



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.

OVERVIEW

- **Discussions soften further**
- **No lack of spot availabilities in SE Asia**
- **Regional demand still low**

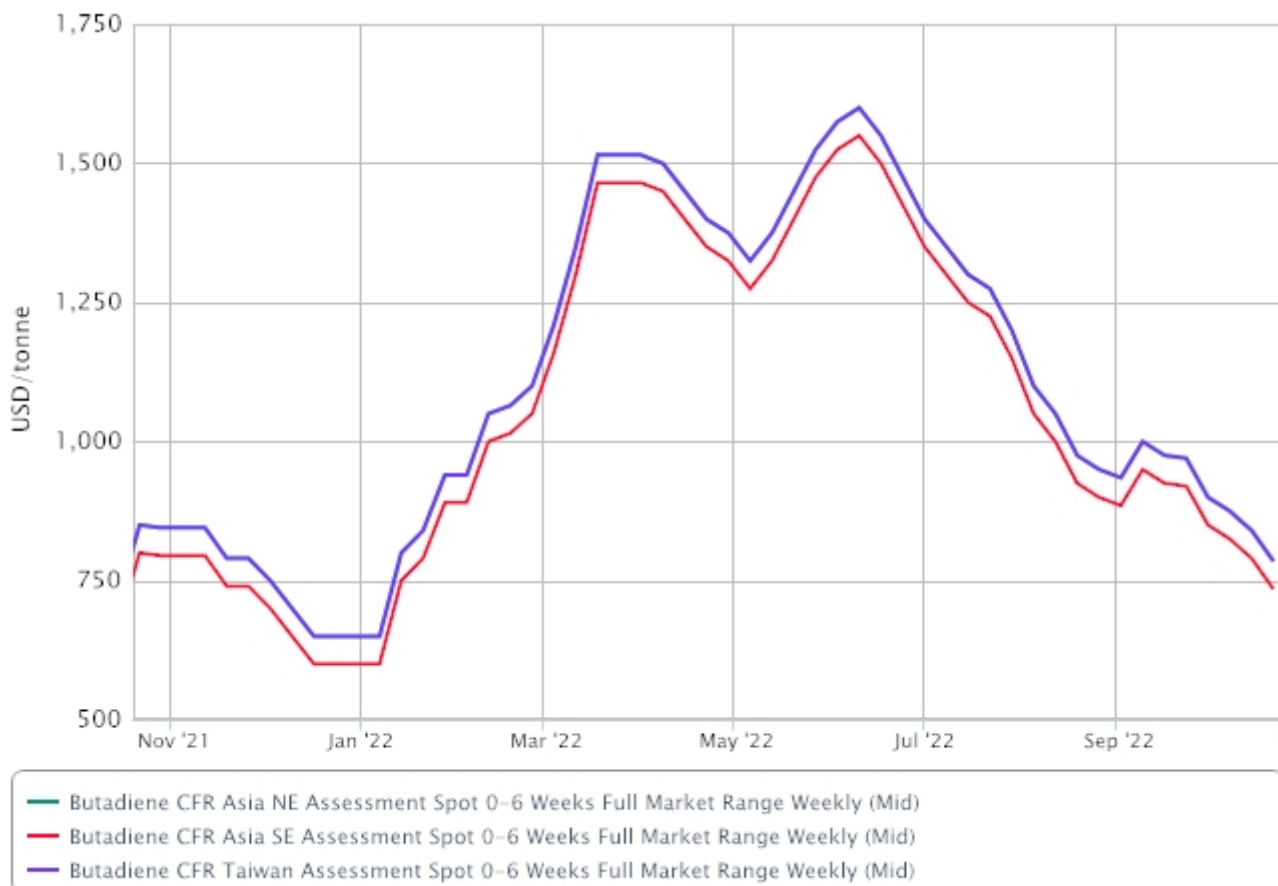
Asia's spot butadiene (BD) discussions continue to trend down, as [sluggish](#) buying interest persists while spot availabilities seem on the rise in southeast Asia.

Several SE Asia-origin cargoes were put up for November shipment sales this week, and alongside other deep-sea origin materials that were already floated for discussions in previous weeks, market players said that this reinforced buy-side perception that the spot market is relatively well-supplied, and that they could take their time to deliberate and bargain harder on next procurement.

Substantive requirements were limited to begin with, as downstream operations in various regional outlets have been curtailed due to persistently subdued end-use consumption, market players added.

Potential buyers in wider Asia kept as such to bearish pricing indications, prompting some sell-side elements to review and reconsider the need to lower their expectations and bridge the gap with buyers.

Available sellers also turned to focus more on sales opportunities within China, where end-users were deemed still more open to procuring imports as these remain competitively priced vis-à-vis domestic cargoes. However, with the yuan still weak against the dollar, many were also cautious not to over-commit on forward shipments to avoid incurring undue currency exchange losses.



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OUTLOOK

- Bearish sentiment likely to stretch
- Demand outlook hazy on global economic woes
- Supply could lengthen

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

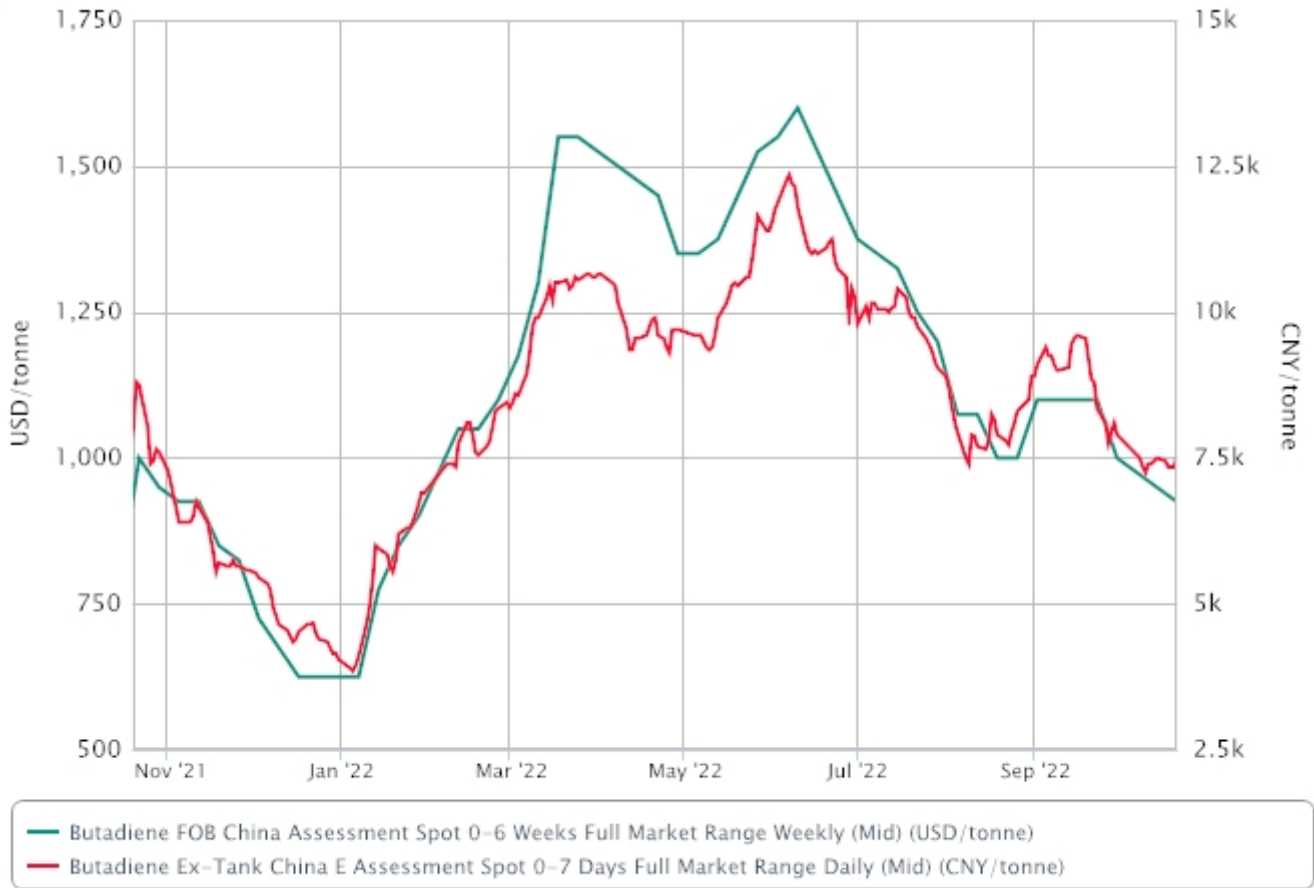
			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	n/c	900.00-950.00	-50	1050.00-1150.00	40.82-43.09
CFR NE Asia	USD/tonne	-30	750.00-820.00	-80	940.00-1000.00	34.02-37.19
CFR Taiwan	USD/tonne	-30	750.00-820.00	-80	940.00-1000.00	34.02-37.19
CFR SE Asia	USD/tonne	-30	700.00-770.00	-80	890.00-950.00	31.75-34.93

China

FOB China assessments were stable to soft, adjusted down at the high-end to keep pace with recent movements in domestic pricing.

However, there were no discussions as no buying interest was detected.

Domestic ex-tank prices in east China started the trading week on a bearish note, but recovered some lost ground towards the end of the week on stock replenishment buying.



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Northeast Asia

CFR NE Asia prices were down, taking into consideration the spectrum of buying appetite across Asia.

Buying indications from buyers in wider Asia were capped at the low end.

In China, however, buying appetite varied for different profiles of buyers, with end-users also heard unwilling to pay more than the published low end. Nevertheless, firmer indications, reflected at the high end of the assessment, surfaced from China-based traders.

Some deals did materialise late last week at around the mid-point of the published range for November shipment to China, and market sources said that this could signal in turn willingness among some available sellers to negotiate within the range.

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

Monthly Contract DEL, \$/tonne	Sep 22	Aug 22	Jul 22	Jun 22	May 22	Apr 22	Mar 22	Feb 22	Jan 22
Taiwan	885	1,025	1,255	1,450	1,360	1,415	1,355	1,040	795
FPCC									

Korea	920	983	1,315	1,555	1,445	1,445	1,335	1,015	835
YNCC									

Southeast Asia

CFR SE Asia assessments were moved in line with the CFR NE Asia assessments, in the absence of any discussions on CFR SE Asia terms.

Two November lifting parcels of southeast Asia-origin cargoes were available for sale this week, via tender, but no details were available at press time on the outcome.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

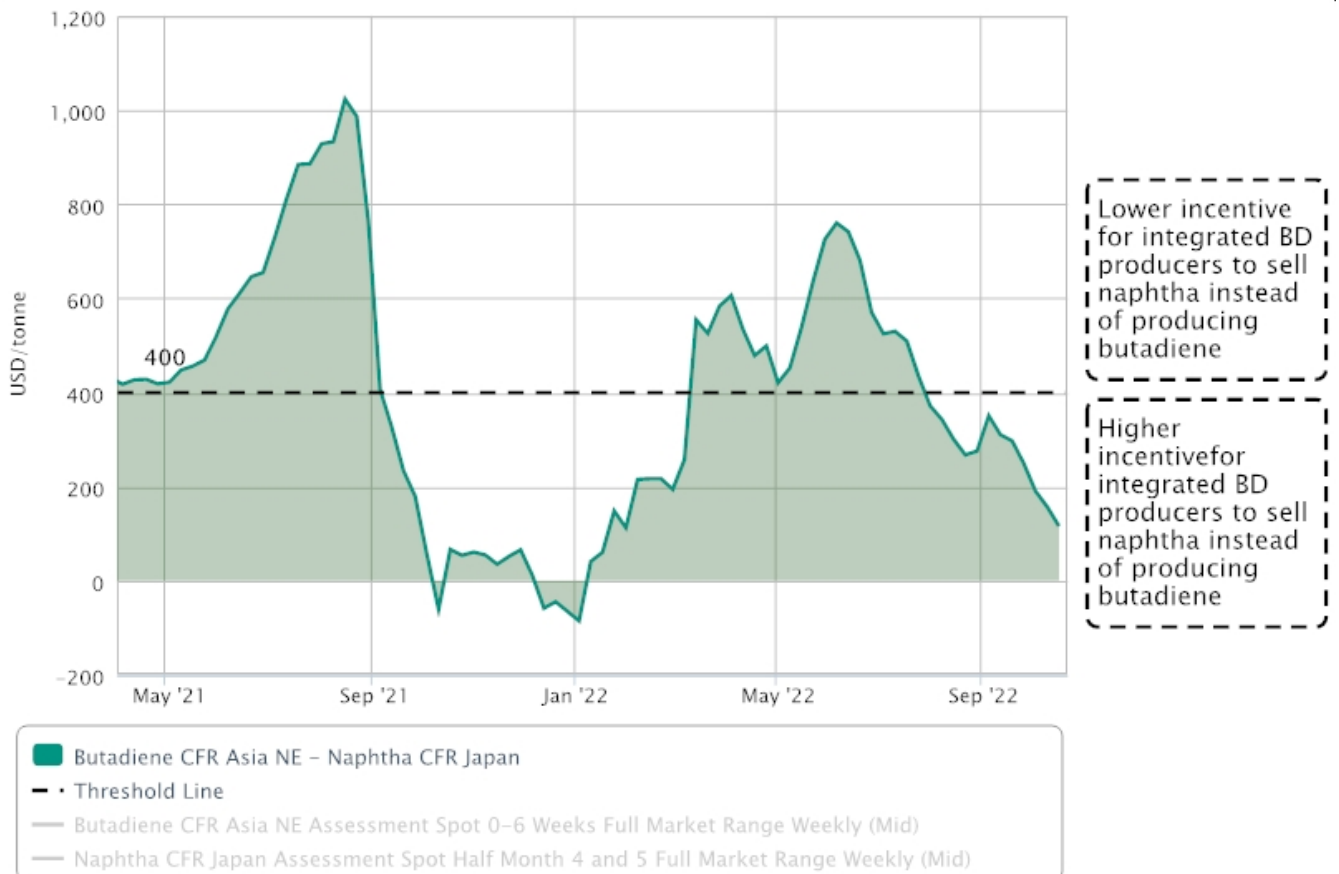
			Price Range		One Week Ago	/
Butadiene						
Ex-Tank E China	CNY/tonne	+200	7500-7600	+200	7500-7500	-

UPSTREAM

Naphtha:

- Scant spot demand
- Crack stays in the red
- Buyers cautious as weak fundamentals weigh

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



Click [here](#) for the Asia feedstocks and petrochemicals weekly summary.

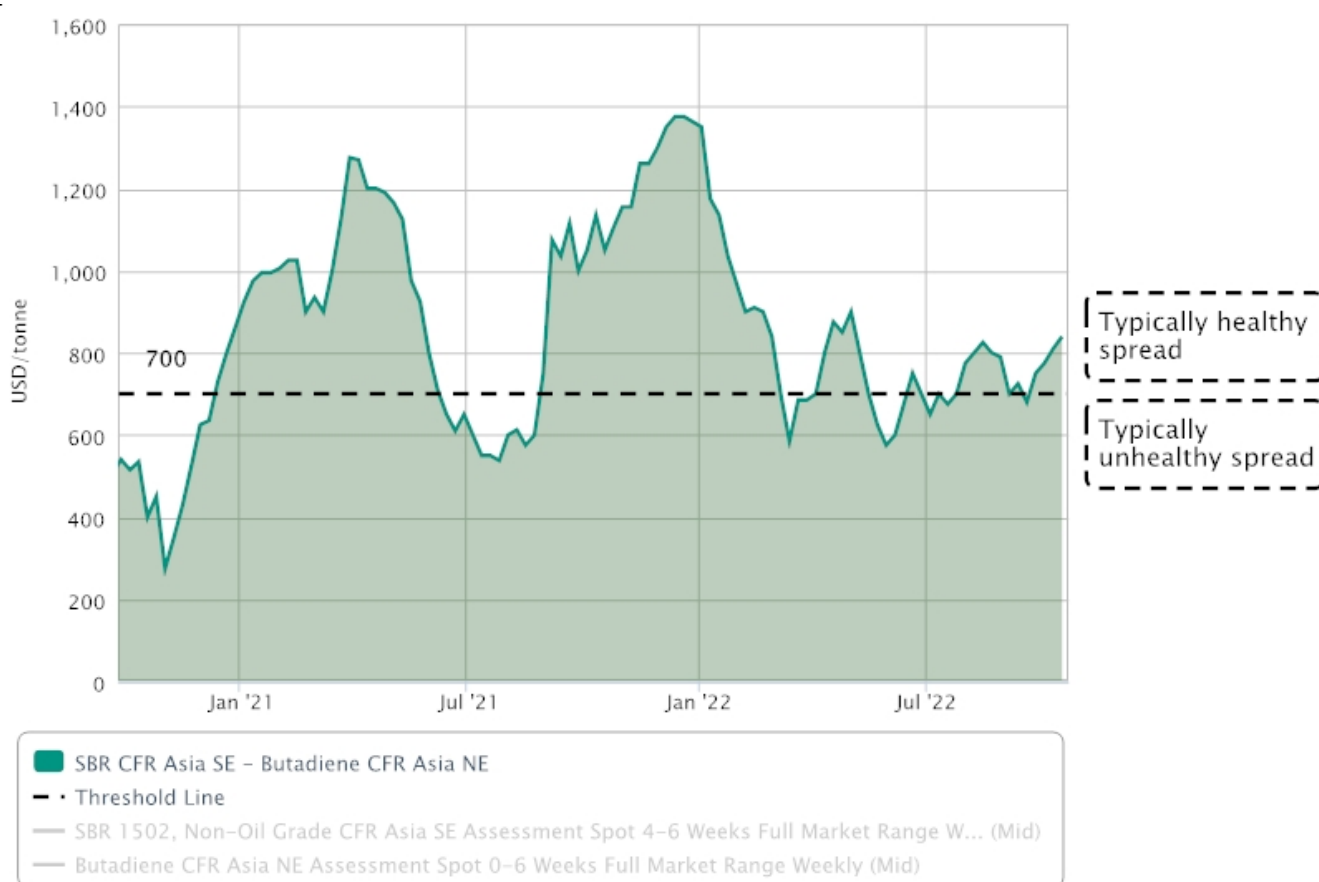
DOWNSTREAM

Styrene butadiene rubber (SBR)

- Sentiment down on weak upstream
- Demand also lacklustre
- Softer offers in SE Asia and China

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

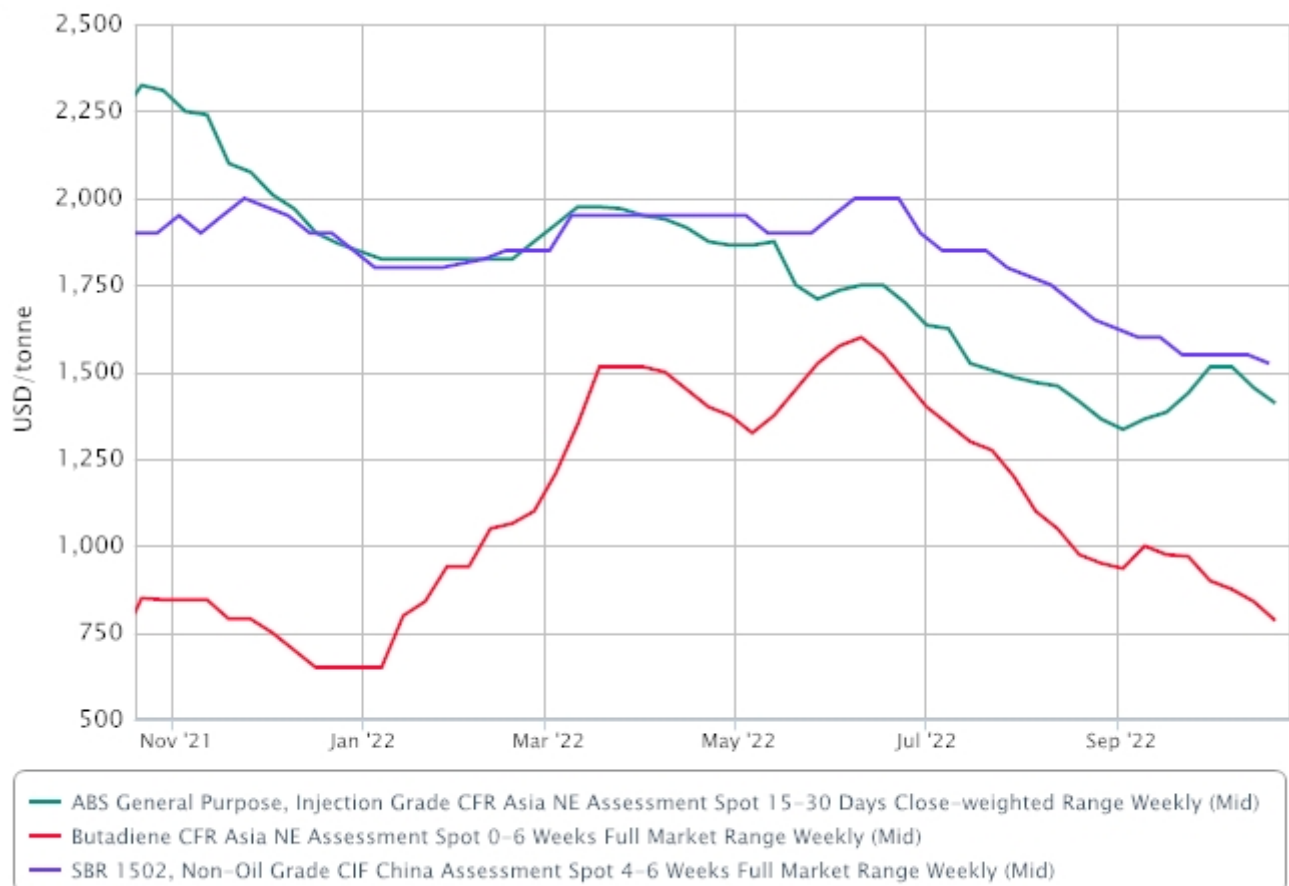
[Spread between Butadiene and Styrene Butadiene Rubber Asia](#)



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Acrylonitrile-butadiene-styrene (ABS)

- CFR NE Asia downtrend continues
- Demand crumbles after post-holiday restocking
- Subdued in southeast Asia during Typhoon Nesat, India ahead of Diwali festival



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PRODUCTION

In wider Asia, BD output from extraction units in Korea and Japan may remain capped in the near term due to sustained operating rate cuts among many upstream crackers in northeast Asia. There are also ongoing BD maintenance in [South Korea](#) and Taiwan.

However, these gaps may be plugged by spot availabilities from southeast Asia, and domestic BD supplies in China may lengthen too now that a number of local plants have completed maintenance and [restarted](#).

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

OTHER REGIONS

Europe

- Demand soft, but looking fairly steady compared with fears for the period
- Cracker cuts, outages offset oversupply
- Swaps activities support demand from strike-hit France
- Sellers mention heightened trader activity for exports, but availability limited

US

- Spot prices drop as price ideas deteriorate amid weak buying interest
- Supplies sufficient, but cracker rates continue downward
- Sluggish demand offsets lower cracker rates

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