



## Butadiene (Asia-Pacific)

**By Ai Teng Lim**  
**23-Aug-2024**

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

### OVERVIEW

- **Import market still deemed to be amply supplied**
- **This continues to weigh on buying appetite for imports**
- **But derivative futures gains keep domestic China supported**

Discussions in the Asian spot import market for butadiene (BD) remained under pressure, in contrast to an early-week recovery seen in the domestic yuan-denominated market in China.

In China, domestic yuan trades, on an ex-tank east China basis, started on a positive note this week, gaining more than yuan (CNY) 170/tonne within the first three trading days.

This came on the back of several developments, such as an uptrend in local derivative rubber futures, production hiccups at a domestic cracker, and recent [congestion at some China ports](#) causing delays in the discharging of arriving import shipments, market players said.

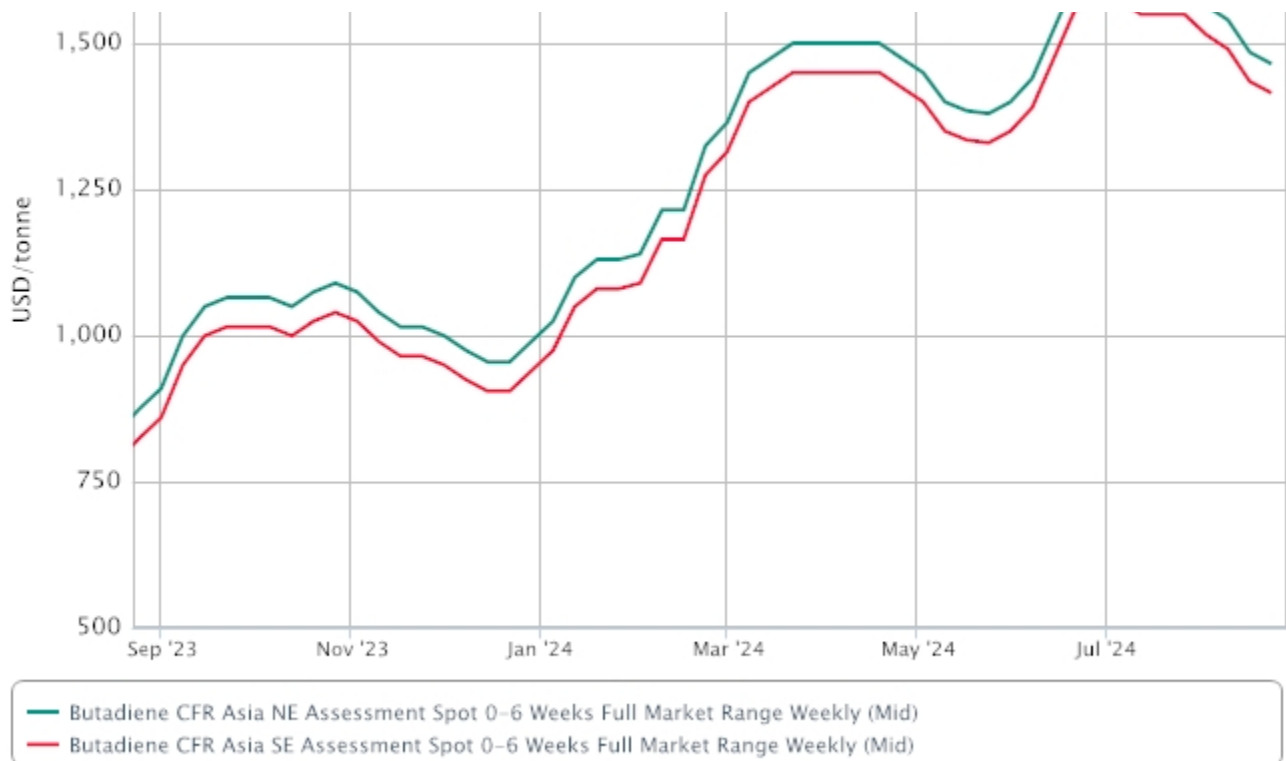
But as there were no discernible changes in substantive downstream demand, the gains in domestic yuan values for BD did not translate into firmer bids, even among China-based end-users, for US dollar-denominated materials.

Across Asia, the majority of end-users deemed the import market to be still amply supplied, especially since they anticipated that the flow of southeast Asia-origin materials will only grow from here, now that more regional plants are back in action.

Furthermore, the bulk of September downstream requirements have been covered by prior purchases, and a heavy wave of plant turnarounds in the derivative synthetic rubber sector in October is expected to weigh on BD offtake that month too.

But unlike in previous months, the flow of deep-sea materials into Asia may not continue in the near term as the economics no longer work for such trades, market players said.





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## OUTLOOK

- Demand to taper on upcoming downstream turnarounds
- Spot supplies ample with plants restarting from prolonged closures
- [New capacity growth](#) expected into 2025

## 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	1430.00-1500.00	n/c	1580.00-1600.00	64.86-68.04
			0			
<b>CFR NE Asia</b>	USD/tonne	-20	1450.00-1480.00	-20	1550.00-1650.00	65.77-67.13
			0			
<b>CFR SE Asia</b>	USD/tonne	-20	1400.00-1430.00	-20	1500.00-1600.00	63.50-64.86
			0			

### China

FOB China assessments were rolled over, with support primarily from a relatively upbeat domestic yuan-denominated market, even as substantive discussions for US dollar-denominated export cargoes were very muted.

A cargo available to lift within September was floated within the week via tender for possible export sales. But the cargo was eventually diverted back to domestic sales for better netback, market sources said.

This week, domestic yuan-denominated trades, albeit for prompt deliveries of domestically produced materials, trended in a different direction from sentiment for US dollar-denominated materials, whether for exports from China or imports into China.

Ex-tank east China prices spiked in early-week trade, although they subsequently plateaued and tapered slightly towards the end of the week.



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## Northeast Asia

CFR NE Asia assessments extended losses, taking into account more subdued buy-sell discussions and indications for September shipment materials.

Buying indications were capped at the low end, while some offers for China-bound parcels emerged at the high end.

A transaction took place within the published range for end-September shipment to China, market sources said. The details of all players involved were not fully verified by press time.

Monthly Jul 24 Jun 24 May 24 Apr 24 Mar 24 Feb 24 Jan 24

Contract							
DEL, \$/tonne							
Taiwan	1,515	1,395	1,355	1,415	1,348	1,135	1,020
FPCC							
Korea YNCC	1,565	1,493	1,390	1,450	1,405	1,165	1,070

**Southeast Asia**

CFR SE Asia assessments were adjusted in line with changes for the CFR NE Asia assessment.

**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	n/c	12500-12500	-100	12100-12300
					-

**UPSTREAM**

**Naphtha**

- Crack spread on 22 Aug at five-month high due to easing crude
- Sentiment stronger on supply uncertainties; some crackers expected to return
- Intermonth spread went from negative on 15 Aug to five-week high on 22 Aug

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



— Naphtha CFR Japan Assessment Spot Half Month 4 and 5 Full Market Range Weekly (Mid)

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

## DOWNSTREAM

### Styrene-butadiene-rubber (SBR)

- Buy-sell stalemate prevails
- Buying indications muted on downbeat economic outlook
- Sellers' discounts capped on spot limitations nonetheless

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

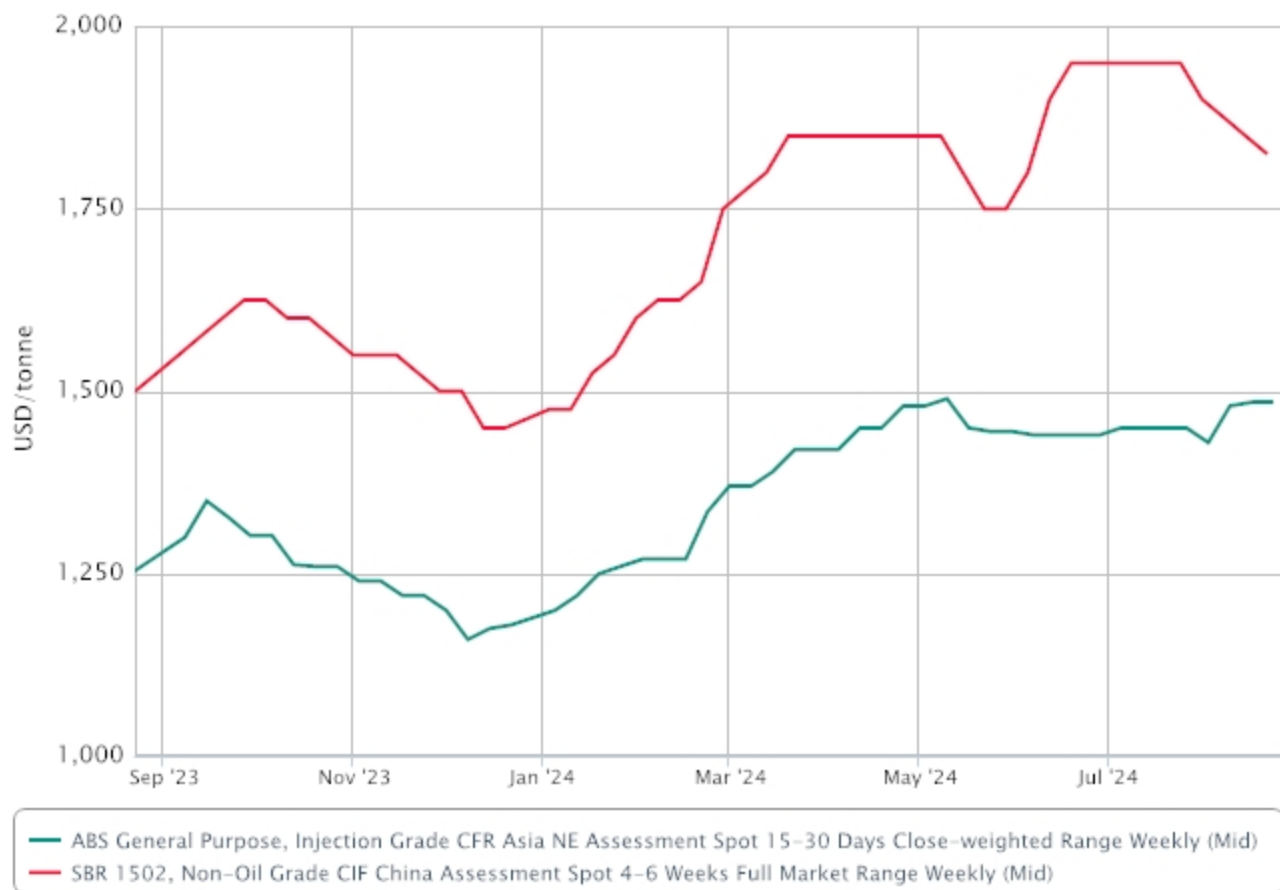
[Spread between Butadiene and Styrene Butadiene Rubber Asia](#)



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### Acrylonitrile-butadiene-styrene (ABS)

- Import stable to soft after two-week uptrend
- Buyers' caution prevails over lowered offers
- Seller margins nonetheless up to highest in the year



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## PRODUCTION

In wider Asia, a [162,000 tonne/year unit](#) in Taiwan will shut in August for maintenance, but another [109,000 tonne/year unit](#) at the same site, which has been shut since March, will restart in September.

In China, a 100,000 tonne/year unit in [Panjin](#) started a 50-day maintenance from early July, while a 50,000 tonne/year line in [Shandong](#) went offline for about a week in H1 July for unplanned weather-related repairs, market sources said.

In southeast Asia, a 110,000 tonne/year unit in [Vietnam](#), which was shut since late February, has restarted this week, market sources said.

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

## OTHER REGIONS

### Europe

- Fresh domestic trade reported, spot prices stable
- Domestic BD and CC4 demand remains healthy in August
- Export market quiet as domestic business remains a priority
- Demand considered steady, both domestic and export healthy

**US**

- US BD spot is trading over CP amid tight supplies
- [Stronger Q2 production rates coupled with stable demand help push inventories up](#)
- Planned maintenance underway from August to October

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