



Butadiene (Asia-Pacific)

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24-Jun-2022

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

OVERVIEW

- **Domestic China falls despite production woes**
- **Demand bearish across Asia**
- **But concrete offers scant**

Sentiment stayed [bearish](#) in Asia's spot market for butadiene (BD), on weak derivative demand, as well as extended losses in domestic China.

A BD unit in China was shut this week after a fire at the complex, the second such outage within the month.

But domestic China prices slumped despite these production issues, underscoring the reality that demand fundamentals are weak.

In wider Asia, end-users also kept to bearish buying indications, amid [concerns](#) about how growing recession risks may further suppress demand.

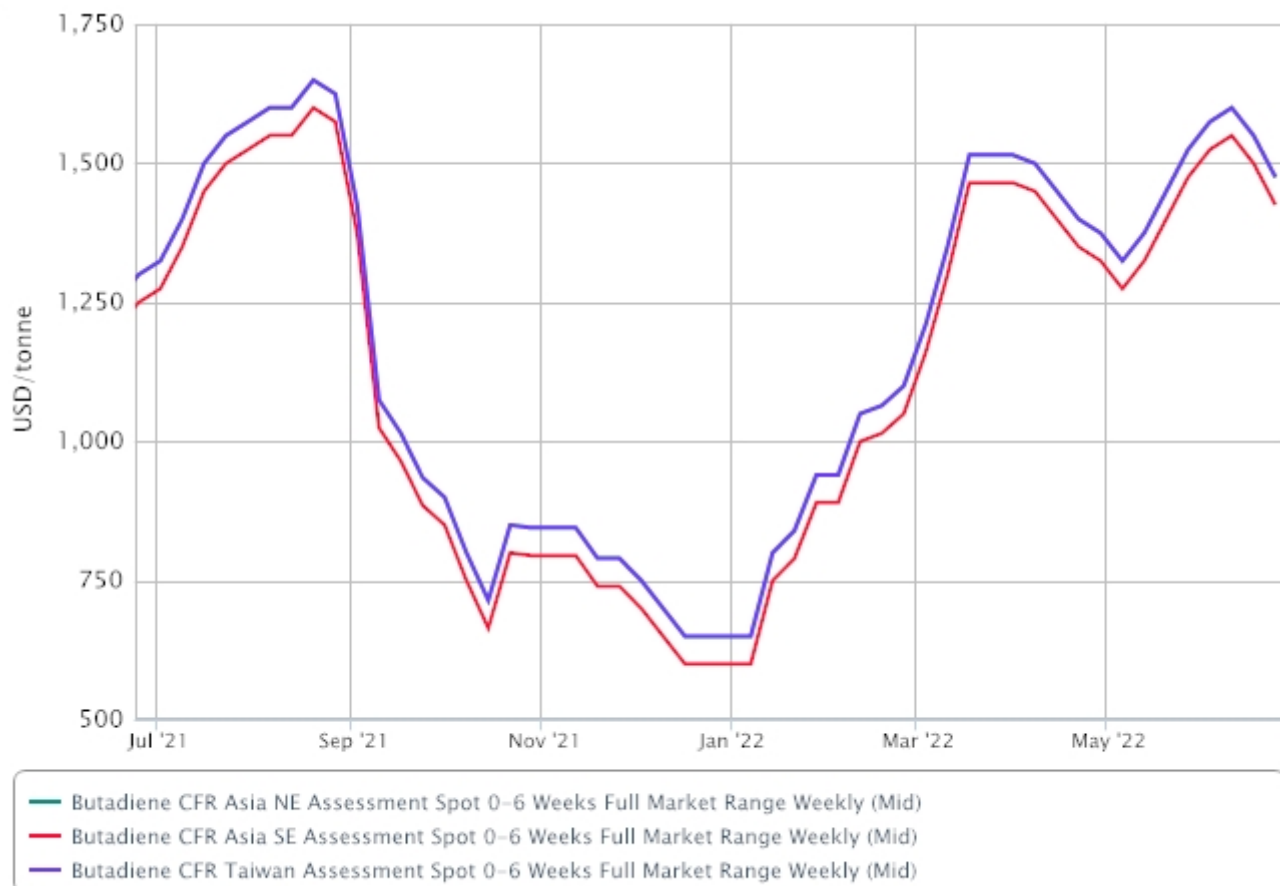
Many also expect BD supplies to lengthen when new units come on-line, and hence saw no need to rush and bid up the market currently.

Some traders moderated their export offers to induce sales, but failed to bridge the pricing gap with buyers sufficiently to conclude deals.

Other producers in wider Asia steered away from fixed-price discussions, leaning only on formula-linked negotiations.

Many sellers were also confident that as long as BD output remained curtailed by reduced cracker operations, this would lend support to their selling positions, and that there was therefore no need yet to price down, even though they acknowledged downstream demand was not robust.

Also, with [US' July BD contract nominations](#) emerging at levels substantially higher than June, some Asian sellers were starting to monitor if this could create arbitrage sales opportunities to the US.



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OUTLOOK

- Buy-sell gap may stay wide
- How domestic China may trend will drive sentiment too
- Supply in wider Asia could lengthen with new supply streams

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	-100	1400.00-1500.00	-50	1500.00-1550.00	63.50-68.04
CFR NE Asia	USD/tonne	-100	1400.00-1550.00	-50	1500.00-1550.00	63.50-70.31
CFR Taiwan	USD/tonne	-100	1400.00-1550.00	-50	1500.00-1550.00	63.50-70.31
CFR SE Asia	USD/tonne	-100	1350.00-1500.00	-50	1450.00-1500.00	61.24-68.04

China

FOB China assessments were down as offers fell alongside domestic losses.

In the yuan-denominated market, ex-tank prices in east China slumped this week, even though prompt supplies were poised to fall after a fresh plant outage.



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Northeast Asia

CFR NE Asian assessments were down, taking into account discussions and pricing indications heard throughout the course of the week for remnant July shipment supplies available to ship to diverse destinations in northeast Asia.

No deals transpired on a fixed-price basis, with market players heard still leaning more towards discussing on a formula-linked basis.

The high end of the assessment tracked selling indications heard, but these drew scant response from buyers, many of whom kept to more bearish buying indications, captured at the low end.

A southeast Asia-origin cargo available to ship in early August was offered for sale late-week via tender. The bulk of discussions were on a floating basis, but the outcome was not available by close of the assessment window.

CFR Taiwan assessments were adjusted down, in line with changes in CFR NE Asian assessments.

Monthly Contract DEL, \$/tonne	May 22	Apr 22	Mar 22	Feb 22	Jan 22	Dec 21
Taiwan FPCC	1,360	1,415	1,355	1,040	795	780

Korea YNCC	1,445	1,445	1,335	1,015	835	645
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Southeast Asia

CFR SE Asian assessments fell, in line with lower CFR NE Asian assessments and in the absence of concrete discussions on CFR SE Asian terms.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

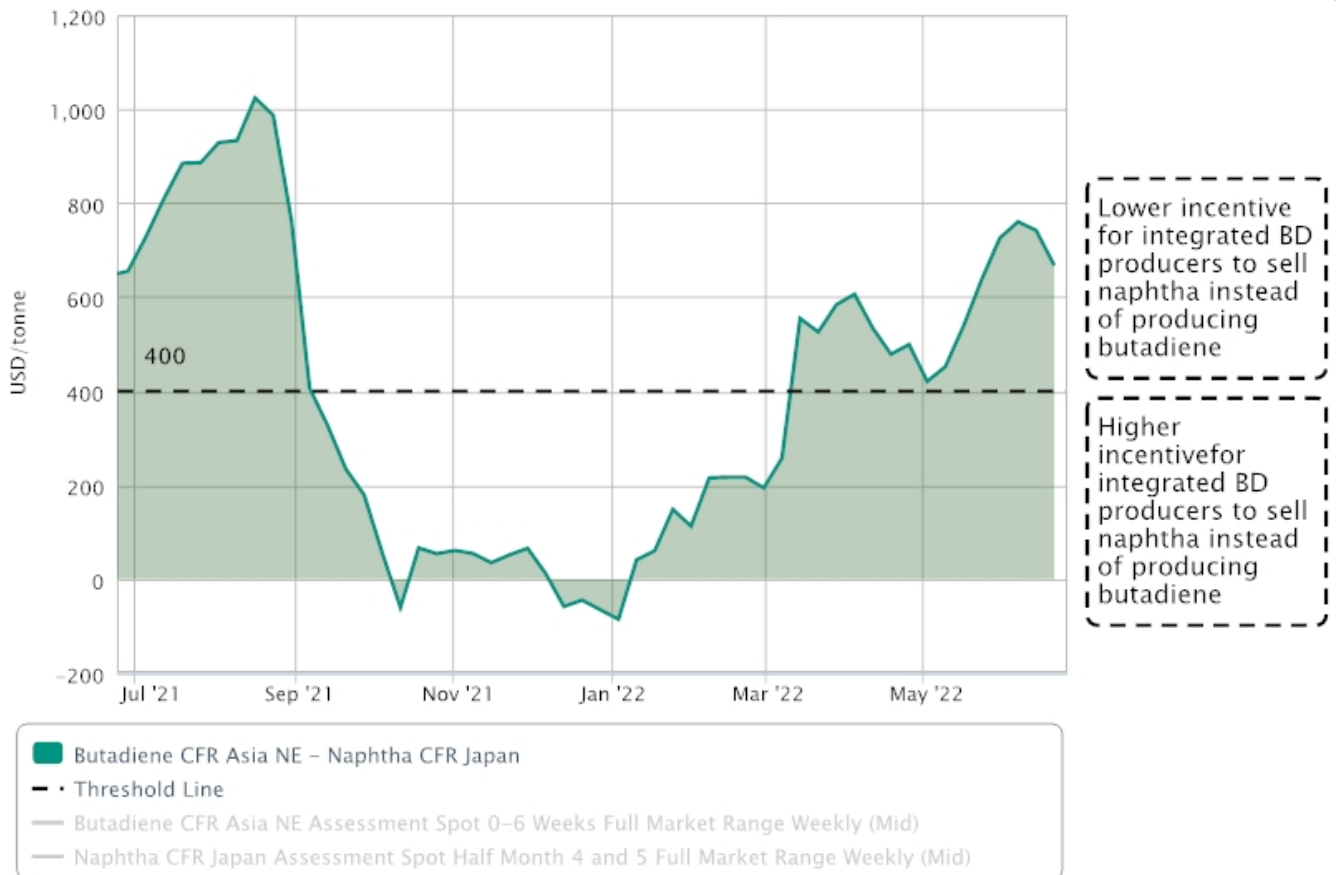
		Price Range	One Week Ago	/		
Butadiene						
Ex-Tank E China	CNY/tonne	-100	10700-10800	-200	10800-11200	-

UPSTREAM

Naphtha:

- Asia prices down on cautious spot demand
- Regional supply ample
- Bearish market languishes in contango

[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)

- Muted discussions
- Offers supported on cost concerns
- But weak demand persists

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

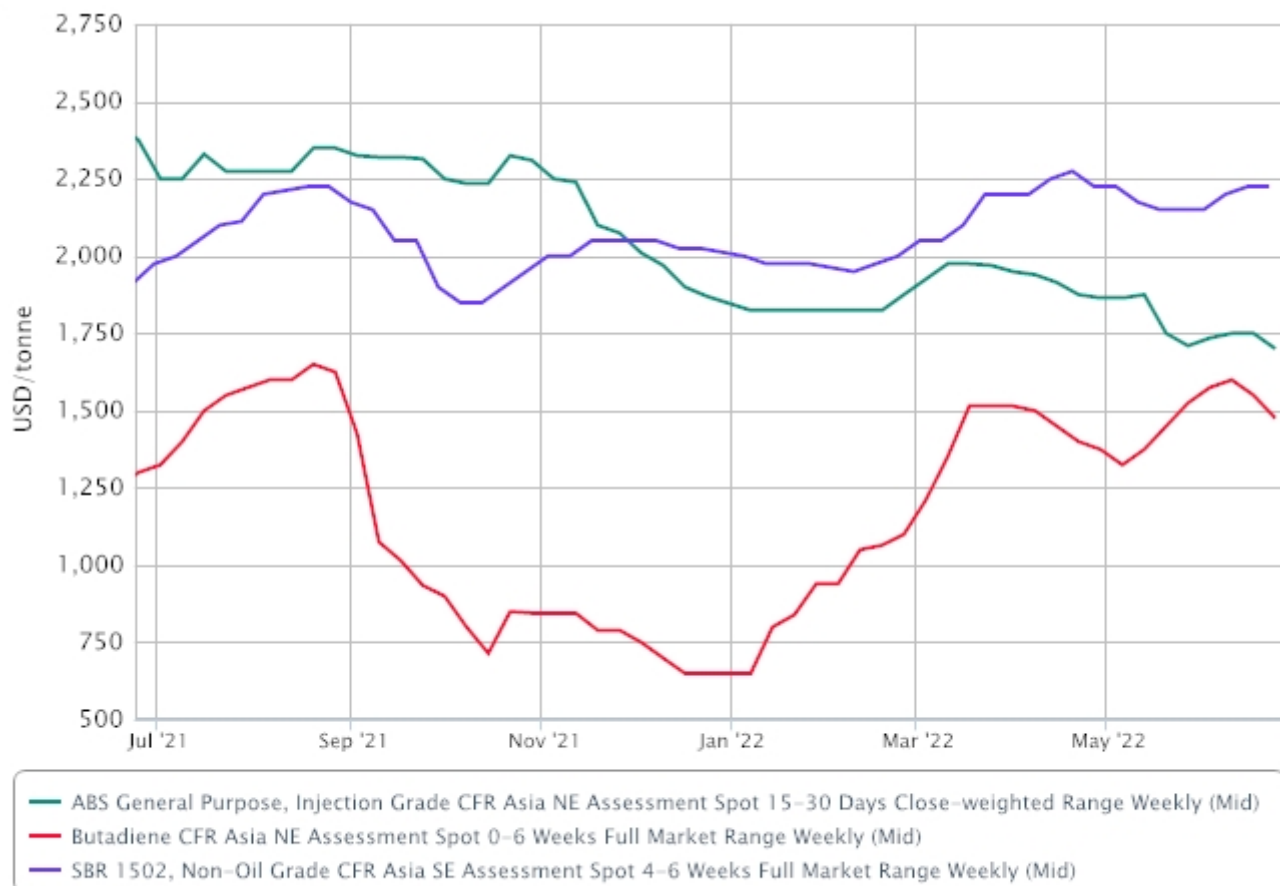
[Spread between Butadiene and Styrene Butadiene Rubber Asia](#)



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Acrylonitrile butadiene styrene (ABS)

- Prices across Asia slip
- Soft demand unable to render price support
- Feedstock downtrend relieves some pressure on margin



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PRODUCTION

Regional butadiene (BD) output tightened in June, alongside lower operations at upstream crackers, as well as [twin outages](#) in China.

But as several other local China plants have restarted from extended maintenance recently, as well as in anticipation of new plants coming on-line, such as a 185,000 tonne/year [unit](#) in SE Asia, market players said these injections could help to reduce the shortfall.

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

OTHER REGIONS

Europe

- Steady market fundamentals
- Supply constraints offset by soft demand in some areas
- Key derivative synthetic rubber demand still holding, quite healthy
- Spot availability limited but, despite talk, no signs of export opportunities yet
- July CP to be set next week

US

- Supplies sufficient to meet demand
- Weak spot demand offsets limited availability

- Import interest muted for now

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