



Butadiene (Asia-Pacific)

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

ICIS plans to discontinue the CFR Taiwan spot assessment in Q1 2024, as import trade in this market would already be considered for assessment purposes in the CFR NE Asia quote. For any queries, please contact aiteng.lim@icis.com.

OVERVIEW

- **Domestic China up on prompt supply crunch**
- **Import discussions less upbeat**
- **Buy-side sentiment dull in wider Asia**

The Asian spot market for butadiene (BD) was [mixed](#) this week: bullish in the domestic yuan-denominated market, but comparatively subdued in the wider Asian import arena.

Domestic yuan-denominated prices in China surged early in the week as local producers separately hiked offers amid a persistent crunch in domestic prompt supplies.

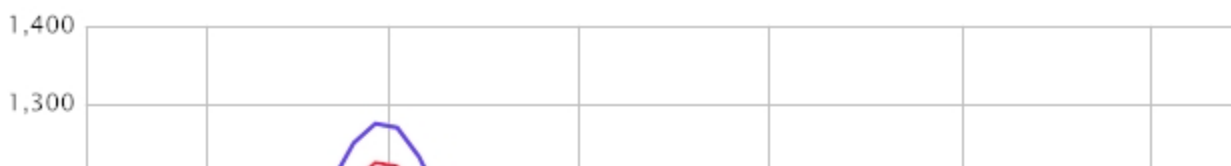
Some traders in China did seek out prompt import shipments in a bid to cover their domestic shortfall and fulfil contractual obligations.

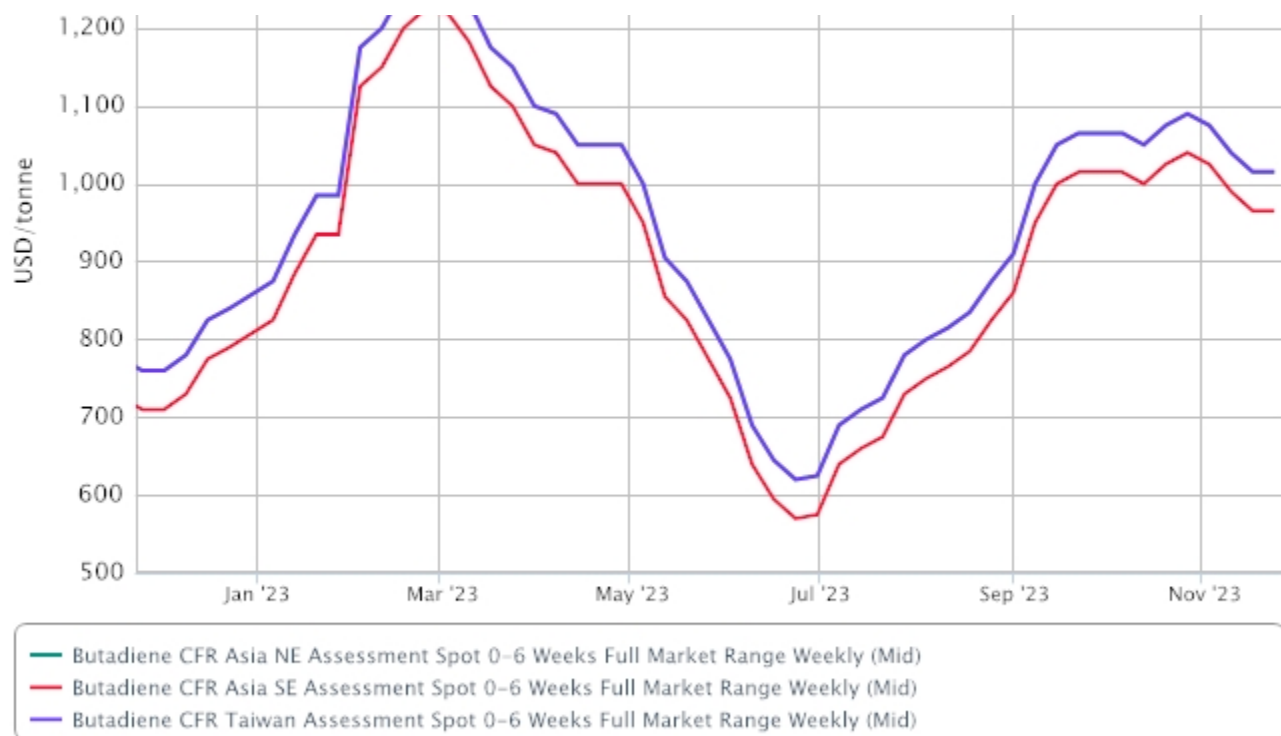
For imports available for prompt shipment and delivery to China, such as within H1 December, buy-sell discussions were more supported.

However, even China-based end-users who lacked BD were cautious and did not bid aggressively for deliveries further out.

Many, including their counterparts in other wider Asian outlets, lacked confidence in how key derivative markets like [synthetic rubbers](#) and acrylonitrile-butadiene-styrene (ABS) may hold up further out, and were therefore more prudent about the outlay for forward costs.

Import offers were entrenched though, keeping spot trade liquidity cramped.





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OUTLOOK

- Disparity to widen between domestic yuan market and import arena
- Players to see if deep-sea cargo flows to Asia will continue
- [Downstream demand worries](#) to weigh on substantive requirements

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

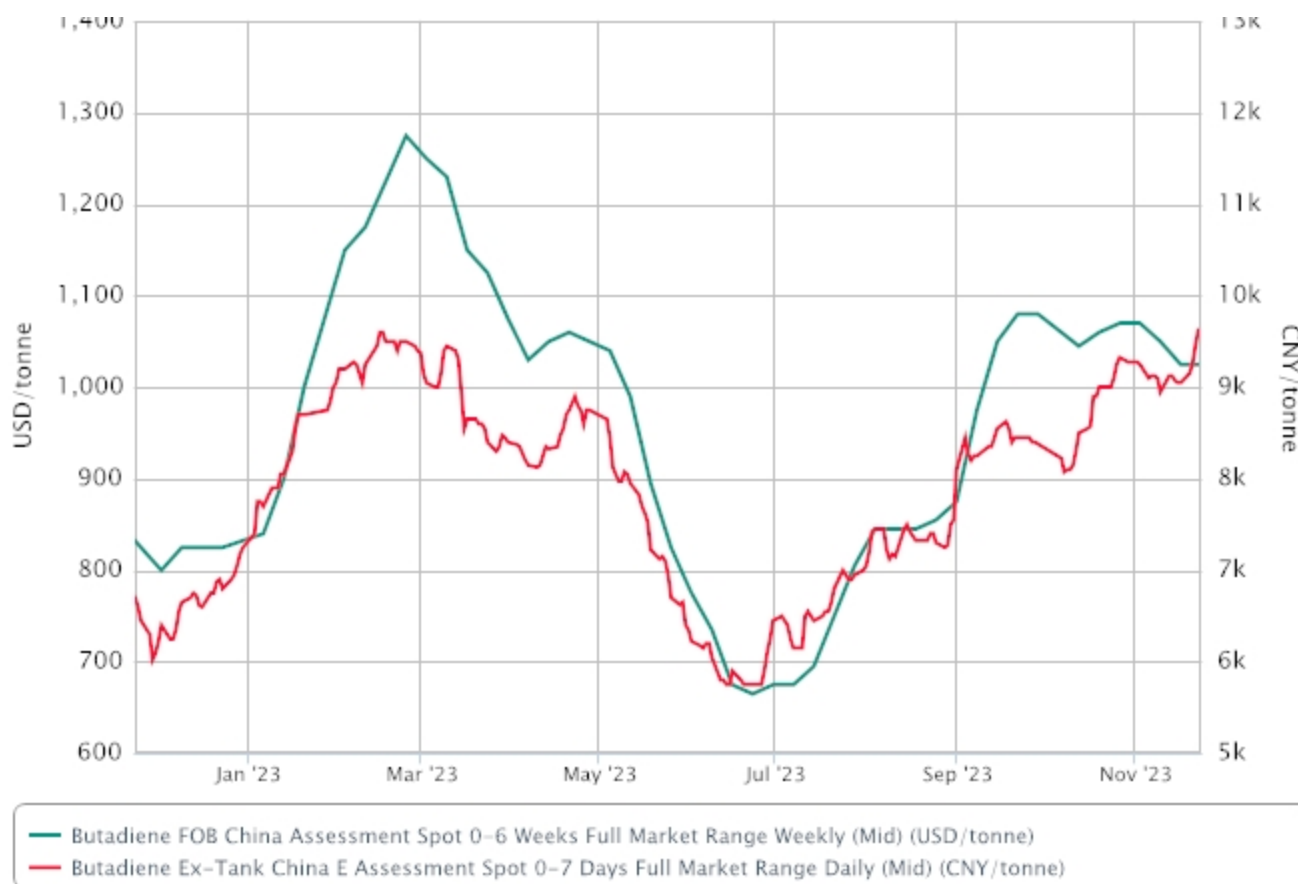
			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	n/c	950.00-1100.00	n/c	1040.00-1100.00	43.09-49.90
CFR NE Asia	USD/tonne	n/c	980.00-1050.00	n/c	1050.00-1130.00	44.45-47.63
CFR Taiwan	USD/tonne	n/c	980.00-1050.00	n/c	1050.00-1130.00	44.45-47.63
CFR SE Asia	USD/tonne	n/c	930.00-1000.00	n/c	1000.00-1080.00	42.18-45.36

China

Domestic ex-tank China prices surged in early week trading amid a persistent constraint in local supplies, and exacerbated by fresh plant [closures](#) in November for servicing.

The FOB China market was a standstill as such, as producers in China had no material available for export.

The FOB China assessment was rolled in the absence of fresh buy-sell indications.



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Northeast Asia

CFR NE Asian discussions were rangebound, taking into consideration available buy-sell indications for cargoes available to ship in different windows.

Selling indications for December shipment were heard mostly at the published high end or higher, and import sellers were confident that China-based users could bid more generously, leveraging on the firmer yuan.

However, there were no verified transactions on CFR NE Asia terms, even though a few regional cargoes were said sold in the week for December shipment to China, albeit on FOB NE Asia or FOB SE Asia terms.

Although some China-based buyers showed more active buying interest for H1 December shipment parcels, the majority of end-users in China had a more subdued buying appetite for shipments further out.

This was a sentiment shared by buyers in other regional outlets like South Korea and Taiwan, players said.

Buying indications from these buyers were heard capped around the low end of the published range, similar to last deal-done levels in earlier weeks for regional cargoes, sources said.

Many remained actively looking for deep-sea availabilities, although no fresh offers surfaced this week.

The CFR Taiwan assessment was unchanged along with the stable CFR NE Asia assessment.

Monthly Contract Oct 23 Sep 23 Aug 23 Jul 23 Jun 23 May 23

DEL, \$/tonne						
Taiwan FPCC	995	940	750	650	655	875
Korea YNCC	1,035	980	770	665	635	855

Southeast Asia

The CFR SE Asia assessment was also flat with stable CFR NE Asia prices.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

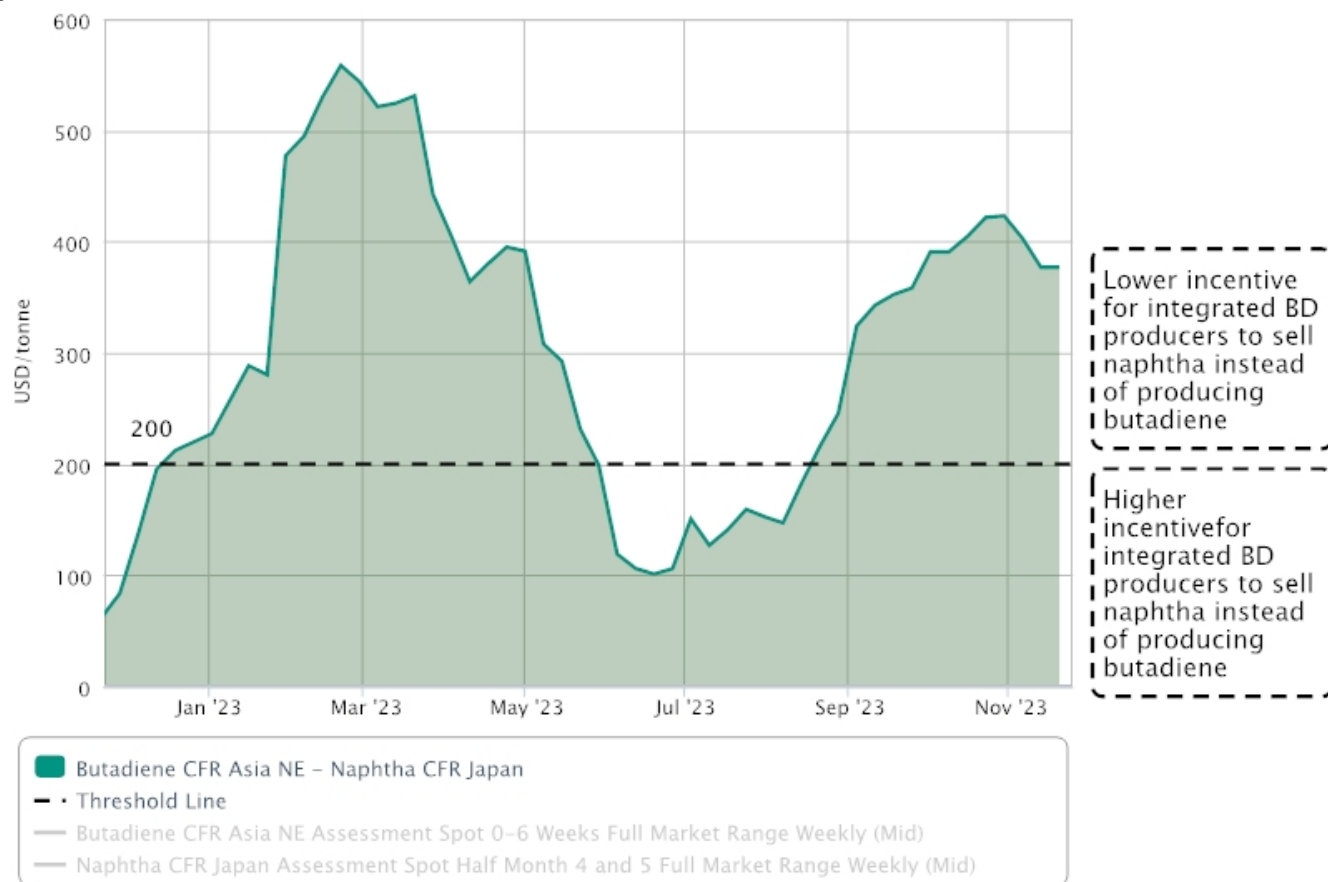
		Price Range	One Week Ago	/		
Butadiene						
Ex-Tank E China	CNY/tonne	-125	9500-9575	-50	9000-9100	-

UPSTREAM

Naphtha:

- Crack neared seven-month high on Thursday
- H1 Jan spot prices mostly premiums versus discounts in Dec on supply tightness
- Intermonth spread backwardation hits highest since end-Aug

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



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

DOWNSTREAM

Styrene-butadiene-rubber (SBR)

- Downbeat demand sentiment
- Buyers mostly on the sidelines
- Offers moderated too to induce buying

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)

- CFR NE Asia flat after last week's decline
- Trades subdued by slow momentum during year-end traditional lull
- Buyers, sellers sidelined from demand, margins concerns



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PRODUCTION

Regional output has been constrained by ongoing Q4 [turnarounds](#).

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

OTHER REGIONS

Europe

- Export prices under downward pressure
- Asia prices continue to soften
- Workability of US cargo hampered by Panama Canal constraints impacts
- Still some uncertainty over Dec domestic demand

US

- December CP nominations due against backdrop of longer supply, weaker demand
- Exports to Asia could be hindered by Panama Canal constraints
- Downward price pressure appears globally

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