



Butadiene (Asia-Pacific)

By Ai Teng Lim
24-Dec-2021

[Overview](#) | [Outlook](#) | [Prices](#) | [Upstream](#) | [Downstream](#) | [Production](#) | [Other Regions](#)

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

The weekly analysis will not be published on 31 December. Please click [here](#) for the ICIS publishing schedule.

OVERVIEW

- **Market flat on year-end lull**
- **Muted import discussions muted**
- **Buy-sell gap remains wide**

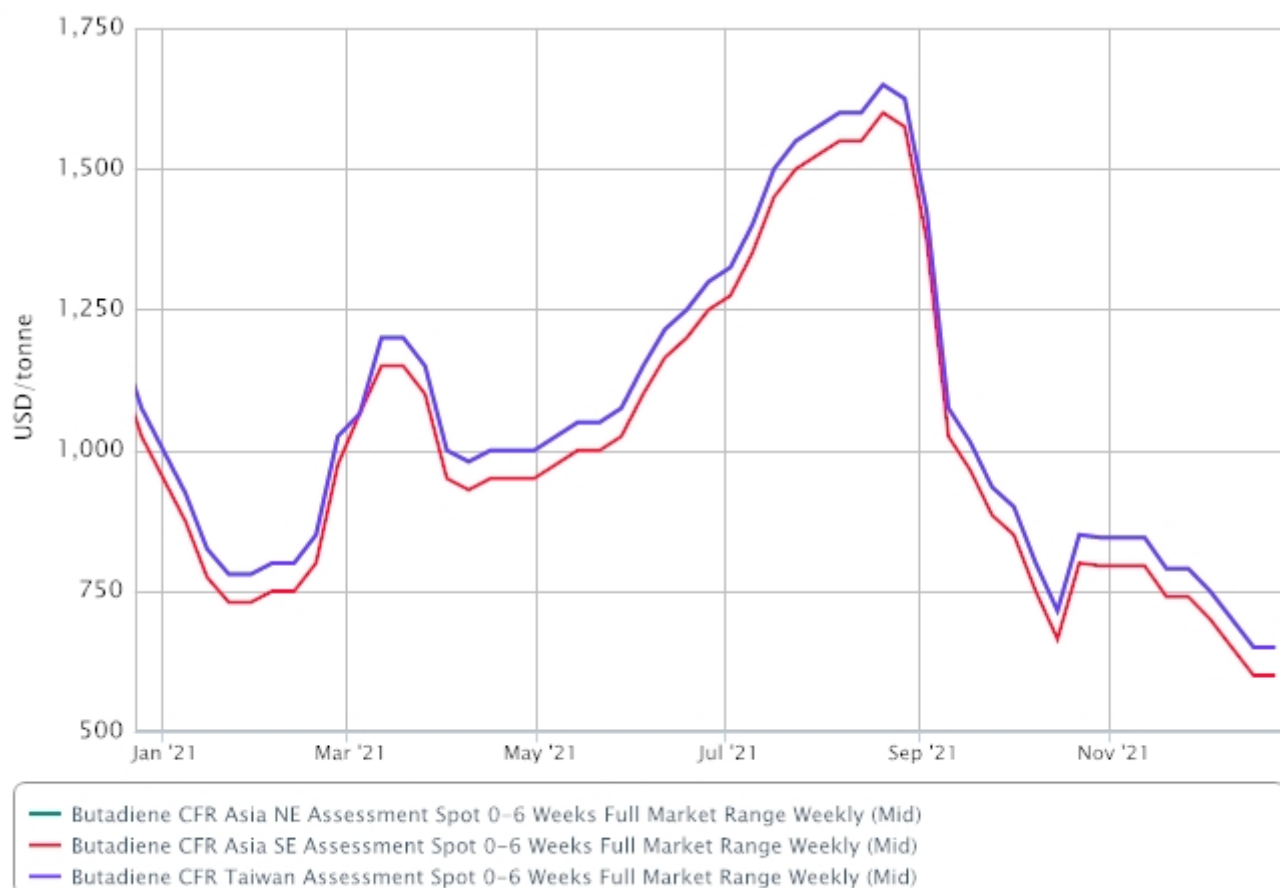
Asian spot discussions for butadiene (BD) imports were flat this week, partly due to a year-end trading lull. Sentiment was also weakened by a persistently wide buy-sell gap.

Buying interest remained lacklustre generally, with most end-users already amply covered by prior purchases. They were also not keen to over-stock, given mounting uncertainties about how downstream demand conditions may shift with the latest Omicron virus variant spread.

Most end-users also remained deeply convinced that Asia is structurally [over-supplied](#) with BD and there is no rush to secure cargoes.

But sellers mostly held firm to existing expectations, even if they acknowledged the reality that buying tempo was low. Given current margins and economic considerations, sellers said that there was no room for them to price down further, without hurting their own bottomlines more badly.

News of a recent [US refinery fire](#) also helped to shore up, to some extent, confidence among sell-side elements that US buying interest for BD imports may be reinvigorated, should the local BD production be affected by the fire.



© 2021 ICIS

OUTLOOK

- Supplies to remain long in the near term
- Trade discussions may pick up pace in the new year
- Uncertainties prevail in downstream synthetic rubber sector's [demand outlook](#)

PRICES

SPOT PRICES

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	n/c	600.00-650.00	n/c	800.00-850.00	27.22-29.48
CFR NE Asia	USD/tonne	n/c	600.00-700.00	n/c	750.00-830.00	27.22-31.75
CFR Taiwan	USD/tonne	n/c	600.00-700.00	n/c	750.00-830.00	27.22-31.75
CFR SE Asia	USD/tonne	n/c	550.00-650.00	n/c	700.00-780.00	24.95-29.48

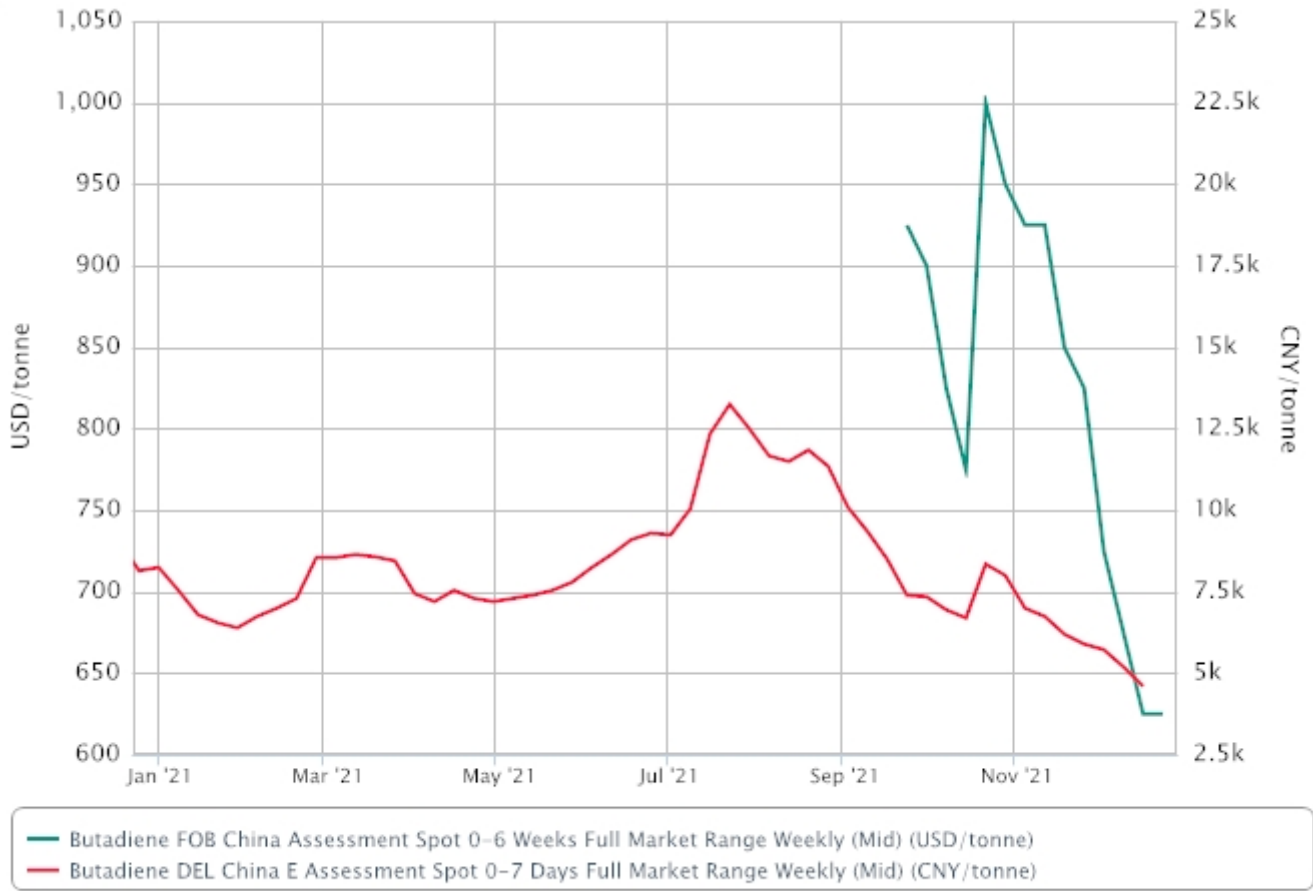
China

FOB China assessments were rolled over, on range-bound pricing indications.

East China domestic prices

Domestic China prices recovered some lost ground in early-week trades, although they eventually settled as stable-to-soft, compared to the week prior.

Price (CNY/tonne)	24 December	17 December
DEL east China	4,600-4,650	4,600-4,750



© 2021 ICIS

Northeast Asia

CFR NE Asian prices were rolled over, taking into consideration broadly stable buy-sell pricing indications.

Buying indications were heard at the low end of the range, while sellers were heard unwilling to transact, on a FOB basis, below mid- to high \$600s/tonne, which would equate to or over the high end of the published CFR NE Asia range, market players said.

Most players were heard more inclined towards discussing deals on a floating basis, instead of on a fixed price basis, citing lingering macro-economic uncertainties.

CFR Taiwan prices were unchanged on stable CFR NE Asian prices.

Monthly Contract	Nov 21	Oct 21	Sep 21	Aug 21	Jul 21	June 21	May 21
DEL, \$/tonne							
Taiwan	885	870	1,175	1,545	1,380	1,205	1,010
FPCC							

Korea YNCC	800	790	1,050	1,650	1,470	1,245	1,010
------------	-----	-----	-------	-------	-------	-------	-------

Southeast Asia

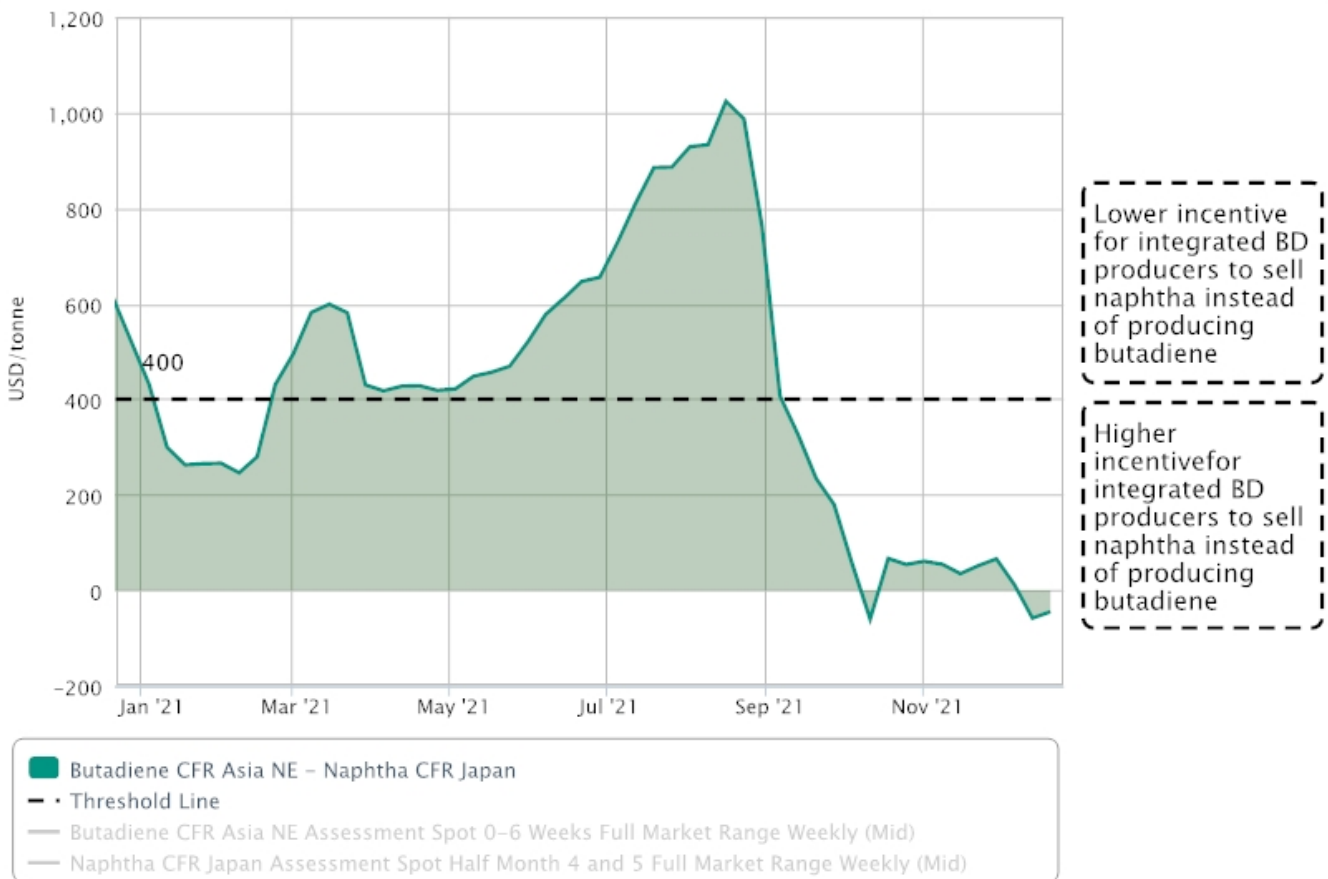
CFR SE Asian prices were also stable on unchanged CFR NE Asian prices.

A southeast Asia-origin cargo was heard offered this week for February shipment sales via tender. But the tender was heard to be not conclusive, and no deals materialised, market sources said.

UPSTREAM

Asia-Pacific **naphtha** markets tracked higher crude oil futures prices, while steady demand provided support to a market structure staying in a wide backwardation. Softening demand for gasoline blending in the west could serve to lift excess deep-sea cargo flows to Asia.

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



© 2021 ICIS

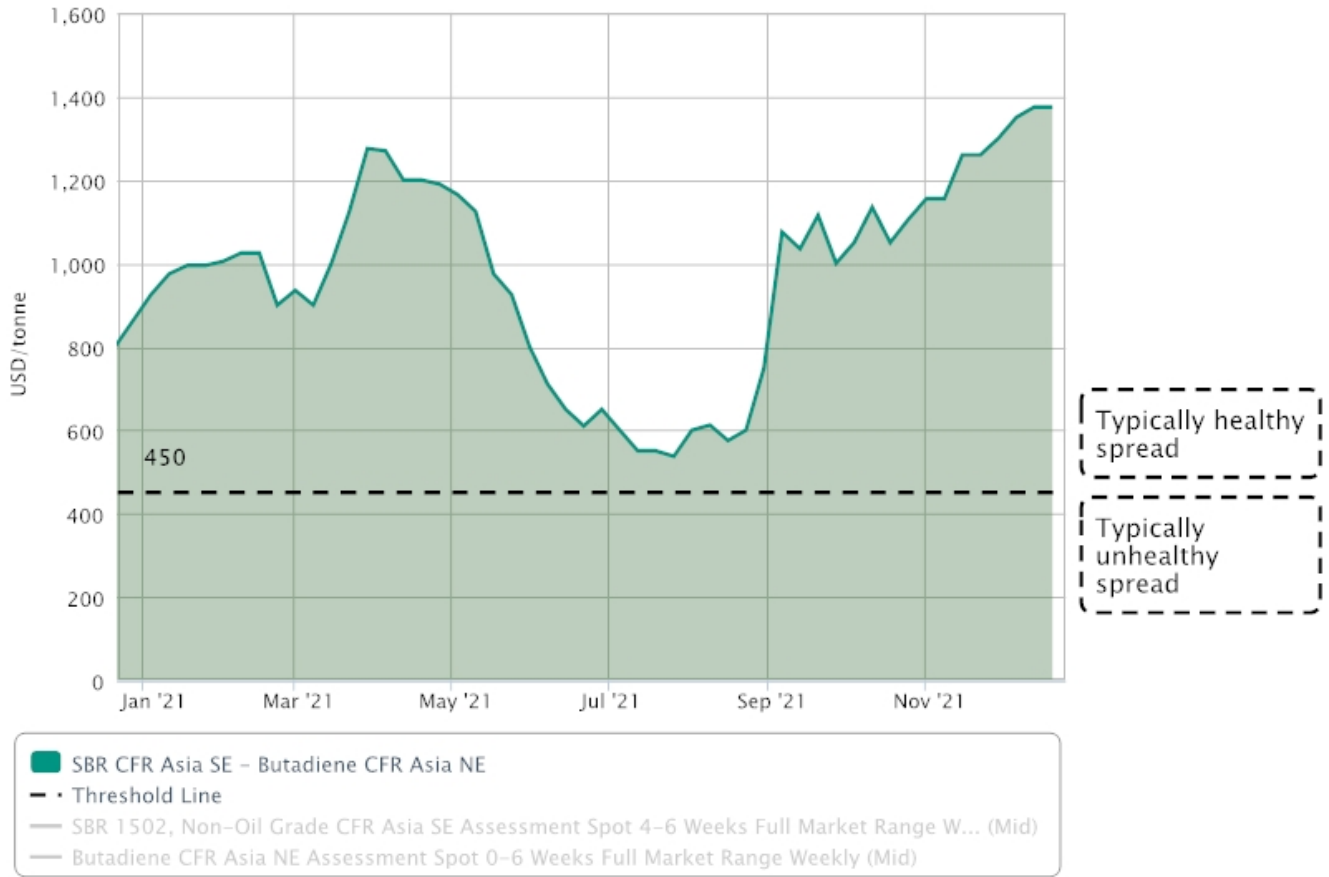
Click [here](#) for the Asia feedstocks and petrochemicals weekly summary.

DOWNSTREAM

Asian **styrene-butadiene-rubber (SBR)** discussions were mostly stable on muted trades, but prices softened more in India on weak demand sentiment.

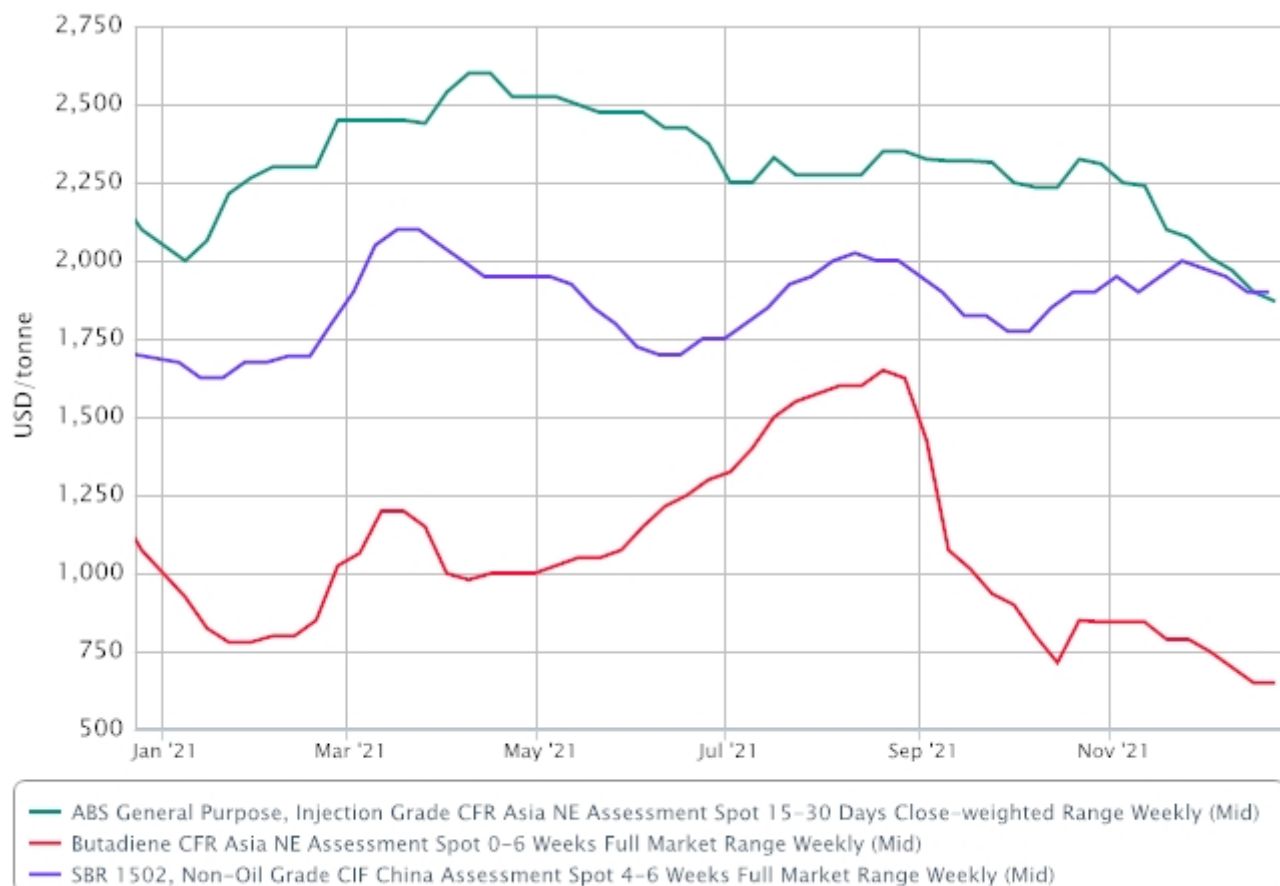
The chart below shows the spread between BD and SBR in Asia

Spread between Butadiene and Styrene Butadiene Rubber Asia



© 2021 ICIS

Spot **acrylonitrile-butadiene-styrene (ABS)** import prices in northeast Asia continued to fall for the ninth week. Some offers were lowered, to induce buying interest amid burgeoning stockpiles from slow derivative offtakes during the seasonal lull. But buying interest was tepid, with buyers cautious over the recently enhanced movement control due to the Omicron spread.



© 2021 ICIS

PRODUCTION

The regional BD market remained structurally over-supplied, amid more [new capacities](#), including a 200,000 tonne/year unit in China's Zhejiang province expected to come onstream in the coming year.

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

OTHER REGIONS

In the US, January contract nominations emerged at levels [lower](#) than the month prior, as supply shortage eased.

In Europe, January contracts also settled [lower](#) month on month.

Butadiene (Asia-Pacific) | 24-Dec-2021. ICIS accepts no liability for commercial decisions based on the content of this report. Unauthorised reproduction, onward transmission or copying of the Butadiene (Asia-Pacific) Report in either its electronic or hard copy format is illegal. Should you require a licence or an additional copy of the Butadiene (Asia-Pacific) Report, please contact ICIS at sales.uk@icis.com

ICIS, Quadrant House, The Quadrant, Sutton, Surrey, SM2 5AS. United Kingdom. ICIS accept no liability for commercial decisions based on the content of this report. Copyright violation is a serious offence. Any distribution or forwarding of information that is not expressly permitted by your subscription agreement is a copyright violation. ICIS uses software to monitor unauthorised electronic redistribution of reports.

