



## Butadiene (Asia-Pacific)

**By Ai Teng Lim**  
**20-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

- **Sentiment stays upbeat on domestic China buoyancy**
- **Supply picture mixed between NE and SE Asia**
- **Downstream buying momentum varies too across the region**

Discussions for Asian spot imports for butadiene (BD), particularly for China-bound shipment materials, continue to see [upside support](#) from buoyancy in the domestic China markets.

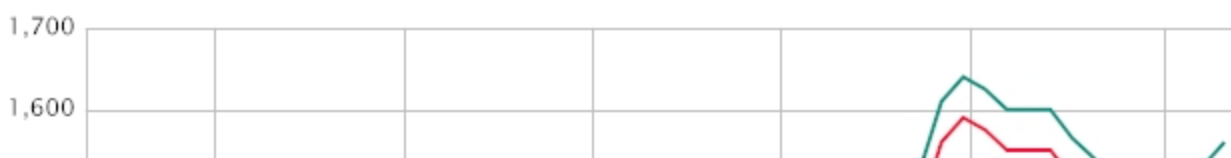
In China, BD's derivative sector, [synthetic rubber](#), was vibrant, amid surging natural rubber prices as well as active synthetic rubber futures trade in the local exchange.

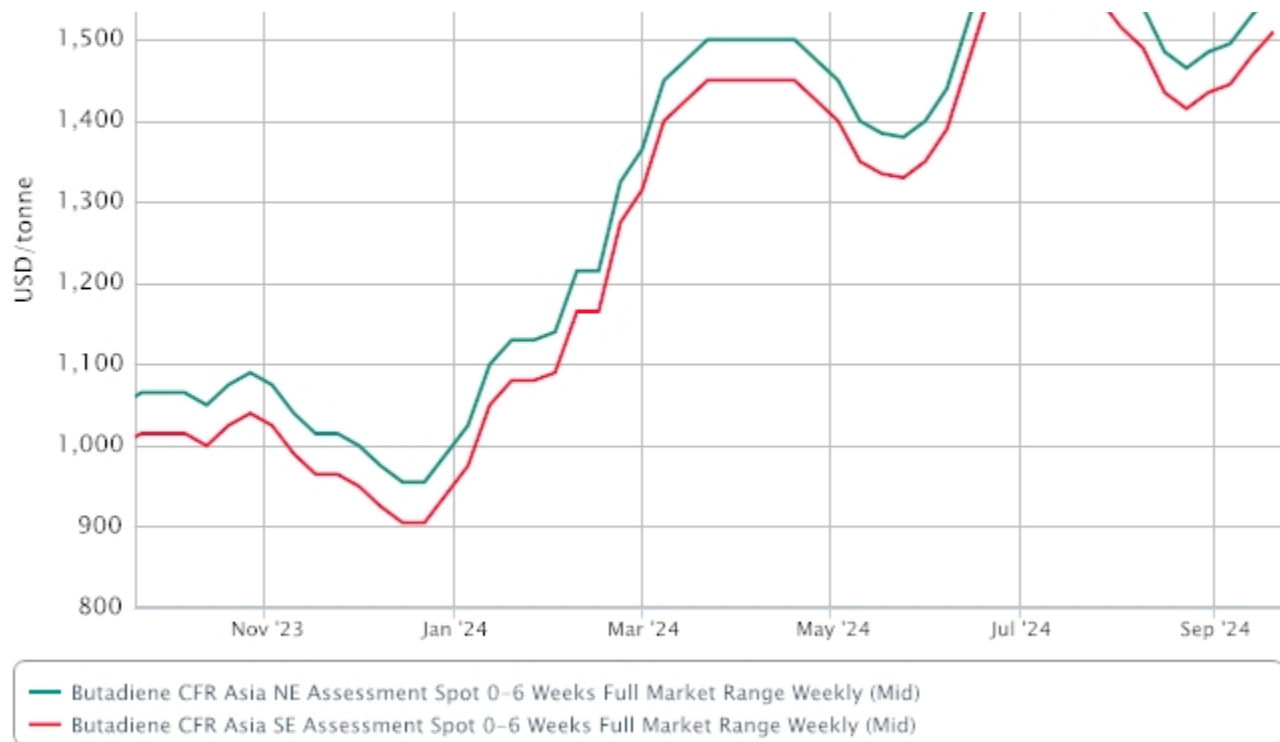
This bolstered sentiment for yuan-denominated trades for butadiene, which in turn kept up buy-sell discussions for US dollar denominated import shipment into China, particularly for cargoes that could arrive within October.

This buying interest in China for October arrival cargoes is to some extent fuelled also by restocking needs generated by the extended National Day holidays in China that will take place between 1-7 October.

But the picture in wider Asia is more mixed in nature. On the supply front, the balance differs between NE and SE Asia. In NE Asia, spot cargoes are poised to tighten once several BD plant maintenances get underway from September. But production losses in NE Asia may be offset by a healthy stream of cargoes from SE Asian producers.

Downstream demand conditions are also mixed across Asia. Even as China showed good buying interest for BD to power operations in local rubber plants, substantive BD requirements in other regional outlets, like south Korea and Japan, are in reality drying up as a number of derivative rubber plants there will be shutting for turnarounds in Q4.





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## OUTLOOK

- Demand-supply balance may trend differently between China and wider Asia
- Players to monitor if synthetic rubber buoyancy in China will sustain for long
- Hopes for [Q4 demand recovery](#) is dim, in part due to derivative plant closures

## 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	n/c	1550.00-1650.00	n/c	1430.00-1500.00	70.31-74.84
<b>CFR NE Asia</b>	USD/tonne	+40	1530.00-1590.00	+20	1450.00-1480.00	69.40-72.12
<b>CFR SE Asia</b>	USD/tonne	+40	1480.00-1540.00	+20	1400.00-1430.00	67.13-69.85

### China

FOB China assessments are rolled in a thinly-discussed trading week, and in the absence of any fresh buy-sell indications.

The China market is shut much of the week, between 15 and 17 September, for extended celebrations of

the mid-Autumn festival.

China BD producers were also uninterested in export sales, as they could get better netback from domestic yuan-denominated trades.

There was no buying interest detected either.

Domestic China prices fluctuated during the week, but on week-on-week basis, there are slight increases.



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## Northeast Asia

CFR NE Asian prices are assessed up to capture the spectrum of buy-sell discussions and deals for regional cargoes available to lift within October.

Sellers elevated targets, in the hope to capitalise on what they perceived as higher buying power of China-based players for US dollar denominated imports, now that the latter is substantially cheaper than prevailing yuan values.

Some selling indications were heard at \$1,590-1,600/tonne CFR NE Asia range, and the high-end is raised in line.

Firmer buying indications, at \$1,520-1,530/tonne CFR NE Asia, also emerged from China-based parties, which formed the low-end.

A regional cargo changed hands early week for October shipment from southeast Asia to China, at slightly above mid-\$1,500's/tonne CFR NE Asia, which dovetailed broadly with the mid-point of the published

range.

Another NE Asia-origin cargo available to lift within October was put up for spot sales via tender, and may have changed hands in the \$1,450-1,500/tonne range, albeit on FOB NE Asia basis, market source said. But other details were not available by press time.

Monthly Contract DEL, \$/ tonne	Aug 24	Jul 24	Jun 24	May 24	Apr 24	Mar 24	Feb 24	Jan 24
Taiwan FPCC	1,465	1,515	1,395	1,355	1,415	1,348	1,135	1,020
Korea YNCC	1,500	1,565	1,493	1,390	1,450	1,405	1,165	1,070

**Southeast Asia**

CFR SE Asian prices were lifted alongside changes for CFR NE Asian assessments.

This week, a SE Asia-origin lot available to load in H2 October was put up for spot sales, via tender, but details of the tender outcome were not available by press time.

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

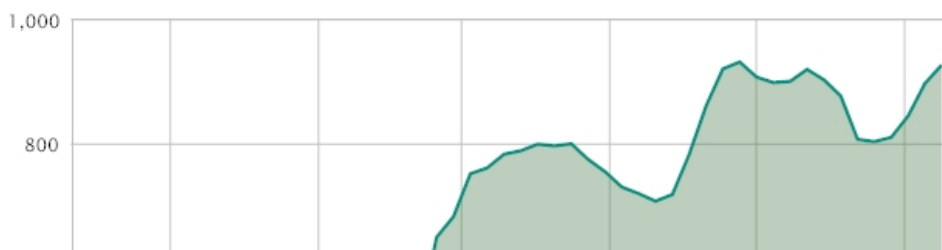
			Price Range		One Week Ago	/
<b>Butadiene</b>						
<b>Ex-Tank E China</b>	CNY/tonne	-100	13300-13400	-100	13200-13400	-

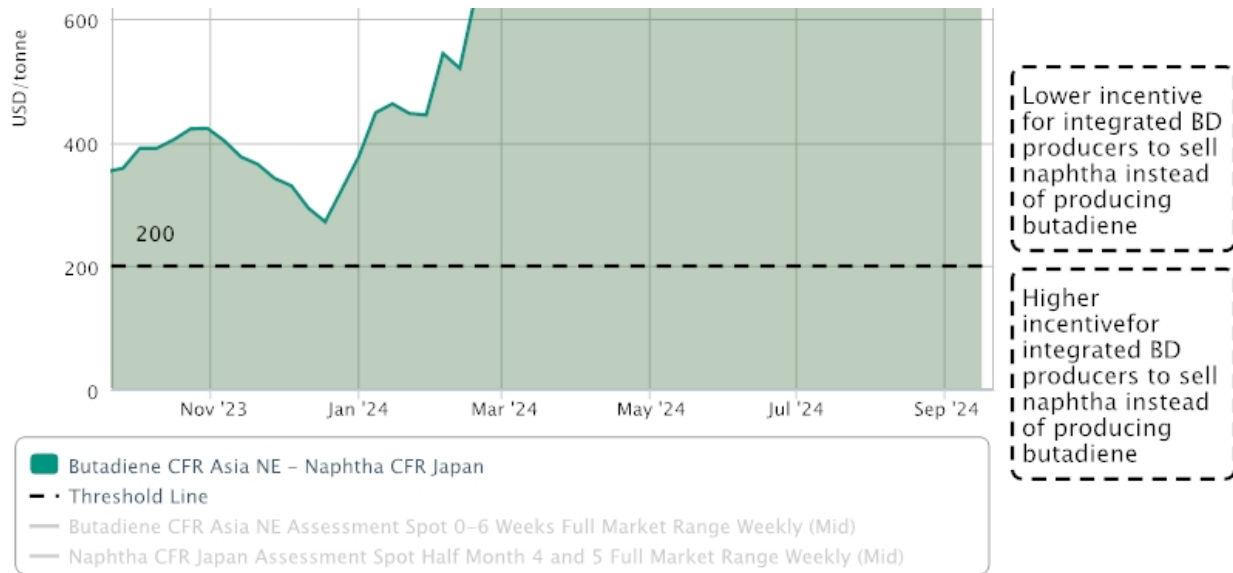
**UPSTREAM**

**Naphtha**

- Crack spread on 16 Sep highest since end-Jan
- Intermonth spread narrows to \$4.50/tonne on 17 Sep
- Uncertainty over supply countered by petchem demand concerns

[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)

- Bullish domestic China
- Upstream butadiene market also picking up
- Import sellers confident, but transactions limited amid holidays

The chart below shows the spread between BD and SBR in Asia, and it remains in the unhealthy zone for SBR maker.

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

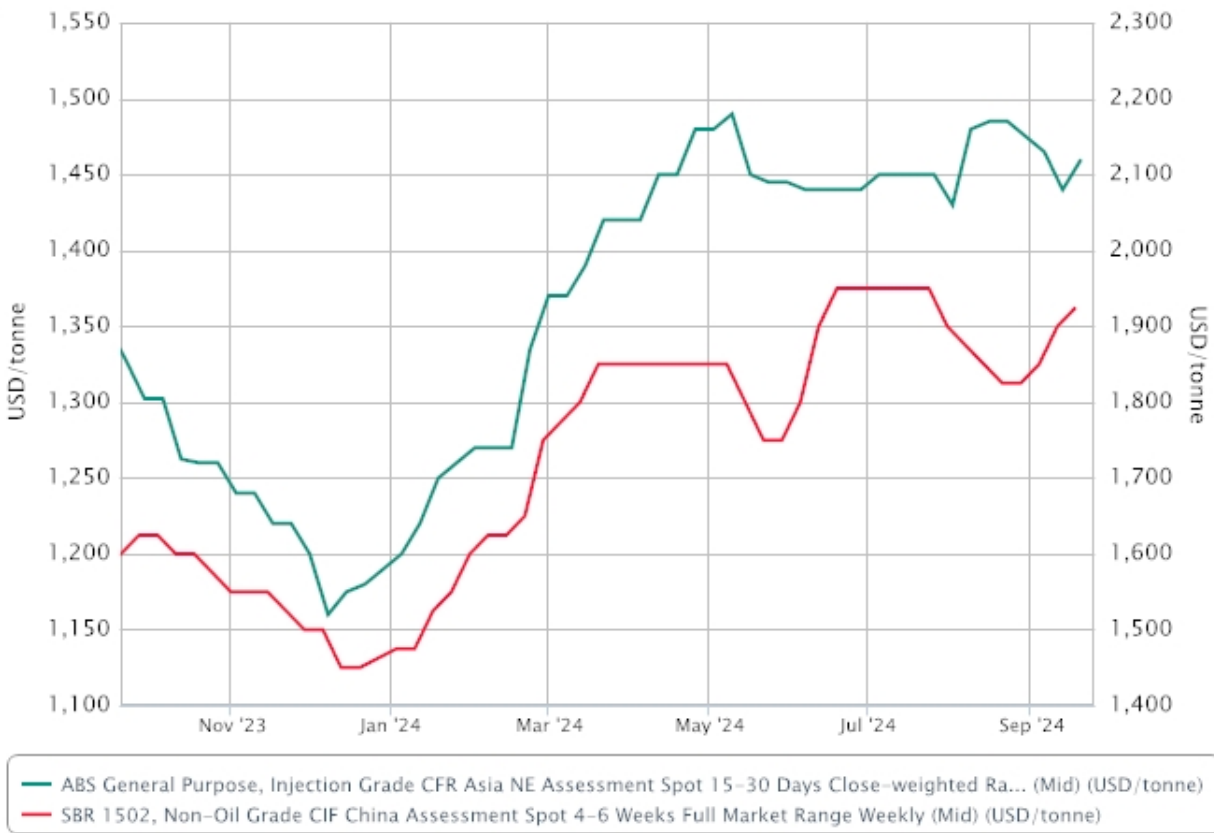




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**Acrylonitrile-butadiene-styrene (ABS)**

- Northeast Asian markets improve on feedstock cost bolster
- However actual demand stays lacklustre across Asia
- Indian, southeast Asian players sidelined amid monsoon



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**PRODUCTION**

There is an extensive wave of maintenance closures in NE Asia in the late September to early November period, including a 180,000 tonne/year unit in [Tokuyama](#), Japan and two 160,000 tonne/year units in [Yeosu](#), South Korea.

But by end September, several plants in NE Asia will return from maintenance, such as a 109,000 tonne/year unit in [Taiwan](#) and a 100,000 tonne/year unit in [Panjin](#), China.

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

## OTHER REGIONS

### Europe

- Tight supply persists
- Demand healthy, largely steady but some uptick to fill residual gaps
- Focus on domestic demand, exports thought unlikely after September until end-November at earliest
- Cracker turnaround season underway

### US

- [Level 2 Hurricane Francine may further limit BD production as Shell Norco was directly hit by the storm](#)
- Large numbers of ethylene crackers in [Louisiana also at risk](#) from hurricane limiting feedstock allocation
- US BD spot prices remained unchanged this week as players wait for outcomes in aftermath of hurricane

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