



## Butadiene (Asia-Pacific)

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

The FOB China and China domestic yuan (CNY) prices in the weekly analysis on 29 September will be assessed based on information collated up to 28 September. In addition, the FOB China and China domestic yuan (CNY) prices in the weekly analysis on 6 October will not be assessed. Please click [here](#) for the ICIS publishing schedule.

### OVERVIEW

- **Se II tenders drew some bullish response**
- **Tight spot supplies boost sellers' sentiment further**
- **Pricing appetite still uneven across Asia**

Sellers of Asian spot imports of butadiene (BD) are fiercely [bullish](#) this week after several sell tenders for southeast Asia-origin materials drew stronger-than-expected responses.

Many of them elevated selling targets thereafter and were confident that there will be support on various fronts.

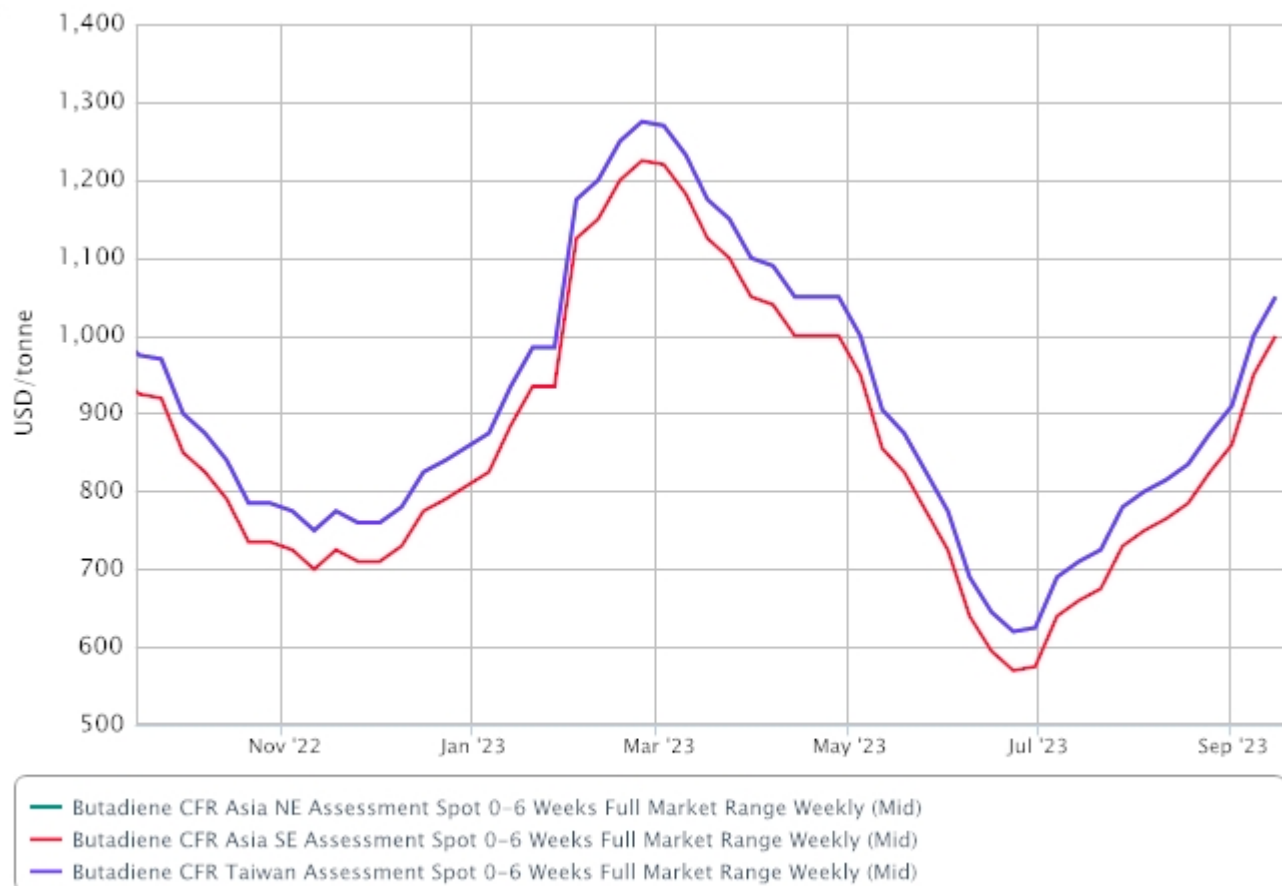
Firstly, they perceived downstream demand as improving, as derivative sectors have ramped up operations, and end-demand could also pick up further in Q4, riding on recent news on [positive recovery](#) in China.

Secondly, spot availabilities are limited to begin with, and the constraints could sharpen further on the back of fresh developments such as an unplanned [outage](#) in China and prolonged maintenance.

Buy-side response remains uneven.

End-users are not disinclined to buying additional spot cargoes to ensure that they are sufficiently stocked to meet and fulfil downstream production plans. But this sector of buyers were visibly resistant to bidding too aggressively, for fear that they will unduly stifle the delicate downstream recovery process with walloping costs.

There were also traders seeking spot volumes, more to cover unforeseen shortfall from delays in term-shipment deliveries. These buyers posted distinctly more bullish bids to secure cargoes. But market players said that it remains to be seen if such buying will be more sustained or a one-off in nature, as thus far, it remains unclear what is the magnitude of such requirements.



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## OUTLOOK

- Supply concerns to drive buying momentum
- China’s [recovery](#) could boost demand too
- Derivative market performance to shape bids

## PRICES

### SPOT PRICES - PRICE RANGE FOR THE WEEK

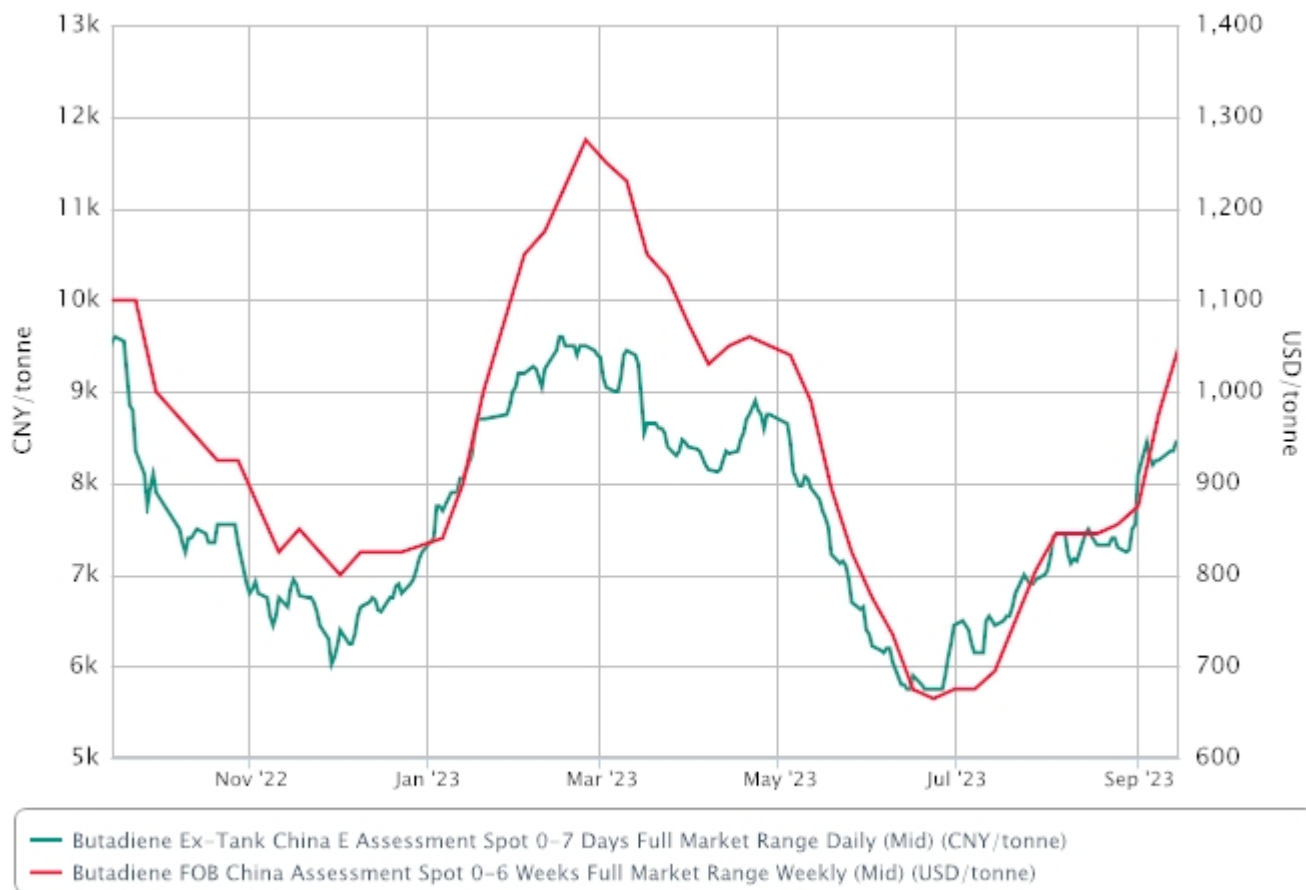
			Price Range		Four Weeks Ago	US CTS/lb
<b>Butadiene</b>						
<b>FOB China</b>	USD/tonne	+50	1000.00-1100.00	+100	830.00-860.00	45.36-49.90
<b>CFR NE Asia</b>	USD/tonne	+50	1000.00-1100.00	+50	800.00-870.00	45.36-49.90
<b>CFR Taiwan</b>	USD/tonne	+50	1000.00-1100.00	+50	800.00-870.00	45.36-49.90
<b>CFR SE Asia</b>	USD/tonne	+50	950.00-1050.00	+50	750.00-820.00	43.09-47.63

### China

China’s export offers for BD continued to climb, tracking increases seen in both the domestic yuan-denominated market and for US dollar-denominated imports.

But substantive discussions are limited as export availabilities tightened with some production issues at home.

Domestic ex-tank prices in China are up, as producers raised offers to keep pace with increases in the international market.



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**Northeast Asia**

CFR NE Asia assessments rose with firmer buying and selling indications, but the bulk of spot transactions this week concluded eventually on either FOB, or formula-linked basis, and not on CFR NE Asia terms.

One of three southeast Asia-origin cargoes put up for tender sales this week was heard concluded at around \$970-980/tonne FOB SE Asia.

This boosted seller’s sentiment and sell-side indications for October-shipment parcels spiked to \$1,100-\$1,150/tonne CFR NE Asia range. The high end is adjusted up in line.

On the buy-side, pricing appetite differs depending on buyers’ profile, shipment window and destinations.

Traders seeking to secure cargoes to cover shortfall posted more bullish bids, which were reflected at the higher end of the published range, but end-users were relatively subdued and held fast onto buying indications at the lower end for October-shipment supplies of regional cargoes.

Among the different northeast Asian outlets, buying tempo also varies, with discussions heard more upbeat in Taiwan than in South Korea and China, with players in Taiwan seemingly less resistant to negotiate at the higher end of the range, market sources said.

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

Monthly Contract DEL, \$/tonne	Aug 23	Jul 23	Jun 23	May 23	Apr 23	Mar 23
Taiwan FPCC	750	650	655	875	1,015	1,085
Korea YNCC	770	665	635	855	1,060	1,145

### Southeast Asia

CFR SE Asia assessments are adjusted up in tandem with increases in the CFR NE Asia assessment.

There were no substantive discussions and trades on CFR SE Asia terms. A total of three southeast Asia-origin cargoes were sold this week via different sell tenders for September and October loading. The cargoes are all earmarked for shipment to northeast Asia, market sources said.

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

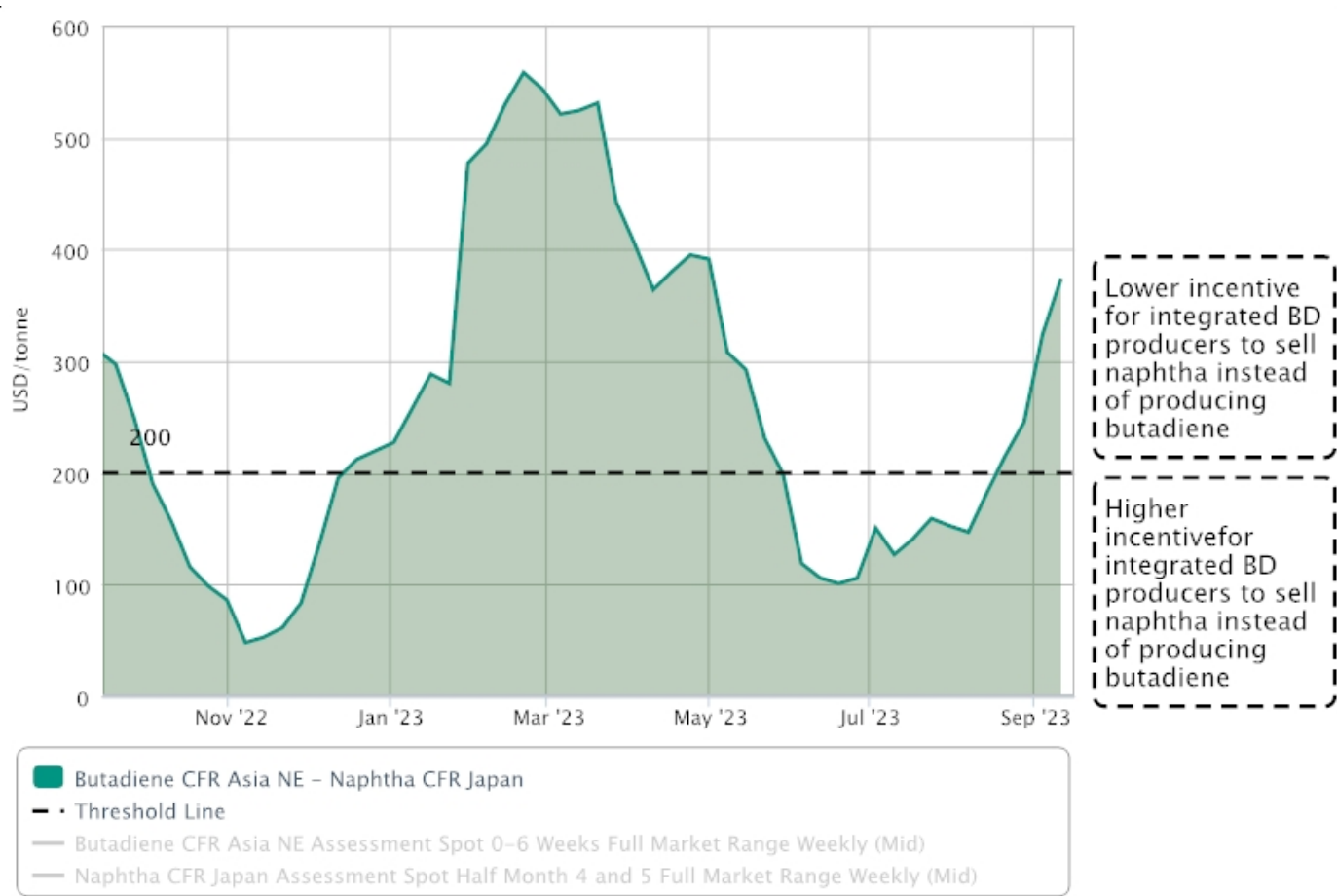
			Price Range		One Week Ago	/
<b>Butadiene</b>						
<b>Ex-Tank E China</b>	CNY/tonne	+100	8500-8600	+100	8200-8300	-

## UPSTREAM

### Naphtha:

- Outright price on wednesday hits six-month high
- Buyers seen replenishing stocks despite high price; aromatics provide support
- Taiwan's CPC turns seller in rare move due to cracker maintenance

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



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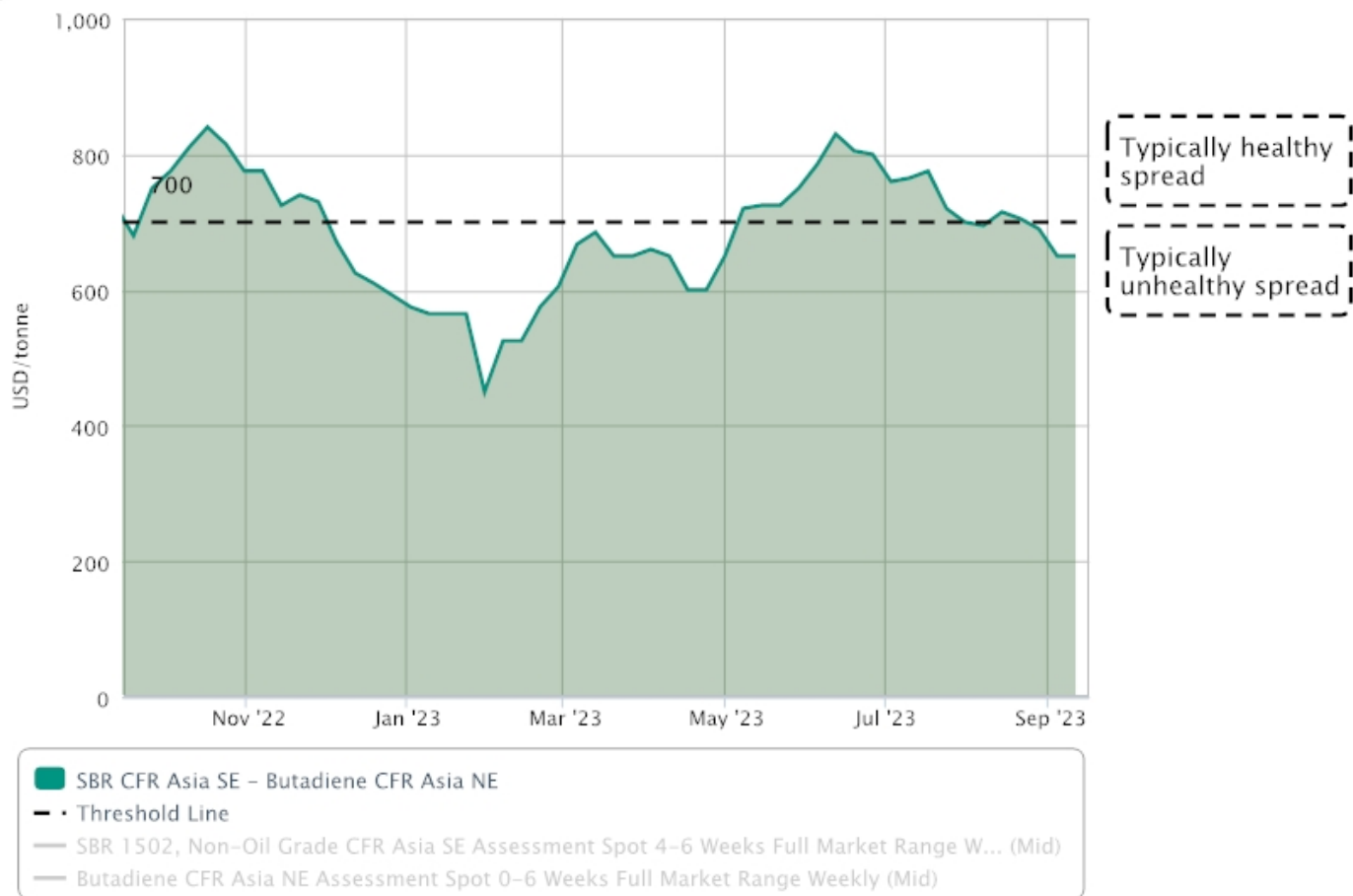
## DOWNSTREAM

### Styrene-butadiene-rubber (SBR)

- Discussions up with upstream gains
- Snug spot availabilities keep offers supported too
- More active buying enquiries

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

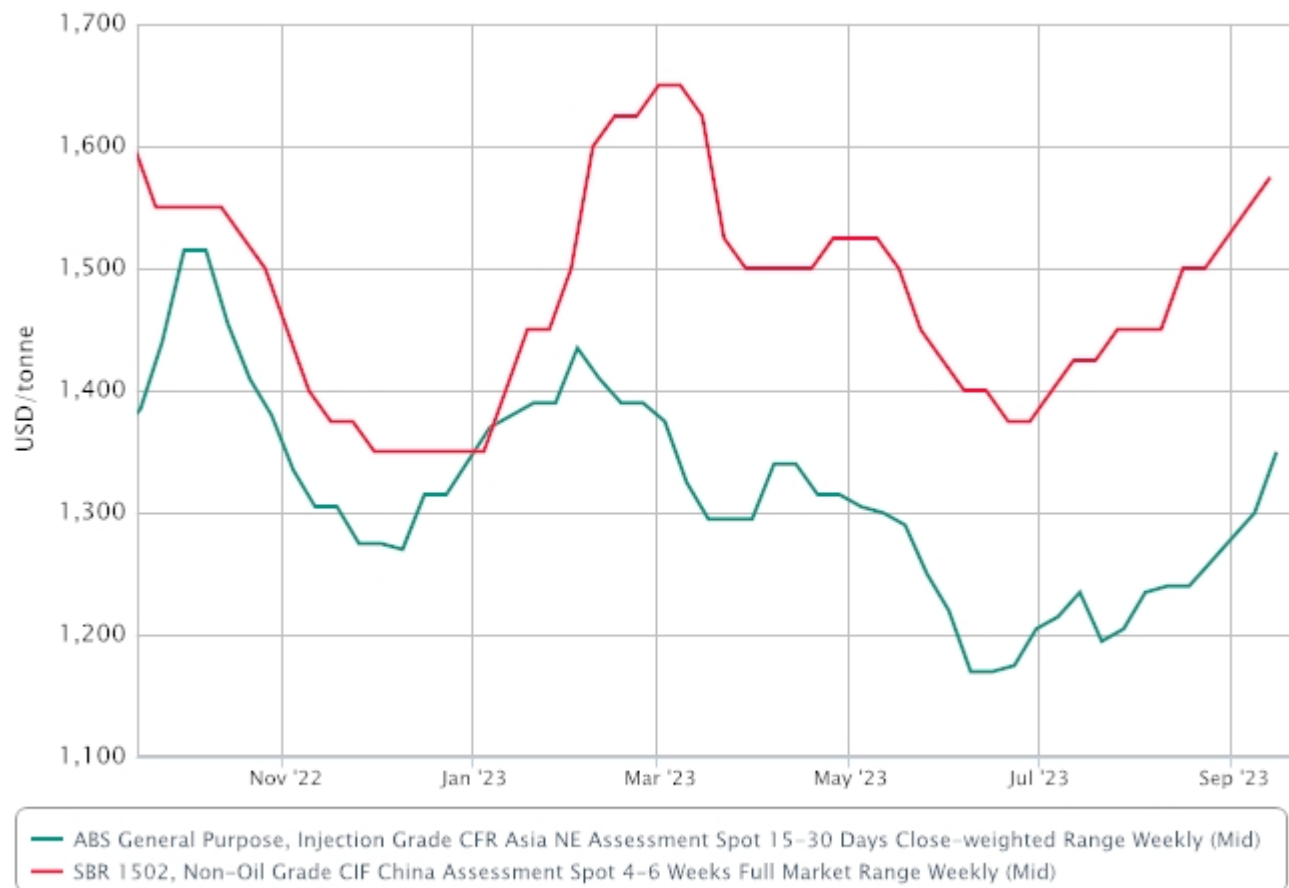
[Spread between Butadiene and Styrene Butadiene Rubber Asia](#)



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**Acrylonitrile-butadiene-styrene (ABS)**

- CFR NE Asia up for fourth week to six-month high
- Continued feedstock cost surge prompts offers to be raised
- Sentiment bolstered by traditional peak ahead of Q4 shopping season, China’s stimulus policies



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## PRODUCTION

Regional supplies are tight with [ongoing](#) and [upcoming](#) maintenance in Taiwan.

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

## OTHER REGIONS

### Europe

- Export prices higher on continued Asian uptrend
- Some efforts to increase BD output, but crackers still constrained
- US BD supply outage supportive but likely short-lived
- Domestic stable, small demand uplift in September

### US

- Tower collapse disrupts production at BASF/Total site
- Unexpected outage likely to pause export discussions
- Domestic market expects no impact from outage

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