



Butadiene (Asia-Pacific)

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

OVERVIEW

- **Muted domestic China continues to weigh on import sentiment**
- **Market deemed amply supplied, amid a mix of regional offerings and deep-sea materials**
- **Buy-sell gulf widens**

Discussions for Asian spot butadiene (BD) imports got progressively weaker throughout the trading week, as the downtrend continued in the domestic yuan-denominated China market.

In China, the overall atmosphere for derivative rubber futures remained subdued, with trades heard mostly stable-to-soft compared to the week prior.

This weighed on the values of physical BD cargoes, which in turn affected China's buying appetite for US dollar-denominated imports.

Potential import buyers in China were also not in a hurry to commit to fresh procurement, as they perceived the import market as amply supplied, amid a steady stream of regional offerings as well as a heavy schedule of upcoming deep-sea shipment to Asia.

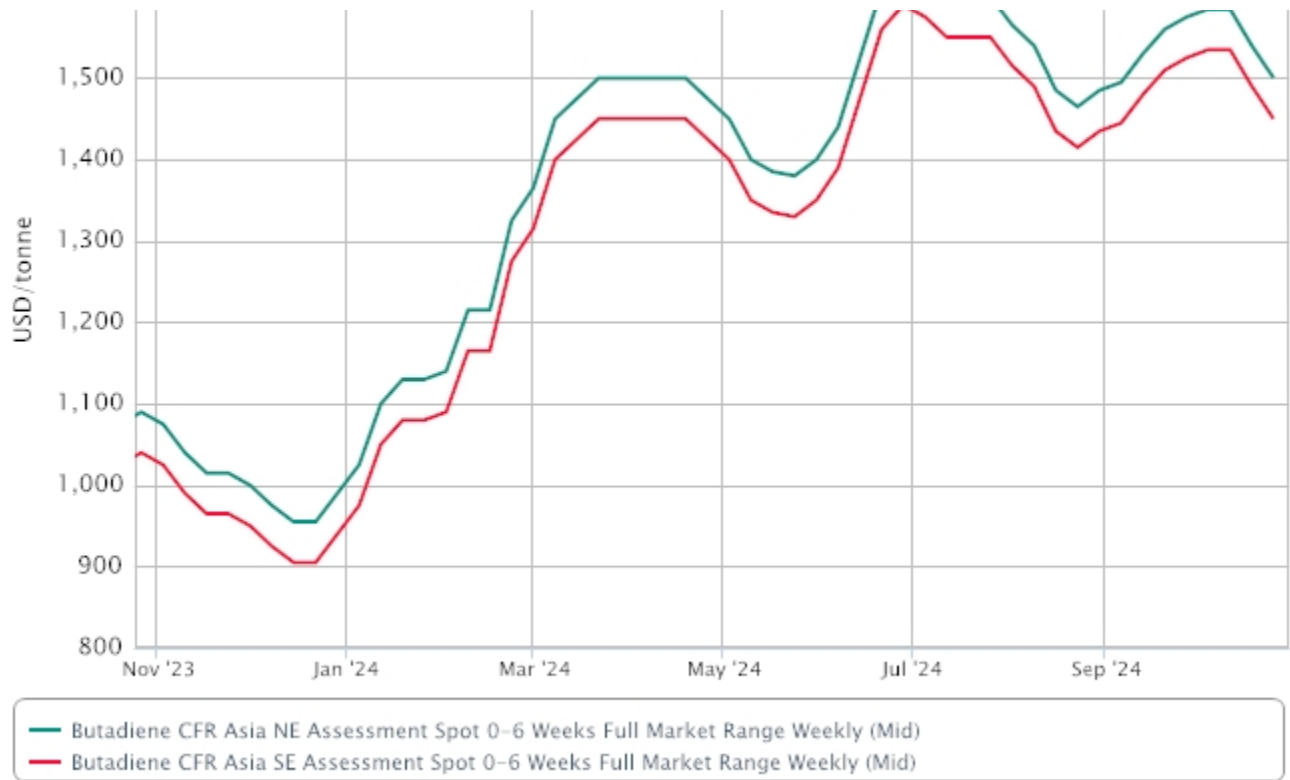
Market sources said that collectively, Asia could expect to receive over 20,000 tonnes of BD imports from US and Europe in the December to January window.

Furthermore, there is no lack of spot supplies in Asia, despite a BD unit in Vietnam being [shut](#) with a commercially driven closure of its related [cracker](#).

Several cargoes available to lift in November from southeast Asia were put up for spot sales this week, alongside some materials from northeast Asia, market players said.

Downstream demand outlook is meanwhile hazy, with some still hopeful that China's stimulus measures may serve to [rejuvenate](#) China's Q4 GDP growth, while others believed that the fiscal directives may fall short. End-users across the region are thus hesitant to commit to forward deliveries until there is more clarity about China.





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PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	-50	1500.00-1550.00	-30	1600.00-1650.00	68.04-70.31
CFR NE Asia	USD/tonne	-50	1450.00-1550.00	-30	1550.00-1600.00	65.77-70.31
CFR SE Asia	USD/tonne	-50	1400.00-1500.00	-30	1500.00-1550.00	63.50-68.04

China

FOB China offers, heard at the high end of the assessment range, were softer, tracking continued losses in the yuan-denominated domestic market.

Sporadic buy-side indications were heard capped at the low end, and market sources said that there were no substantial discussions at all during the week.

Domestic ex-tank prices in China trended lower, in line with more subdued trades on rubber futures in the local exchange.

1,700 15k



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Northeast Asia

CFR NE Asian prices were assessed as lower to capture the spectrum of deals and discussions conducted throughout the week.

Sentiment was less bearish at the beginning of the week, with a cargo heard sold at the high end of the range, for December delivery to a non-China, NE Asian destination, to a trader-buyer seeking to short-cover.

Deep-sea origin materials were heard discussed and traded in the low-\$1,500s/tonne, on a delivered basis to several NE Asian destinations like China, Taiwan and South Korea, market sources said.

But towards late-week, discussions took another bearish turn, with many potential buyers in China looking to pay no more than mid-to-low \$1,400s/tonne, on a CFR NE Asia basis, for November/December shipment parcels.

Some trades were heard done in the \$1,450-1,480/tonne CFR NE Asia range late-week, although details of players involved could not be fully verified.

A few other cargoes, including some southeast Asia-origin materials, were also sold in the week, but on formula-linked terms, market sources said. The bulk of these cargoes were earmarked for delivery to China, sources added.

Monthly Sep 24 Aug 24 Jul 24 Jun 24 May 24 Apr 24 Mar 24
Contract

DEL, \$/tonne							
Taiwan FPCC	1,470	1,465	1,515	1,395	1,355	1,415	1,348
Korea YNCC	1,550	1,500	1,565	1,493	1,390	1,450	1,405

Southeast Asia

CFR SE Asian prices were adjusted down in line with changes in the CFR NE Asian assessments.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

			Price Range		One Week Ago	/
Butadiene						
Ex-Tank E China	CNY/tonne	-100	12100-12200	-100	12400-12500	-

UPSTREAM

Naphtha

- Crack spread on 24 Oct at more than one-week high
- Demand from S Korea provides support
- Cracker shutdown in Vietnam limits impact on market for now

[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.

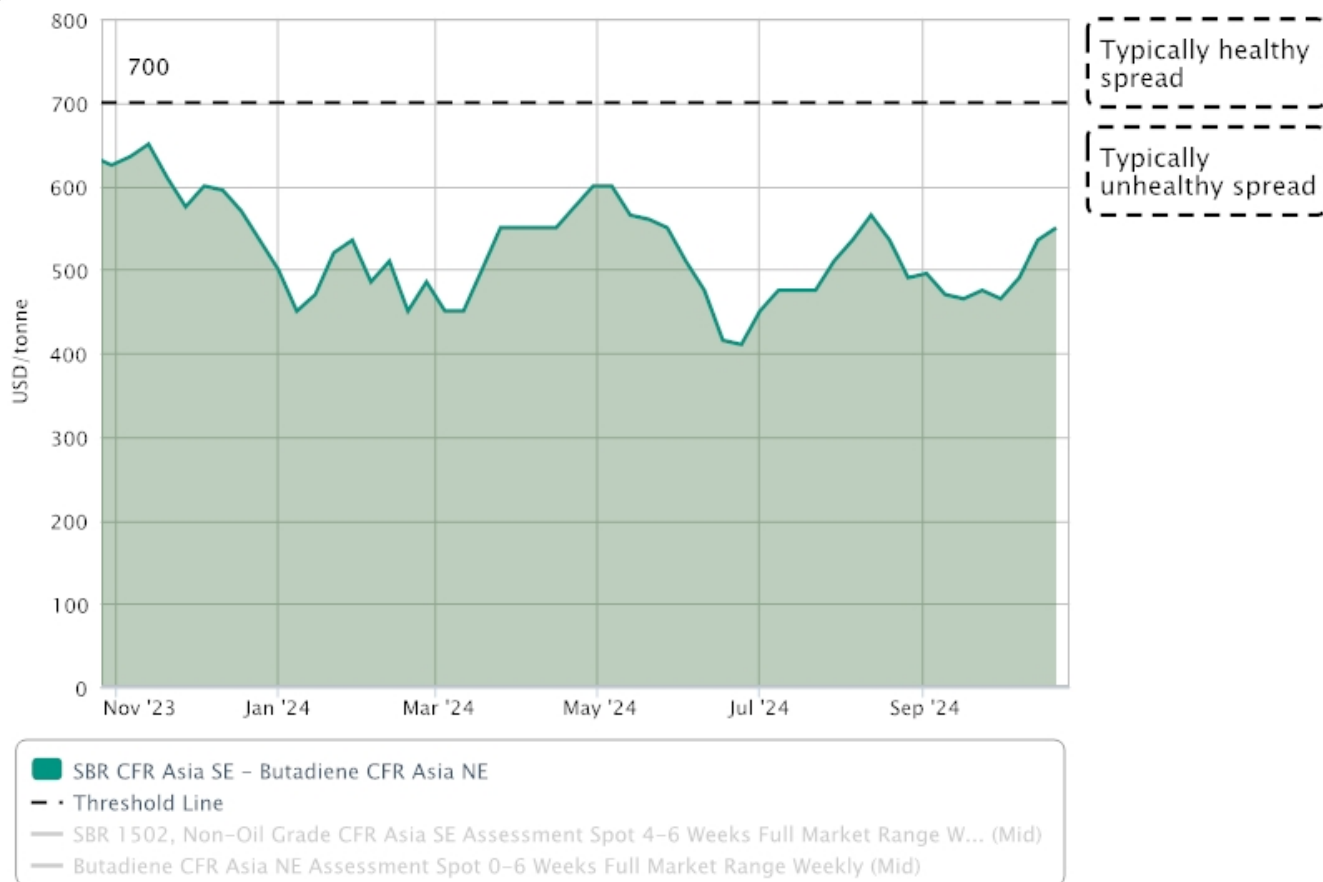
DOWNSTREAM

Styrene-butadiene-rubber (SBR)

- Muted domestic China weighs on import market sentiment
- Some moderate offers emerged
- But spot trade liquidity capped on spot availability limitations

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

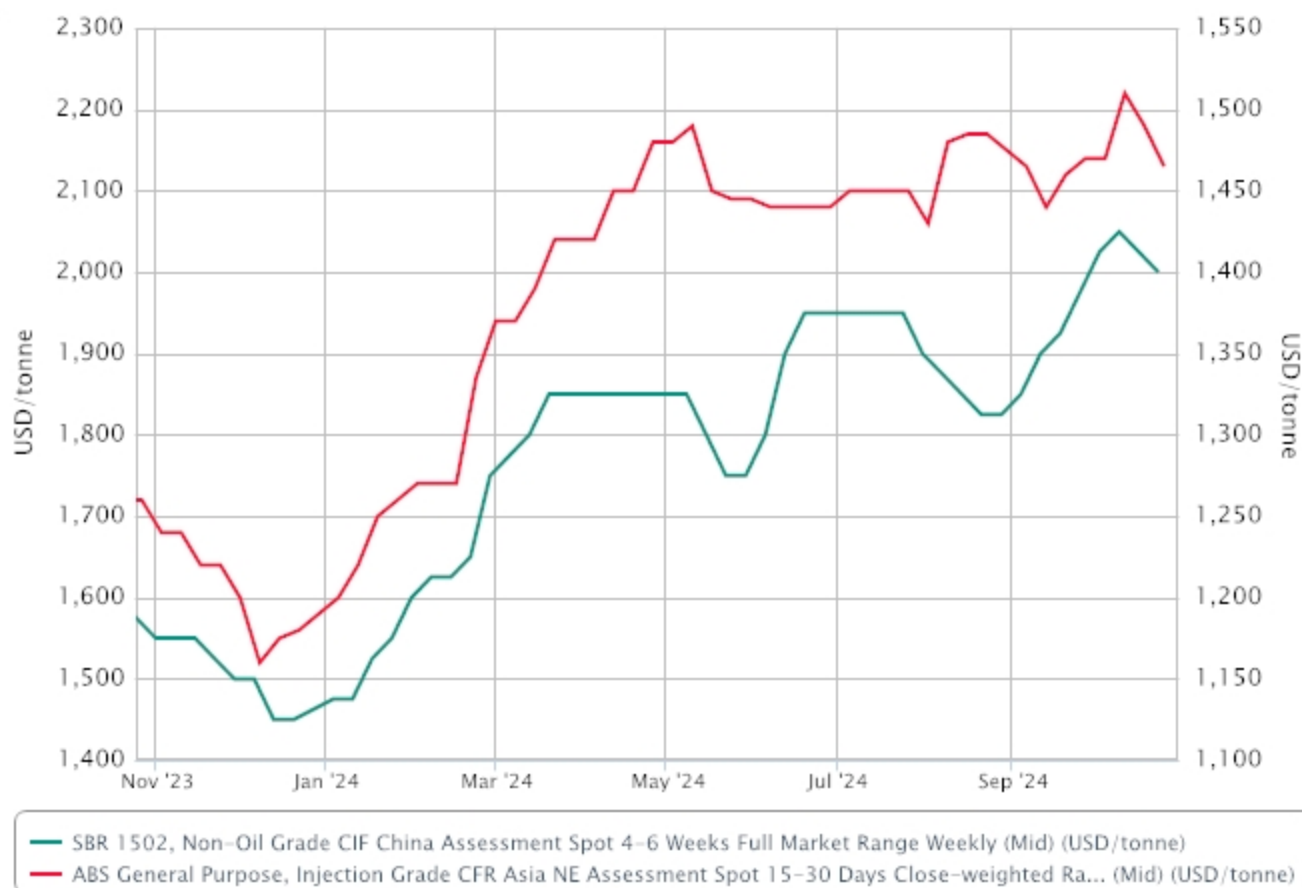
[Spread between Butadiene and Styrene Butadiene Rubber Asia](#)



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Acrylonitrile-butadiene-styrene (ABS)

- Asia ABS largely falls alongside feedstock cost
- Demand slumps on hesitant reactions to China's recent stimulus measures
- Sellers relieved about rising margins despite price decline



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PRODUCTION

There is a heavy wave of maintenance closures in NE Asia in Q4

Company	Location	Status	Capacity (MT/ year)	Start	End
Sinopec Shanghai	Shanghai, China	Maintenance/ Commercial	53,000 (#1)	September 2023	Unknown
Zeon	Tokuyama, Japan	Maintenance	180,000	Mid-September	End-November
LG Chem	Yeosu, South Korea	Maintenance	160,000	End-October	Mid-November
FPC	Mailiao, Taiwan	Commercial	162,000 (#2)	August	Unknown
Long Son	Long Son, Vietnam	Commercial	110,000	H2 October	Unknown

ZPC	Zhoushan, China	Unplanned maintenance	250,000	5 November	15 days later
Lotte-GS	Yeosu, Korea	South Miantenance	90,000	End-September	End-November

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

OTHER REGIONS

Europe

- Supply balanced to snug amid planned and unplanned shutdowns
- Downstream demand slowdown, unplanned derivative issues offsetting supply impact
- November BD contract discussions to start next week

US

- US BD supply improves on ramped-up op rates
- Demand is softer on derivative outages further softening spot prices
- Exports to Asia ramp up, supporting domestic spot price

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