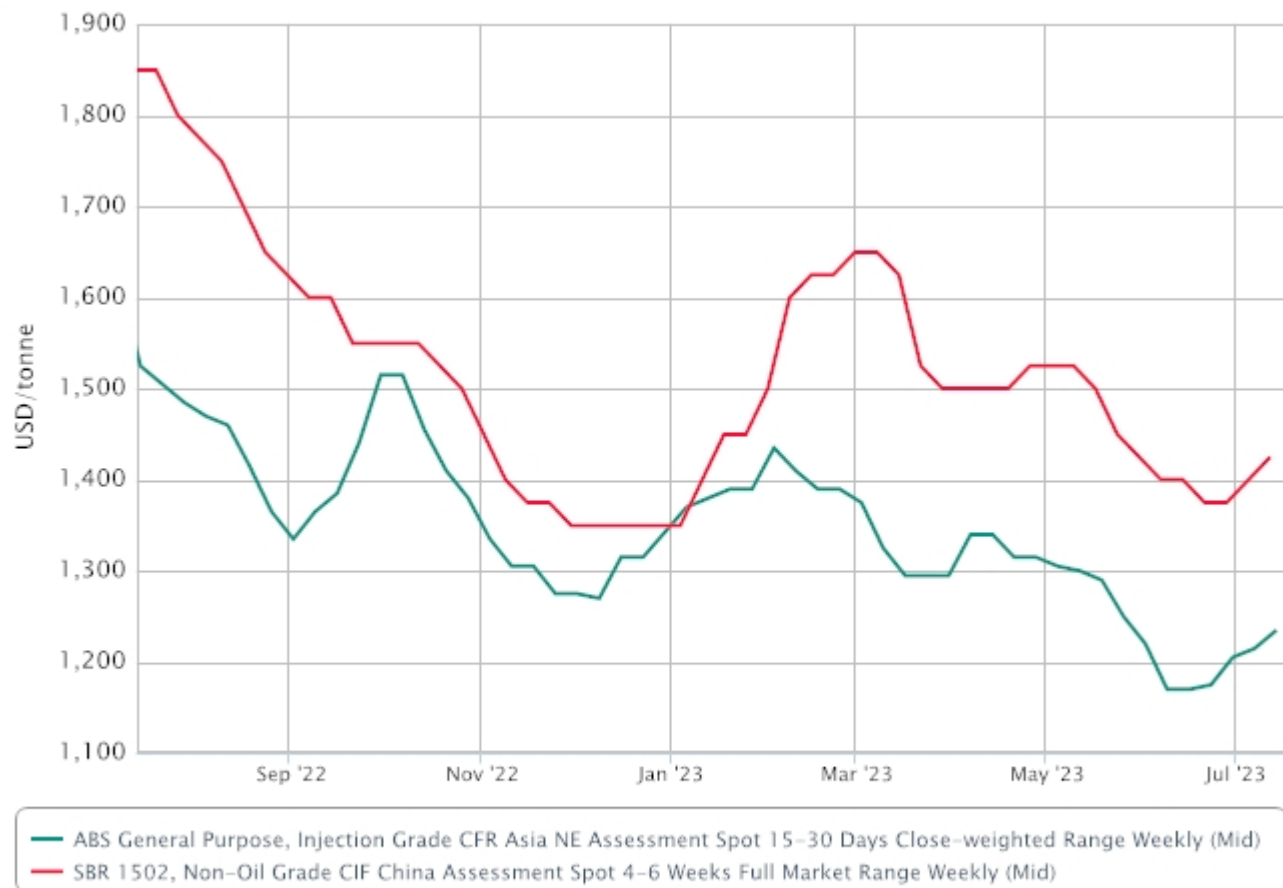
[Spread between Butadiene and Styrene Butadiene Rubber Asia](#)



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**Acrylonitrile butadiene styrene (ABS)**

- CFR NE Asia prices rise for fourth consecutive week after two-month decline
- Support rendered from upstream, production cuts
- Actual demand stays poor, end-users squeezed by high cost



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## PRODUCTION

Several plants in [northeast/southeast](#) Asia are restarting in Q3 from prior maintenance closures. Operations at a 200,000 tonne/year unit in east China were [suspended](#) this week, seemingly on technical grounds. It is unclear as yet how long the outage may last, market sources said.

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

## OTHER REGIONS

### Europe

- Steady to soft market fundamentals
- Demand poor
- Mitigation through production cuts, alternative processing
- Slight pick-up in Asia but questions over its sustainability

### US

- Spot prices lowered
- Supplies ample to meet weak demand
- US contracts remain at rare discount to Europe

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