



Butadiene (Asia-Pacific)

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

OVERVIEW

- **Import offers continue to climb**
- **Bids rise in some cases**
- **Demand outlook [muted](#) on poor margins**

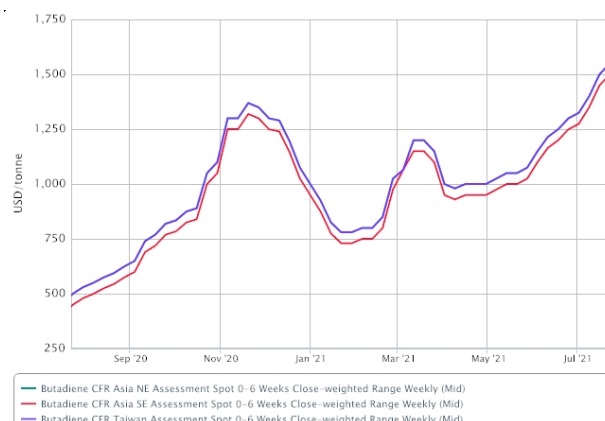
Asian import discussions for butadiene (BD) continued to climb, supported by [bullish offers](#) and firmer bids, albeit for small parcel lots.

Sellers separately elevated their targets, in part triggered by sharp and fresh gains posted early week in the US and [European](#) BD markets.

As supply constraints were the main driver for BD spikes in markets further afield, and considering that this situation may be drawn out for longer than previously expected, the consensus view in Asia is that US demand pull on Asian supplies will persist for some time to come, and will put upside pressures on Asian spot prices.

While most buyers have retreated into the sidelines citing affordability issues as BD has outpaced downstream markets, some end-users who needed to fill small supply gaps just to keep up operations, were forced to raise bids to secure some volume.

Moving forward, market players said that all eyes will be on when [new BD projects in Asia](#) will materialise. Many, including a 200,000 tonne/year line in Zhejiang, China, were expected to start up in H1 2021, but are thus far still pending. Once online, Asian supplies will likely lengthen, but until then, players said that prompt supplies are likely to remain snug.



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OUTLOOK

- **Coronavirus worries may weigh on downstream derivatives**
- **Supply to lengthen when new projects come on stream**
- **Uncertainty about when new projects will materialise**

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
CFR NE Asia	USD/tonne	+50	1500.00- 1600.00	+50	1250.00-1350.00	68.04-72.57
CFR Taiwan	USD/tonne	+50	1500.00- 1600.00	+50	1250.00-1350.00	68.04-72.57
CFR SE Asia	USD/tonne	+50	1450.00- 1550.00	+50	1200.00-1300.00	65.77-70.31

Northeast Asia

CFR northeast Asian prices were assessed higher, taking into firmer deals and discussions.

1,000 tonnes was heard sold for H2 August shipment, and this formed the high end of the assessment range.

The low end was raised in line with the highest buying indications heard.

The CFR Taiwan assessment was adjusted up, in line with changes in the CFR NE Asian assessment.

Monthly Contract DEL, \$/tonne	June 21	May 21	Apr 21	Mar 21	Feb 21	Jan '21
Taiwan FPCC	1,205	1,010	1,050	1,135	880	950
Korea YNCC	1,245	1,010	987	1,102.50	827.50	867

East China domestic prices

Domestic prices in the yuan-denominated market fell, bucking the bullish pricing trend in US dollar denominated international markets.

The declines were, however, widely seen more as a technical downward correction, as the sharp hike seen in the week prior was deemed excessive and unsustainable considering lacklustre downstream margins.

Price (CNY/tonne)	23 July	16 July
DEL east China	12,800-13,000	13,400-13,700

Southeast Asia

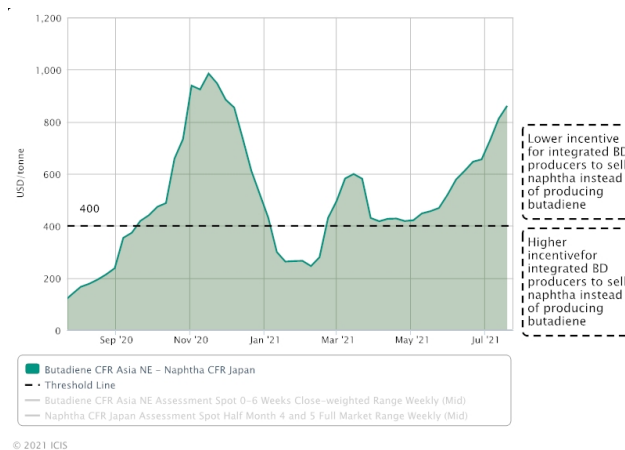
CFR SE Asian prices were also assessed up, in part tracking increases seen in the CFR NE Asian market, which is typically the major outlet for southeast Asia-origin materials.

Late in the week, a 2,000-tonne lot was sold via tender for early August shipment on a FOB basis. Market sources said this would fall in the published range if converted to CFR SE Asia, albeit after taking into account prevailing freight rates.

UPSTREAM

Asia-Pacific **naphtha** markets were supported by steady demand, while the product's crack spread held firm. However, the upward pressure was capped by an anticipated rise in western arbitrage naphtha cargo arrivals in July.

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



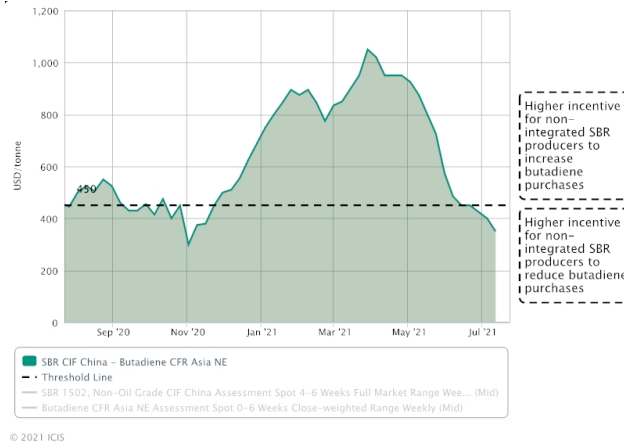
Click [here](#) for the Asia feedstocks and petrochemicals weekly summary.

DOWNSTREAM

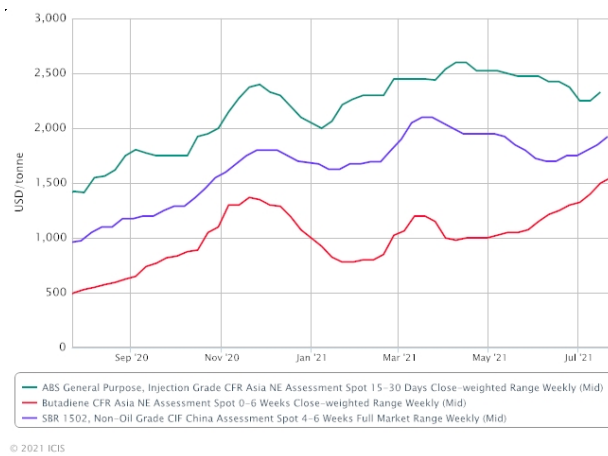
Asia's **styrene-butadiene-rubber (SBR)** spot offers continued to trend up on feedstock cost pressures, despite [lacklustre](#) downstream demand.

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

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



Northeast Asian prices for **acrylonitrile-butadiene-styrene (ABS)** were stable-to-soft, failing to extend last week's uptrend. This was due to the weakened demand during the summer lull.



PRODUCTION

While prompt supplies are cramped by ongoing [turnarounds](#), expectations remain high that BD output in Asia may [lengthen](#) in due course, once more new projects come on stream in northeast Asia within the second half of the year.

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

OTHER REGIONS

In Europe, August BD contracts were [up](#) by 21% to hit four-year high.

In the US, August BD contract nominations [emerged sharply higher](#), at increases of nearly 18 cents/lb from July, sources said.

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