



## Butadiene (Asia-Pacific)

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

### OVERVIEW

- **Weak [demand](#) persists**
- **Buying indications bearish**
- **Offers scant though on snug spot supplies**

Asian spot discussions for butadiene (BD) imports were muted as sluggish downstream demand persisted.

Domestic market in China is also lacklustre, weighing down further buy-side sentiment for imports.

With many downstream plants mulling the need to deepen their own output cuts to cope with poor sales of their finished products, their requirements for feedstock BD are expected to falter in line.

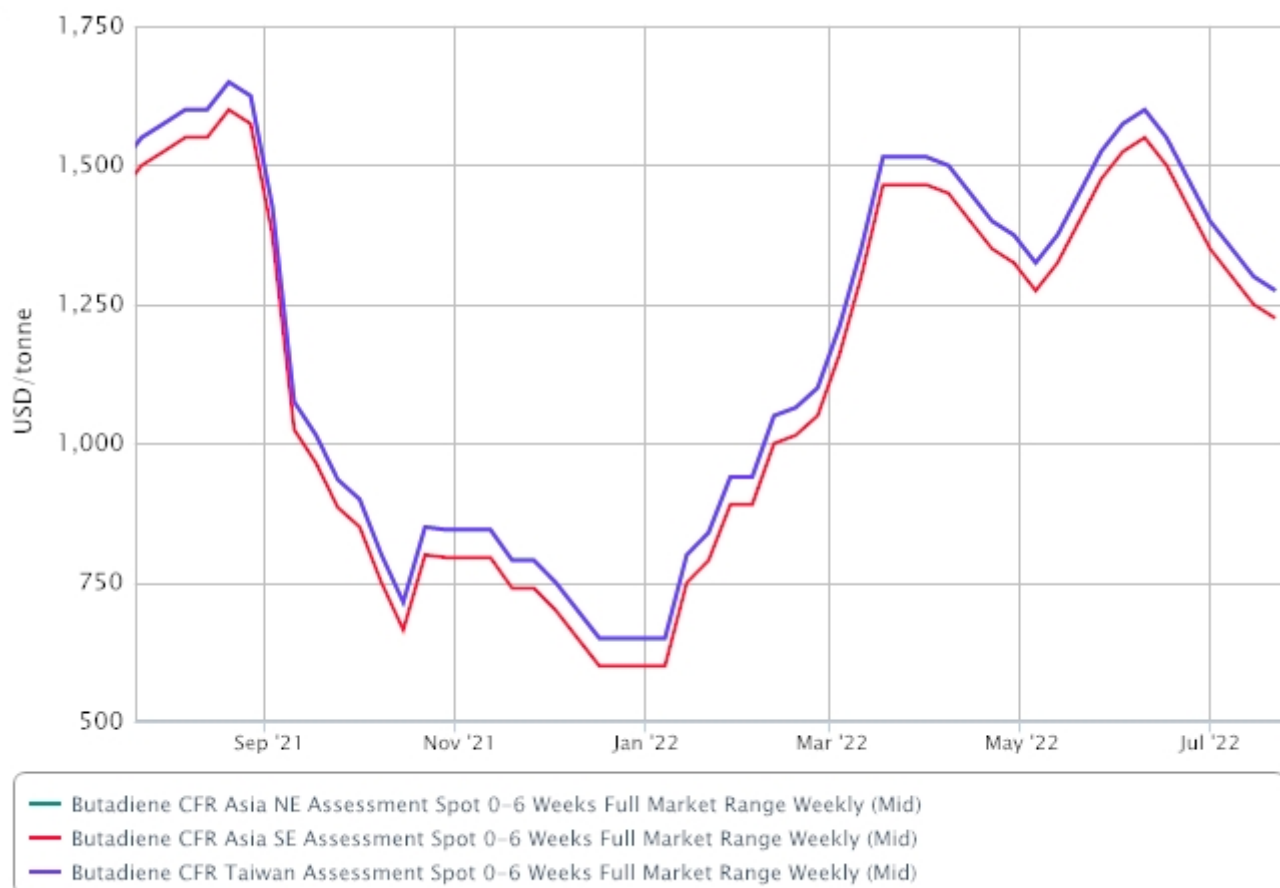
For end-users who may still be open to taking in a cargo or two, their buying indications were low, tracking bearish outlook on downstream demand conditions.

However, spot supplies in the region are limited, and likely to stay low in the near term, as several upstream crackers have indicated plans to trim operations further in August. In the latter scenario, this is expected to further curtail output from their related BD extraction units.

This should continue to lend support to existing sellers' expectations, even if they acknowledged that downstream demand is not robust, market players said.

Most sellers said that they saw no need as yet to price down just to push spot sales within Asia, and that they could afford to wait and see more before reviewing their sell position.

Furthermore, some are hopeful that exports to the US - if these materialise - will also help to off-set the weak Asian demand.



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## OUTLOOK

- [Macro-level economic challenges](#) to weigh on demand
- Supply to stay crimped on [low cracker operations](#)
- Wide buy-sell gap to crimp spot trade liquidity

## PRICES

### SPOT PRICES - PRICE RANGE FOR THE WEEK

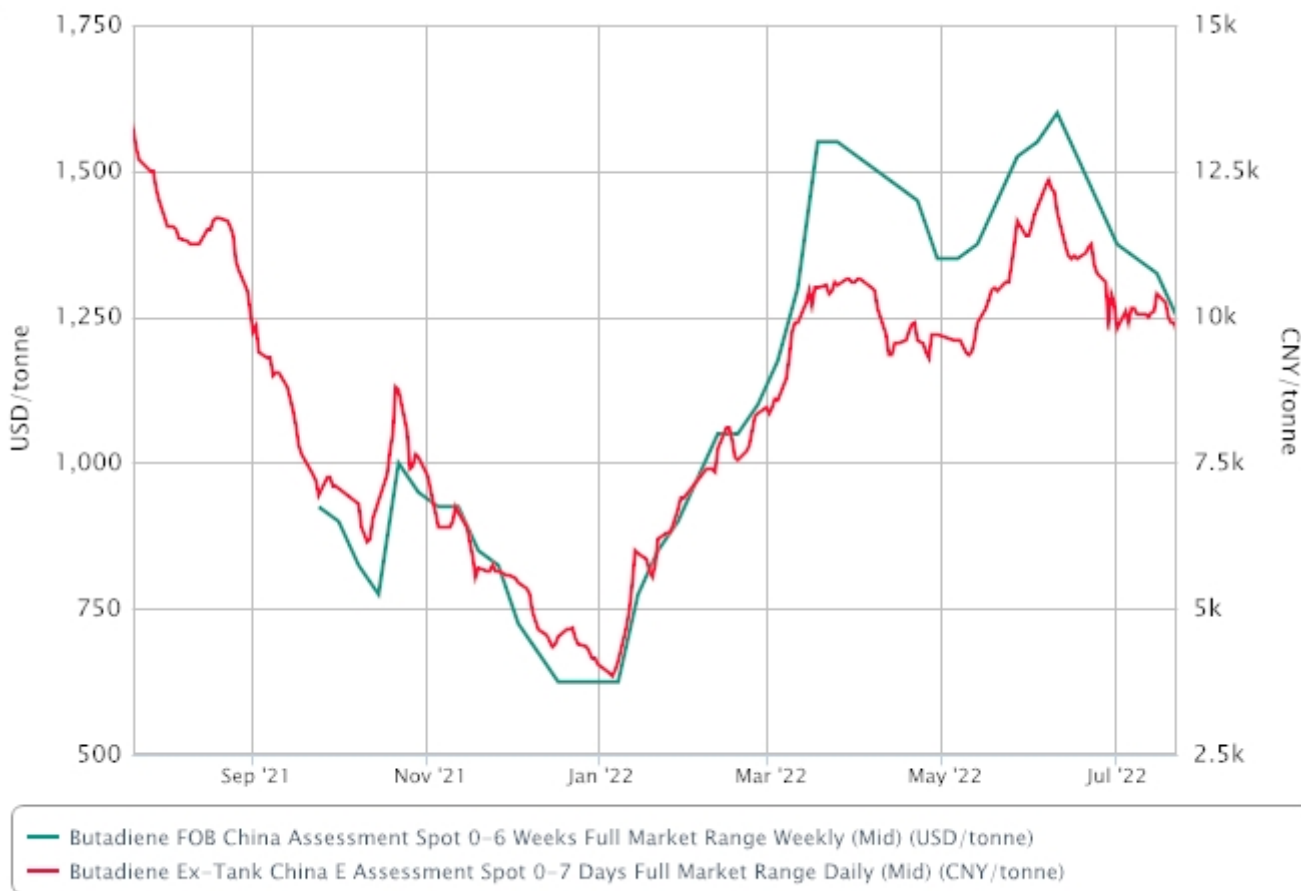
			Price Range		Four Weeks Ago	US CTS/lb
<b>Butadiene</b>						
<b>FOB China</b>	USD/tonne	-100	1200.00-1300.00	-50	1400.00-1500.00	54.43-58.97
<b>CFR NE Asia</b>	USD/tonne	-50	1200.00-1350.00	n/c	1400.00-1550.00	54.43-61.24
<b>CFR Taiwan</b>	USD/tonne	-50	1200.00-1350.00	n/c	1400.00-1550.00	54.43-61.24
<b>CFR SE Asia</b>	USD/tonne	-50	1150.00-1300.00	n/c	1350.00-1500.00	52.16-58.97

### China

FOB China discussions fell with lower selling indications.

Sellers moderated expectations in line with softer domestic yuan values. However, no deals materialised in the week on fixed-priced basis, market sources said.

Domestic ex-tank prices in east China also fell week on week, amid tapering buying momentum.



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**Northeast Asia**

CFR NE Asian prices were assessed in a wider range, tracking buy-sell indications heard.

Buyers were heard targeting to pay at no more than \$1,150-1,200 CFR NE Asia, and the low-end was dropped to reflect the highest buying indication.

There were no concrete and verified offers heard in the week. Talk of a cargo being indicated at mid-\$1,200s/tonne CFR NE Asia could not be verified, and hence excluded from the assessment.

The consensus among market players polled is that sellers’ expectations were broadly stable week on week. The high-end is kept unchanged as such.

CFR Taiwan assessments were adjusted down at the low-end, in line with changes in CFR NE Asian assessments.

Monthly Contract DEL, \$/tonne	Jun 22	May 22	Apr 22	Mar 22	Feb 22	Jan 22
Taiwan FPCC	1,450	1,360	1,415	1,355	1,040	795
Korea YNCC	1,555	1,445	1,445	1,335	1,015	835

**Southeast Asia**

CFR SE Asian assessments were adjusted down at the low-end, in line with changes seen for the CFR NE Asian assessments.

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

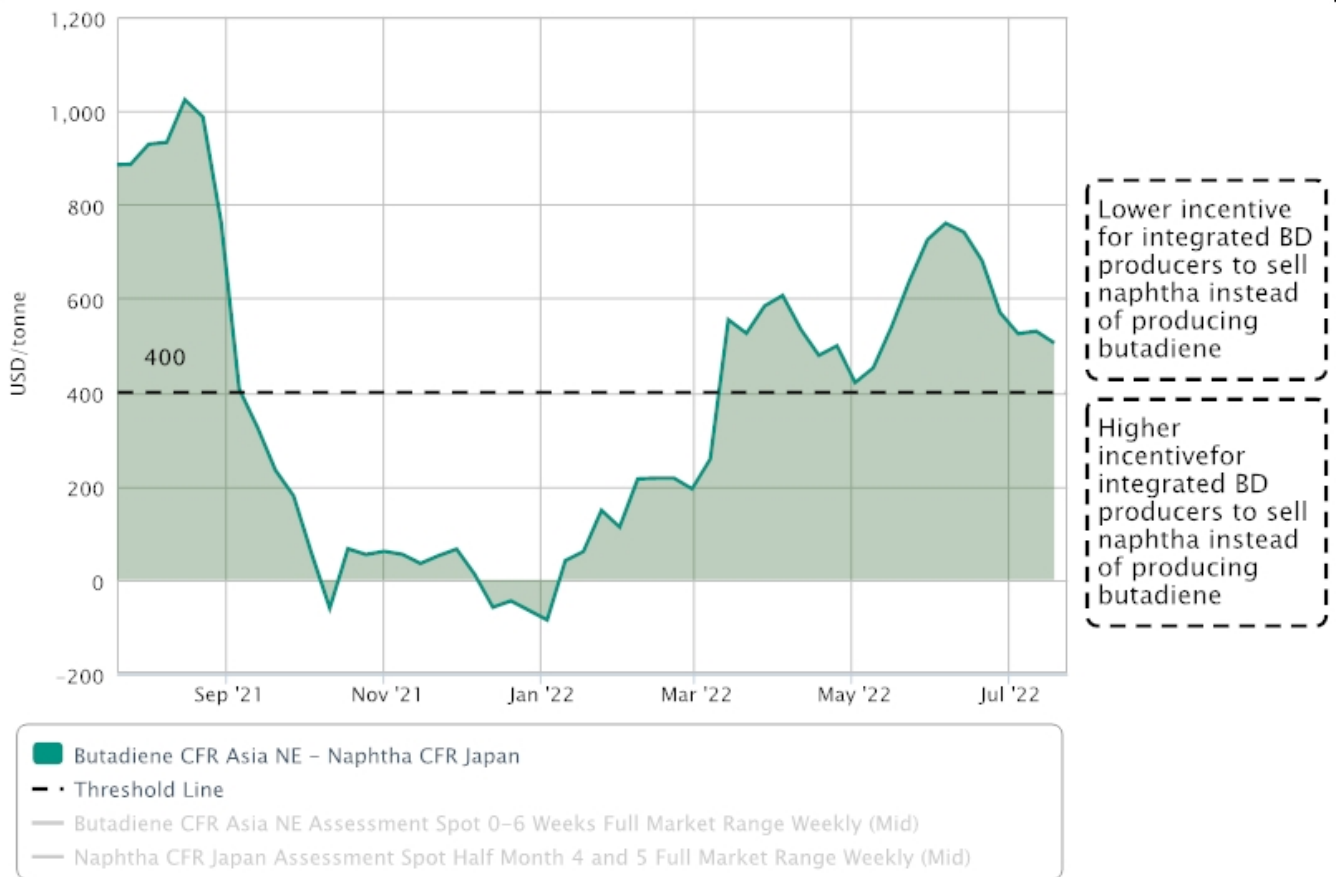
			Price Range		One Week Ago	/
<b>Butadiene</b>						
<b>Ex-Tank E China</b>	CNY/tonne	-100	9700-9800	-200	10300-10500	-

**UPSTREAM**

**Naphtha:**

- Subdued Asia demand weighs on market
- Crack spread slumps to negative territory
- Diminishing downstream returns dent sentiment

[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**

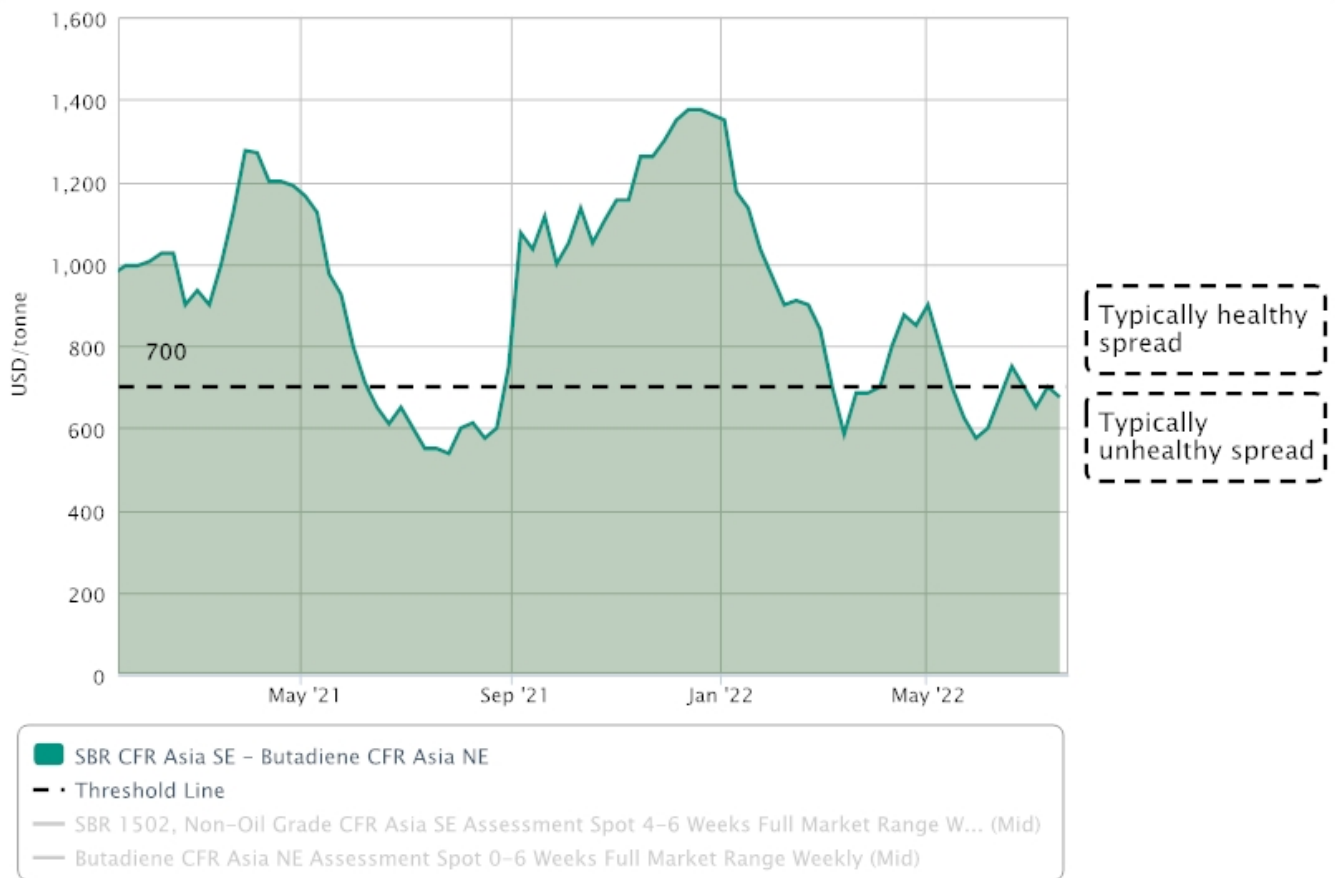
**Styrene-butadiene-rubber (SBR)**

- Tepid [demand](#)

- Buyers sidelined
- Softer offers heard too

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)

- NE Asia prices fall for fifth week, stays near two-year low
- Lack of support from both upstream and downstream sectors
- Margins at risk of returning to negative territory



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## PRODUCTION

Regional butadiene (BD) supplies are poised to lengthen, once production stabilises at newly started up units.

However, with many upstream crackers across Asia still mulling fresh output cuts to rescue compressed margins, output from related and existing BD extraction units may remain crimped. This could help to off-set, to some extent, the increases expected from new plants, market sources said.

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

## OTHER REGIONS

### Europe

- Stable supply-demand fundamentals
- Supply constraints continue to limit spot availability
- Ongoing interest for export to US, domestic spot quiet

### US

- Supply snug with allocations in place
- Import interest up; arb open
- Demand healthy, but not overwhelming

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