Butadiene (Asia-Pacific)

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Please click here for full details on the criteria ICIS uses in making these price assessments.

ICIS is collecting feedback on our current methodology for Butadiene. Please click here to provide your feedback.
The FOB China and domestic yuan (CNY) prices in the weekly analysis on 23 June will be assessed based on information collated up to 21 June. Please click here for the ICIS publishing schedule.

OVERVIEW

- **Wider losses seen across Asia**
- **Ample supplies**
- **Poor buying support**

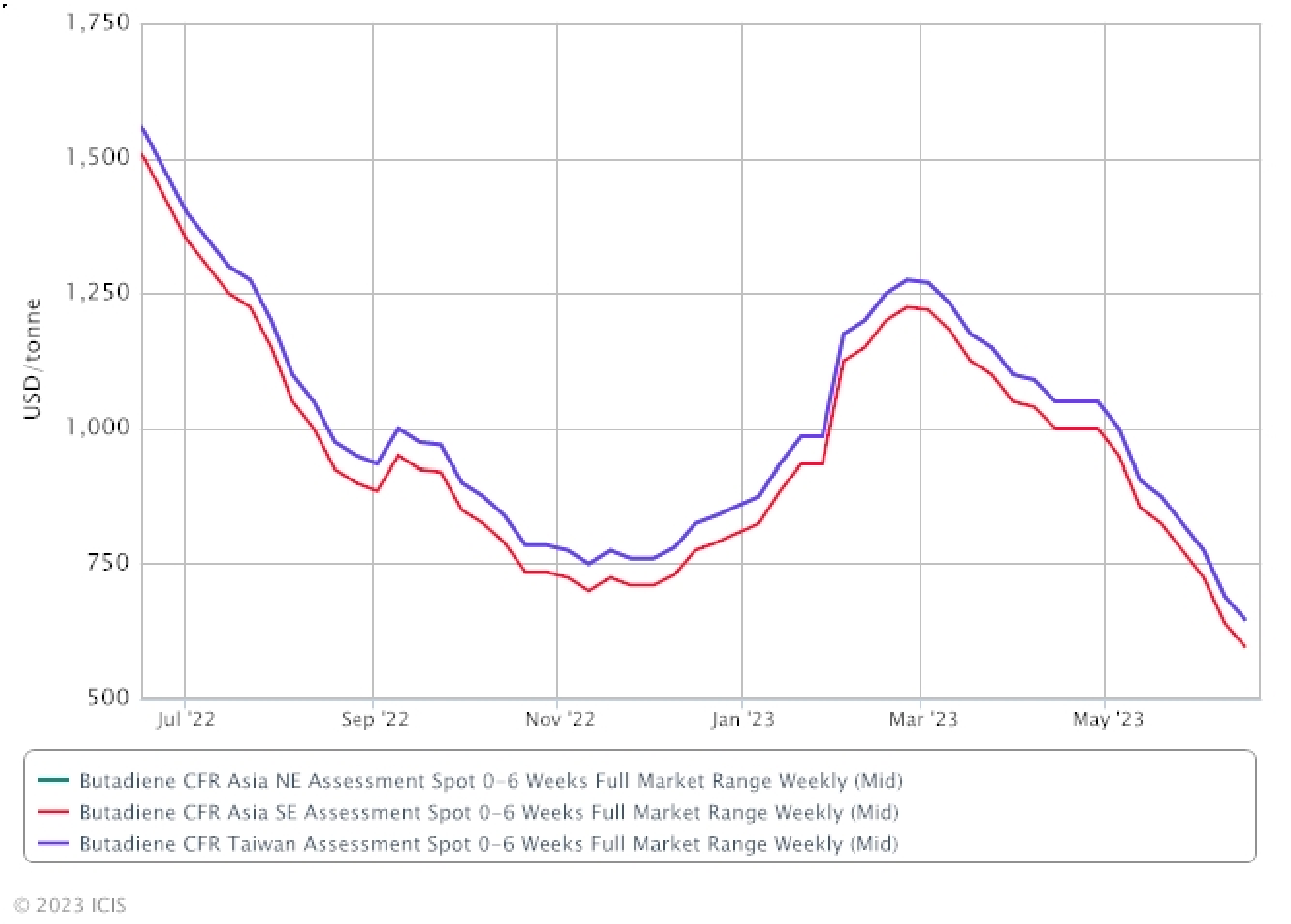
Asian spot prices for butadiene fell, both for the US dollar-denominated imports and in the domestic yuan-denominated market in China.

In China, domestic ex-tank prices started the week on a weak note. Even though these recovered some lost grounds by late week, confidence remained low amid bearish indicators on China's economic health, such as multimonth declines in its producer price index (PPI).

In wider Asia, buying interest is tepid too. End-users perceive the market as oversupplied and are convinced that they could bargain harder and press for deeper discounts from sellers.

Supplies are indeed abundant, as besides regular Asian spot cargoes, there are deep-sea products available too. Furthermore, some traders are also looking to re-sell excessive term volumes, due to lower-than-expected off-take from downstream users.

However, as the price spread between naphtha and BD has narrowed to unhealthy levels, BD producers are also resistant to offering any lower, in a bid to protect margins. Moving forward, spot discussions may be dead-locked as such, market sources said.



OUTLOOK

- **Supply overhang may stretch**
- **Demand outlook bearish**
- **Spot trade liquidity may stay low**

PRICES

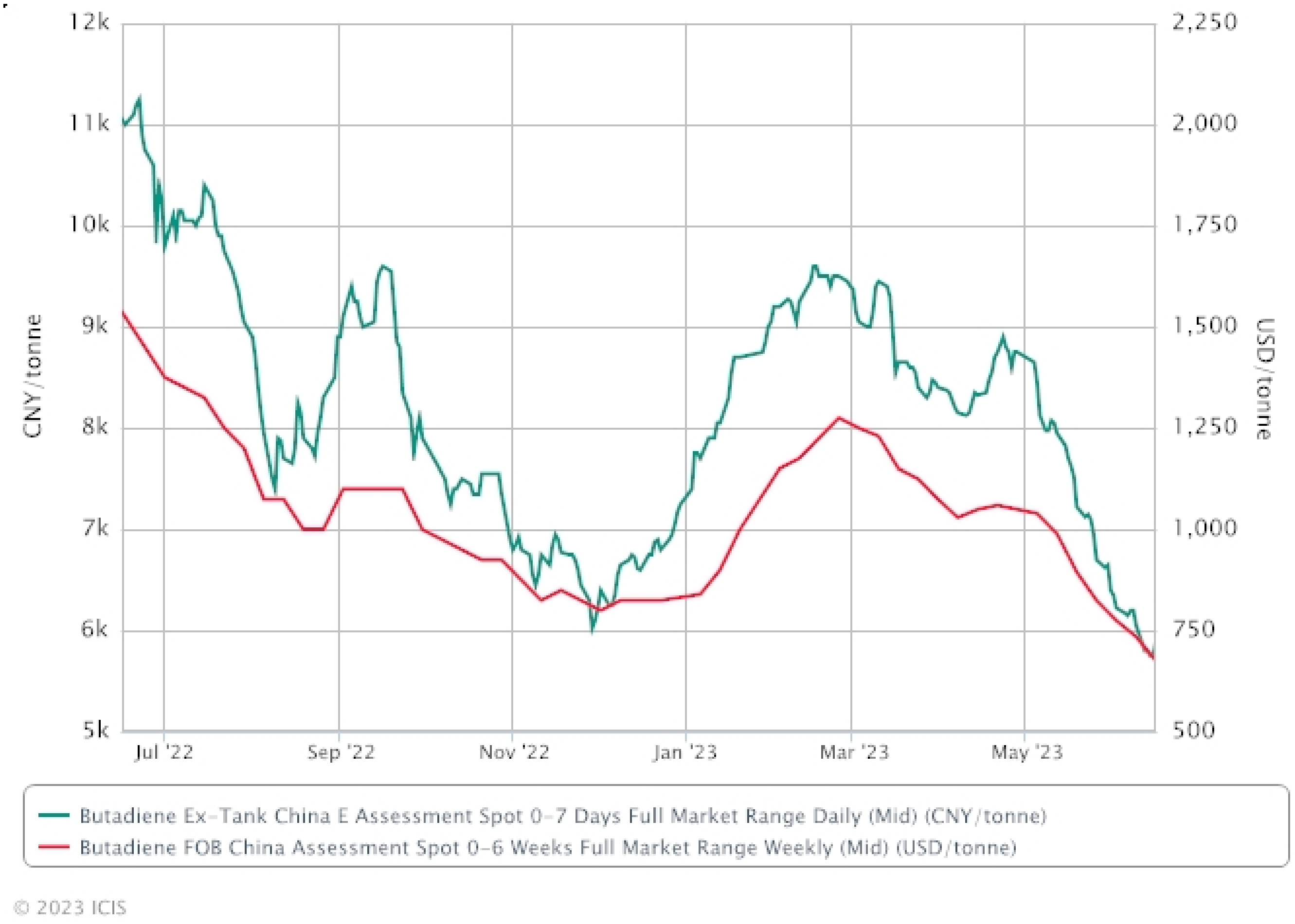
SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	-70	650.00-700.00	-50	890.00-900.00	29.48-31.75
CFR NE Asia	USD/tonne	-30	620.00-670.00	-60	850.00-900.00	28.12-30.39
CFR Taiwan	USD/tonne	-30	620.00-670.00	-60	850.00-900.00	28.12-30.39
CFR SE Asia	USD/tonne	-30	570.00-620.00	-60	800.00-850.00	25.85-28.12

China

Domestic ex-tank prices in east China fell early week, alongside successive reductions by a major producer of its list prices.

This weighed on export offers, and FOB China assessments are adjusted down with lower selling indications, in the absence of any concrete discussions.



Northeast Asia

CFR NE Asian prices were down, taking into account lower deals and discussions for July shipment cargoes.

An end-user in northeast Asia bought a July shipment cargo from a regional trader, and this forms the low-end.

Buying indications below the published range surfaced too, but found no traction with producers who deemed these to be too low, considering the current spread against naphtha, market sources said.

Majority selling indications for remaining July spot availabilities in Asia hovered at the high-end, but these did not draw much buy-side response either.

Some limited discussions did take place within the range, albeit non-conclusively, market sources said.

Many sellers are leaning towards negotiating and concluding next spot deals on a formula-linked basis, rather than on fixed-price terms, market players said.

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

Monthly Contract	May '23	Apr '23	Mar '23	Feb '23	Jan '23	Dec '22	Nov '22

DEL, $/tonne							
Taiwan FPCC	875	1,015	1,085	1,085	855	755	755
Korea YNCC	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 H2 July was put up for sale this week, via tender. However, the tender outcome is not available by the time of writing.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

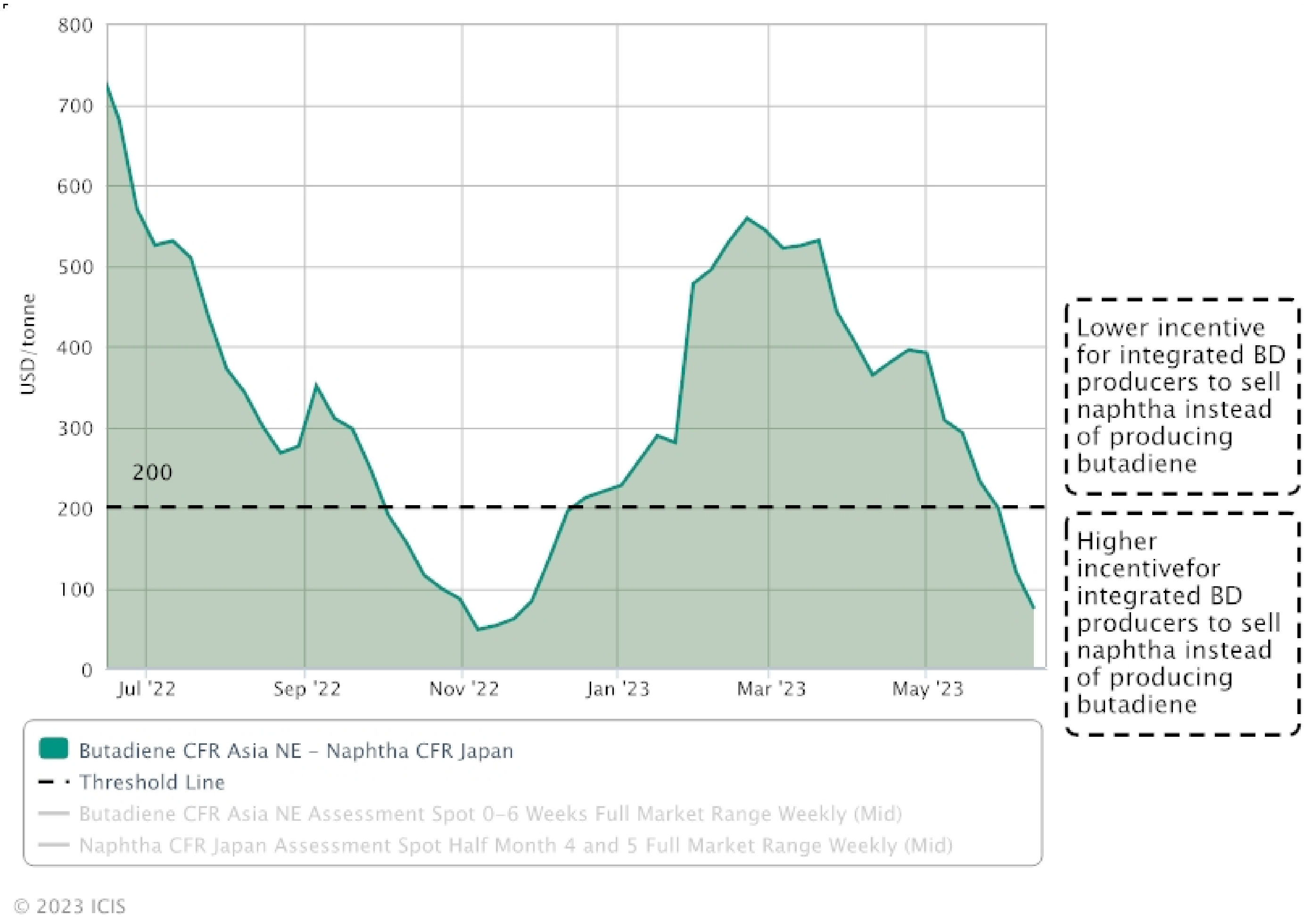
			Price Range		One Week Ago	/
Butadiene						
Ex-Tank E China	CNY/tonne	+100	5800-6000	+200	6000-6100	-

UPSTREAM

Naphtha:

- Crack mired in the negative zone
- Supplies still seen as ample
- Some spot cargoes seen at steep discounts

Feedstock spread between Naphtha CFR Japan and Butadiene CFR NE Asia



Click here for the Asia feedstocks and petrochemicals weekly summary.

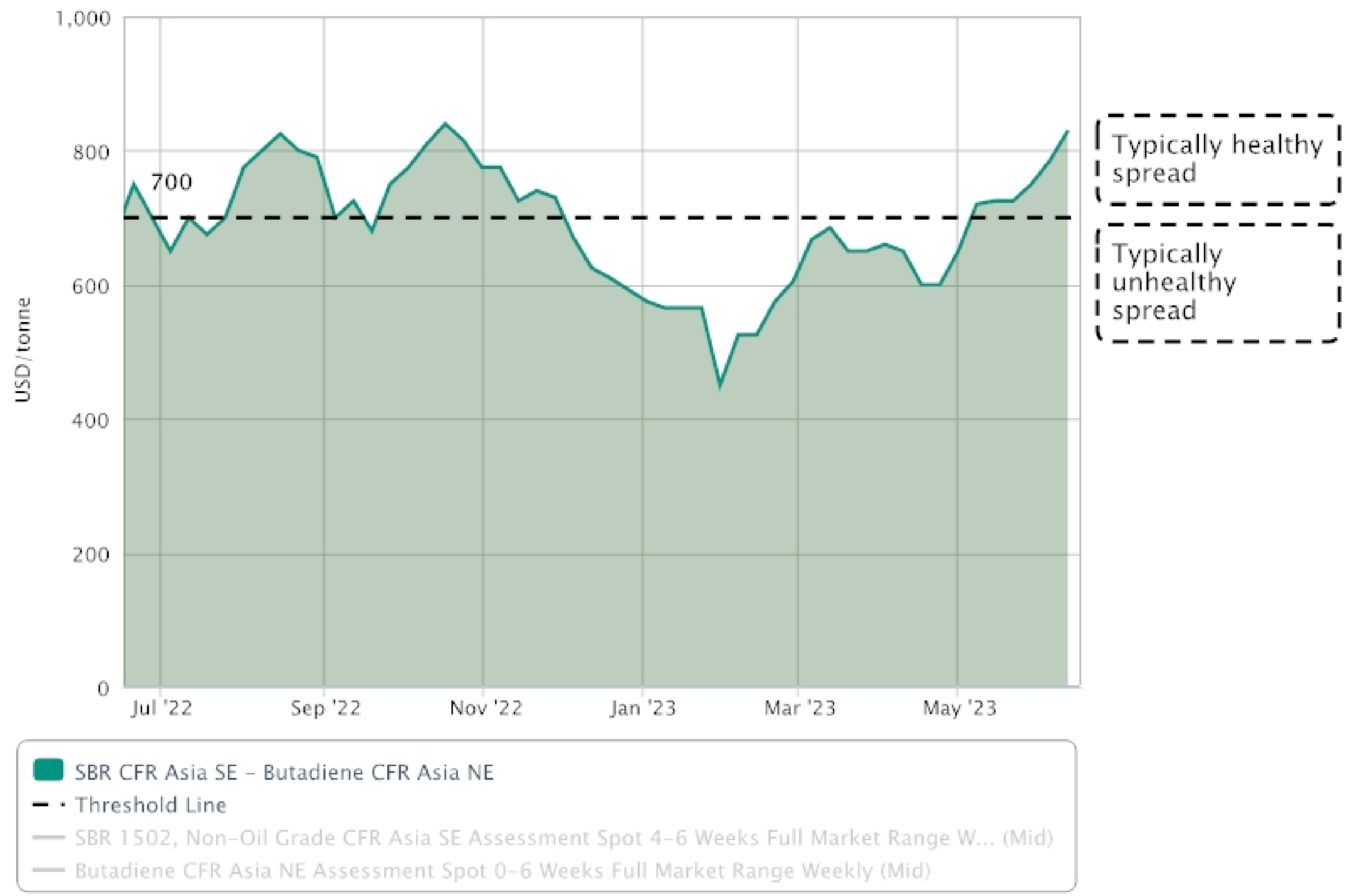
DOWNSTREAM

Styrene butadiene rubber (SBR)

- Discussions in limbo
- Players pull back to wait and see
- Sentiment dented by fresh upstream losses too

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

Spread between Butadiene and Styrene Butadiene Rubber Asia



Acrylonitrile butadiene styrene (ABS)

- CFR NE Asia price downtrend halted after six weeks
- Few sellers lower offers to limited buying interest
- Most sellers stand by offers in view of plunging margins

PRODUCTION

There was a heavy wave of BD maintenance closures in northeast Asia in April and May, but supplies are now poised to grow with several plants in South Korea restarting from June.

Click here for the Asian BD Live Disruption Tracker.

OTHER REGIONS

Europe

- No change on supply and demand fundamentals week on week
- Domestic demand low but holding
- Crackers' rates further constrained
- No spot trade heard

US

- Spot demand remains muted in weak demand environment
- Contractual volumes moving between regions, but no spot demand

- Further declines in Asia keep downward pressure on global market