

By Ai Teng Lim
18-Aug-2023

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

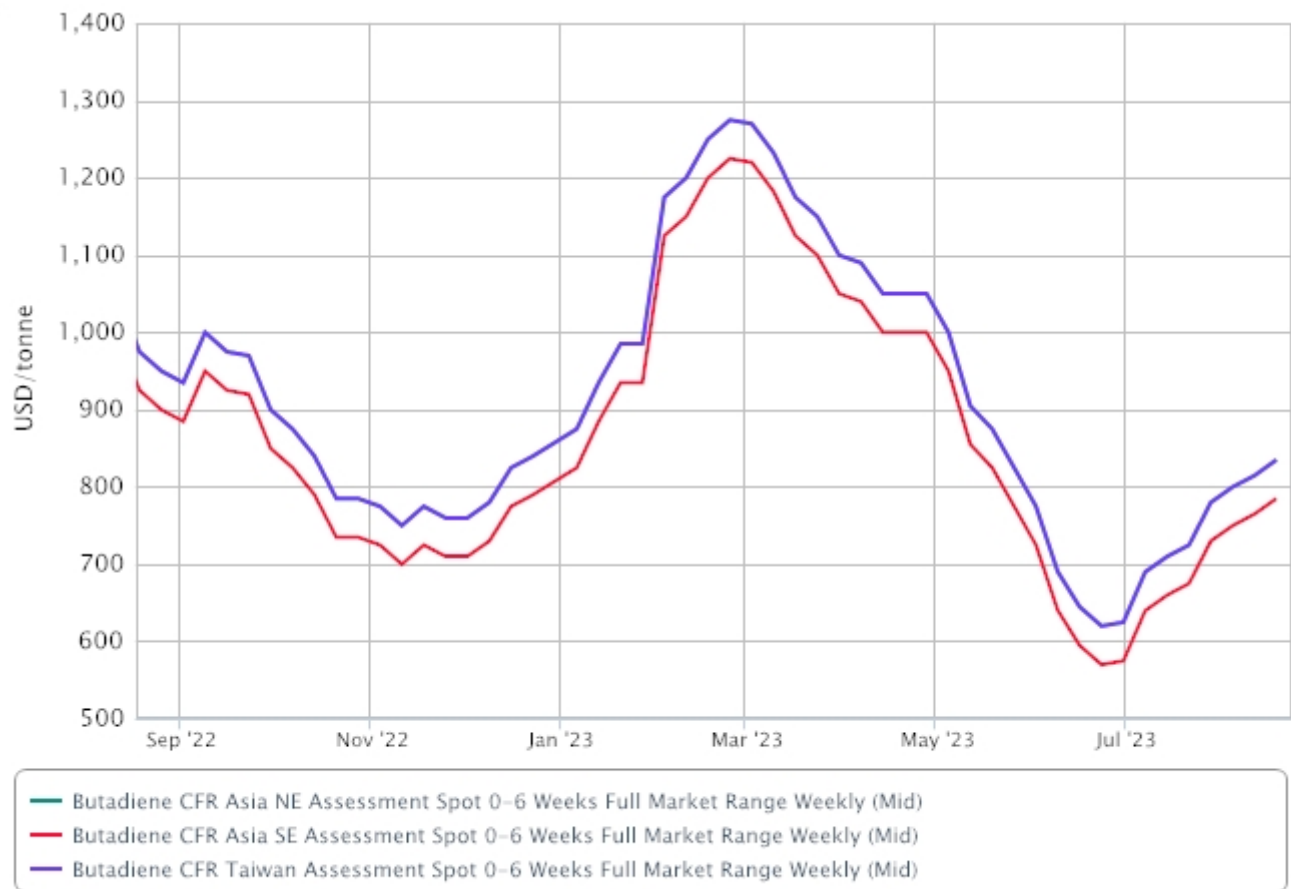
OVERVIEW

- **Tight BD supply in Asia**
- **Buyers adopt wait-and-see position**
- **Buy-sell gap remains wide in NE Asia**

Butadiene supply in Asia was heard to be tight this week amid relatively low operating rates of upstream naphtha crackers contributing to tight supply of feedstock.

Although some market participants have expressed restocking considerations, most buyers adopted a wait-and-see position amid fluctuations in domestic butadiene markets as well as upstream crude and naphtha markets.

The buy-sell gap in northeast Asia remained wide. Although buying sentiment from South Korean end users improved amid higher operating rates in downstream plants, no firm deals were heard to have been concluded amid strong buying resistance to the higher offer levels announced by sellers.



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OUTLOOK

- Sluggish demand in China might persist on the back of earlier procurement decisions by end users
- Trade in South Korea might pick up as some end users consider restocking amid low inventories
- Buy-sell gap could narrow on the back of mounting inventory pressure faced by some end users

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

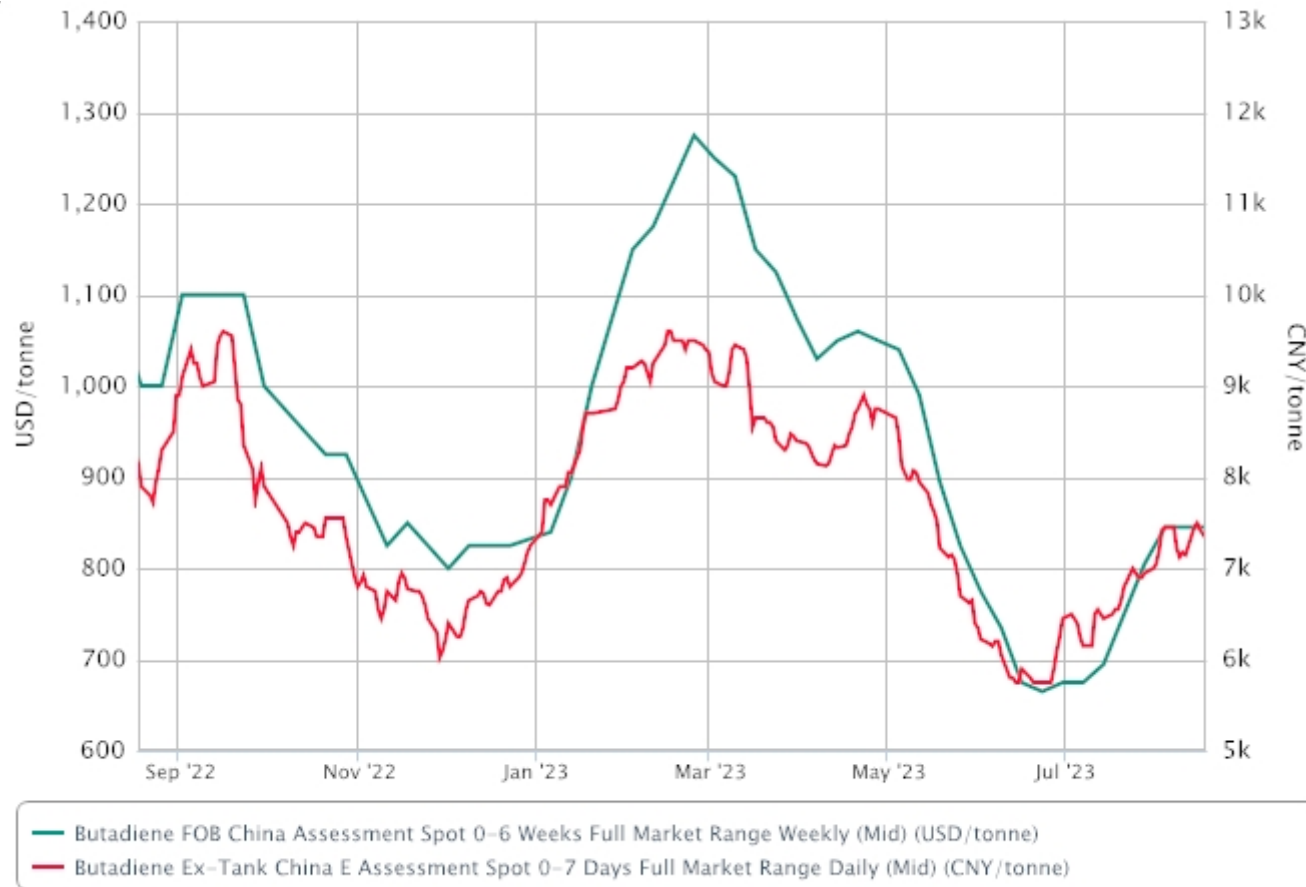
	Price Range	Four Weeks Ago	US CTS/lb
Butadiene			

FOB China	USD/tonne	n/c	830.00-860.00	n/c	700.00-800.00	37.65-39.01
CFR NE Asia	USD/tonne	+20	800.00-870.00	+20	700.00-750.00	36.29-39.46
CFR Taiwan	USD/tonne	+20	800.00-870.00	+20	700.00-750.00	36.29-39.46
CFR SE Asia	USD/tonne	+20	750.00-820.00	+20	650.00-700.00	34.02-37.19

China

The FOB China assessment was assessed stable this week, with most selling indications heard being range-bound.

Most sellers maintained selling indications at similar price levels this week with regards to the export market despite lots of fluctuations in the domestic China market.



Northeast Asia

The CFR NE Asia assessment firmed this week.

The low end reflects buying indications from end-users in China and Taiwan, while the high end reflects a bid received by a seller from a South Korean buyer.

Some selling indications were heard to be above of the assessed range but most market participants polled have underlined that these price levels were unachievable by most players and that no deals were heard to have been concluded at these price levels on a CFR NE Asia basis.

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

Monthly Contract	Jul 23	Jun 23	May 23	Apr 23	Mar 23	Feb 23	Jan 23
Taiwan FPCC	650	655	875	1,015	1,085	1,085	855
Korea YNCC	665	635	855	1,060	1,145	1,178	905

Southeast Asia

The CFR SE Asia assessment was firm this week, in line with the CFR NE Asia assessment.

A tender from a southeast Asian seller was heard in the week and market participants polled were unable to verify or agree if the tender was closed on a floating price basis or fixed, FOB (free on board) price basis. It was heard that the parcel is bound for NE Asia.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

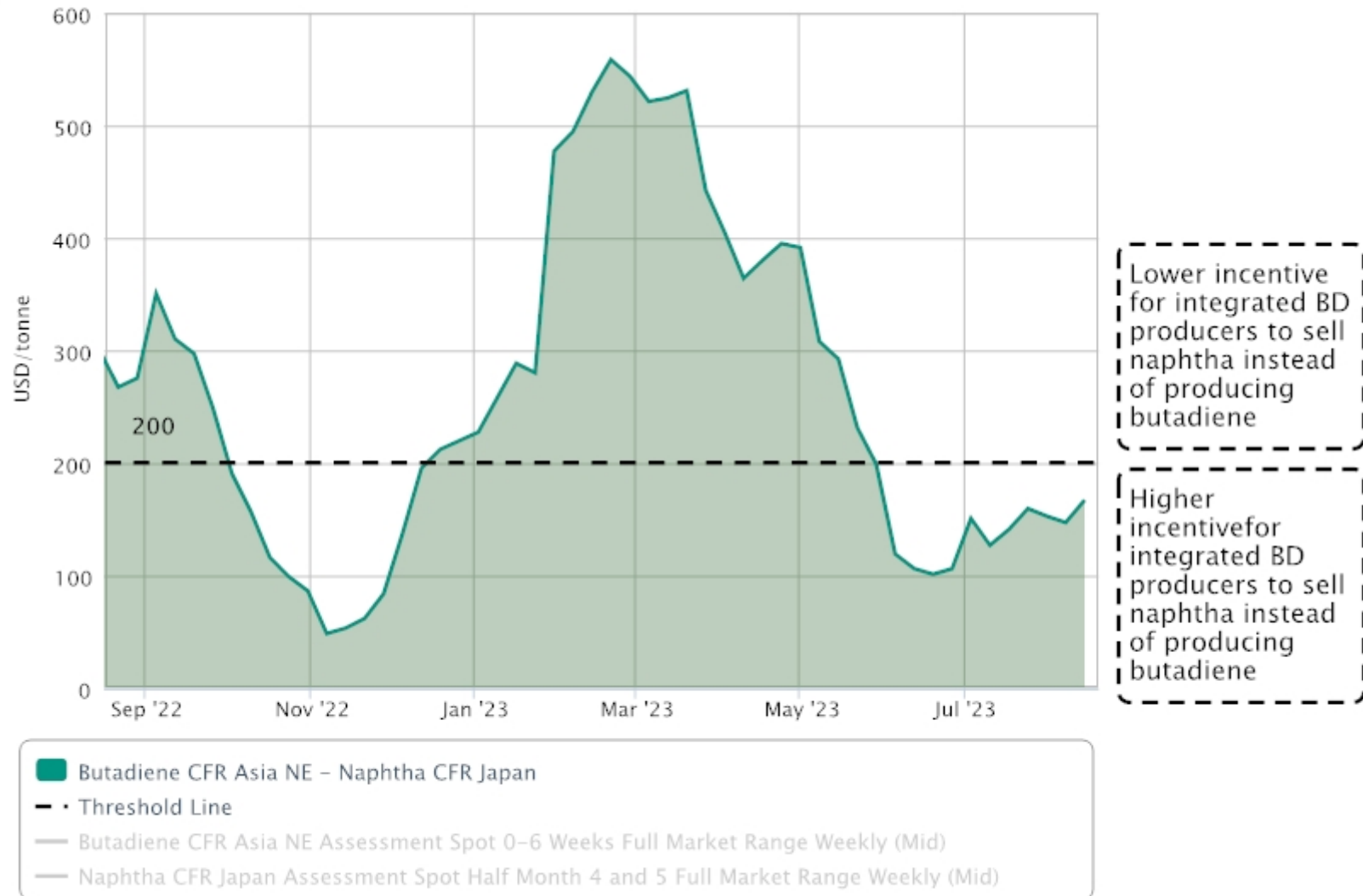
			Price Range		One Week Ago	/
Butadiene						
Ex-Tank E China	CNY/tonne	-50	7300-7350	-50	7100-7200	-

UPSTREAM

Naphtha:

- Market dipped on crude volatility
- Intermonth spread eased slightly by mid-week
- Crack value stays in positive territory

[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)

- Cost pressure continues to weigh on markets
- India demand keeps pace ahead of festival period
- Further Q3 turnarounds being considered in NEA

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

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



Higher incentive for non-integrated SBR producers to increase butadiene purchases

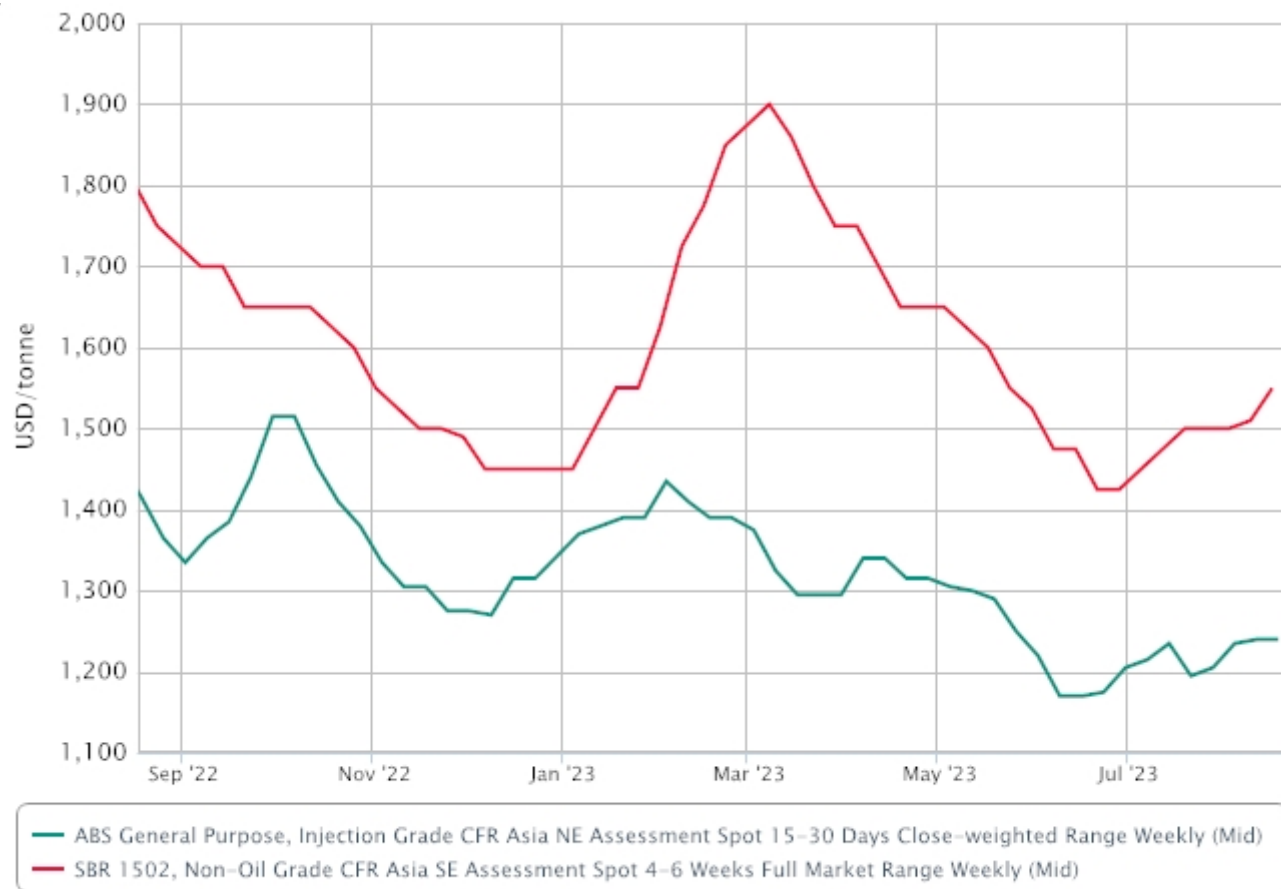
Higher incentive for non-integrated SBR producers to reduce butadiene purchases



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Acrylonitrile-butadiene-styrene (ABS)

- CFR NE Asia holds steady after three weeks of uptrend
- Momentum slows down over concerns of volatile feedstock cost, poor end-use demand
- Seller margins slides albeit remaining in healthy territory



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PRODUCTION

A 250,000 tonne/year unit in Zhoushan, Zhejiang, China is expected to [shut](#) for maintenance and is expected to restart after 14 days.

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

OTHER REGIONS

Europe

- Stable spot prices, no fresh deals
- Export demand improving

- Derivative demand low but stable

US

- Low demand keeps BD spot prices stable at low levels
- Domestic production disruptions curbing export discussions
- Supplies sufficient for domestic customers

Covering editor: Zachary Tia

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