



Butadiene (Asia-Pacific)

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

The FOB China and CNY prices in the weekly analysis on 3 May will be based on information collated up to 30 April. Please click [here](#) for the ICIS publishing schedule.

OVERVIEW

- **Anticipated influx of deep-sea cargoes**
- **Supply anxieties among buyers alleviated**
- **But no clear sign yet that regional availabilities will lengthen**

Sentiment in Asia’s butadiene (BD) spot import market was more subdued this week, as buyers pulled back in anticipation that the regional BD shortage situation will fizzle once a slew of arbitrage [deep-sea shipments](#) arrive in the coming months.

At least 20,000 tonnes of material are being shipped to Asia from North America and Europe, market players said, and these arrivals are expected to help plug some gaps in regional BD supplies.

Major end-users in the region were therefore less anxious and said that they were no longer in any hurry to procure additional spot cargoes.

Buying indications from those who may still be open to taking in a cargo or two were softer, and end-users cited persistent downstream margin concerns as a factor limiting their ability to pay more for feedstock too.

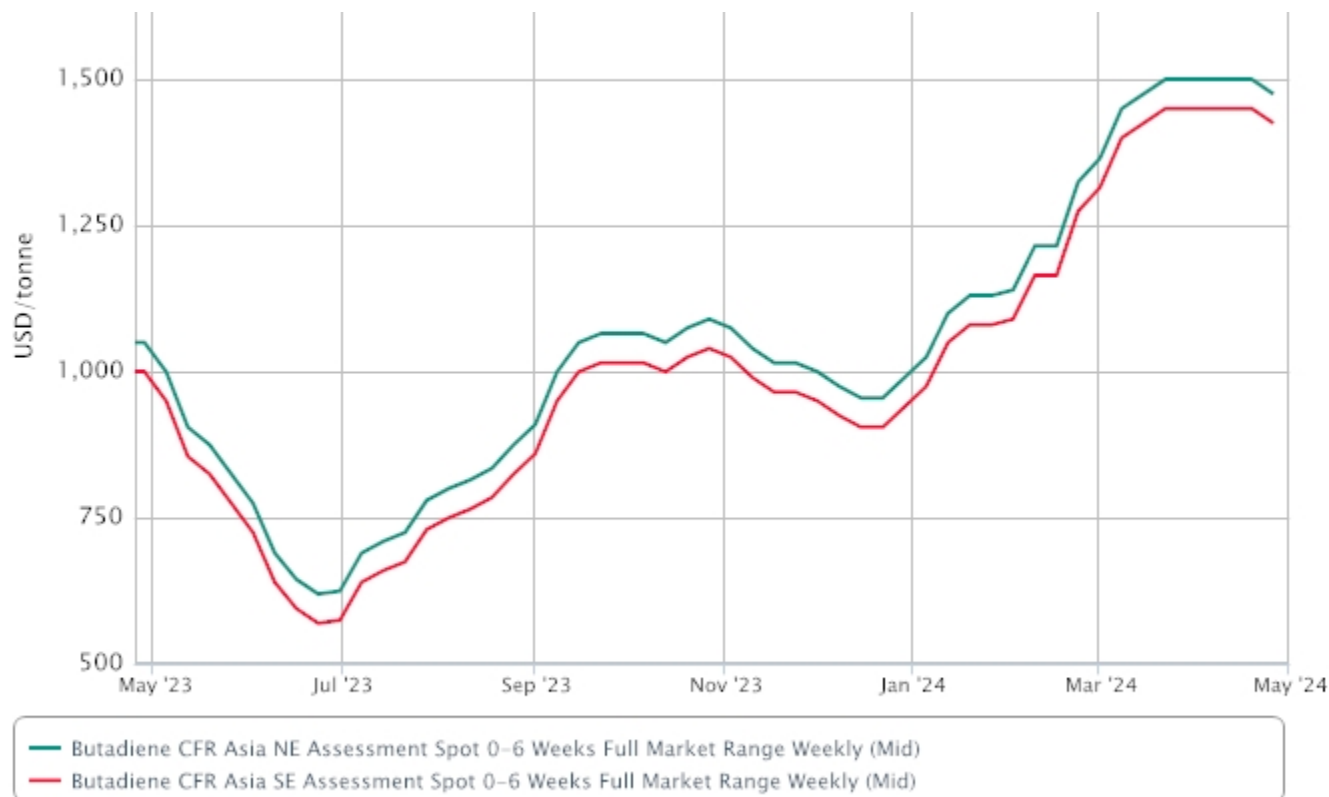
But sell-side sentiment differed distinctly. As long as regional crackers remain under-utilized or reliant on lighter LPG feed, this will continue to squeeze regional BD output, market players highlighted.

BD output was also curbed by various ongoing BD plant closures across the region.

Against this backdrop, the majority of BD sellers said that they were also in no hurry to push sales, and should they have any cargoes for spot sales, they would maintain the current sales targets, if not chase higher targets.

The buy-sell gap has widened as such, and could weigh further on spot discussions if the gulf is not bridged anytime soon, market sources said.





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OUTLOOK

- Production hiccups may continue to weigh on regional BD output
- Downstream demand recovery will hinge on broader economic growth prospects
- Buy-sell gap may widen for the near term

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	-10	1420.00-1450.00	-20	1430.00-1450.00	64.41-65.77
			0			
CFR NE Asia	USD/tonne	-50	1400.00-1550.00	n/c	1450.00-1550.00	63.50-70.31
			0			
CFR SE Asia	USD/tonne	-50	1350.00-1500.00	n/c	1400.00-1500.00	61.24-68.04
			0			

China

FOB China prices were assessed lower, taking into account discussions and indications heard in the week.

Offers were heard at around the high end of the published range, against buying indications capped at the low end.

Some cargoes may have changed hands for May lifting, but on a formula-linked basis and at a low two-digit discount to the ICIS CFR NE Asia index, market sources said. Details of the parties involved could not be fully ascertained.

Domestic ex-tank prices in east China fluctuated in the week, but settled softer week on week, as off-take faltered with some [production losses](#) in the downstream synthetic rubber sector.



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Northeast Asia

CFR NE Asia prices were assessed down at the low end, reflecting more subdued buy-side indications, especially for cargoes that may be available to ship at the tail end of the assessment window.

There were in reality no concrete spot availabilities floated this week, and potential sellers were heard in no hurry to review their prior selling targets, even if they acknowledge that buying interest is worrisome.

Most maintained that as regional supplies are still structurally tight, this should continue to give support to indicative offers, reflected at the high-end of the published range.

But buying indications have visibly softened, capped at the low end.

A cargo was heard last week sold at around mid-\$1,300's/tonne CFR NE Asia for end May/early June arrival, but

this was not taken into consideration for assessment as not all details of the players involved could be verified.

Most market players polled were also of the consensus view that even if market sentiment has weakened this week amid reduced buying interest, the likelihood is low that sellers would consent to such wide discounts from prior trades.

Monthly Contract	Mar 24	Feb 24	Jan 24	Dec 23	Nov 23	Oct 23
Taiwan FPCC	1,348	1,135	1,020	910	955	995
Korea YNCC	1,405	1,165	1,070	945	1,000	1,035

Southeast Asia

The CFR SE Asia assessment was adjusted down on the low end, in line with changes for the CFR NE Asia assessment.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

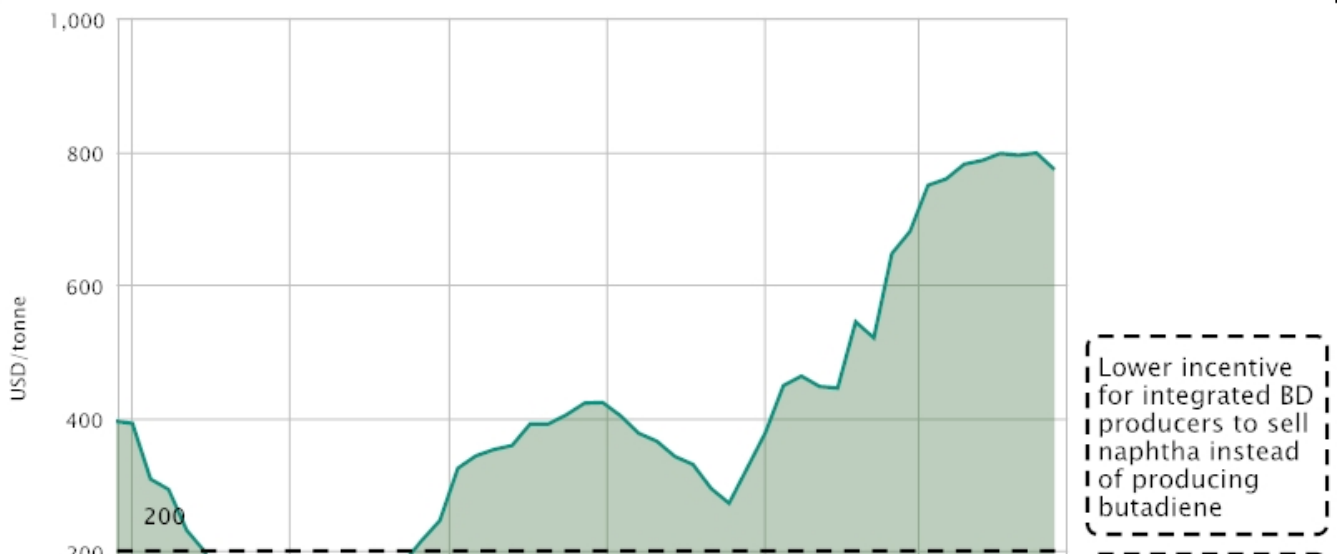
			Price Range		One Week Ago	/
Butadiene						
Ex-Tank E China	CNY/tonne	+100	11500-11500	n/c	11500-11700	-

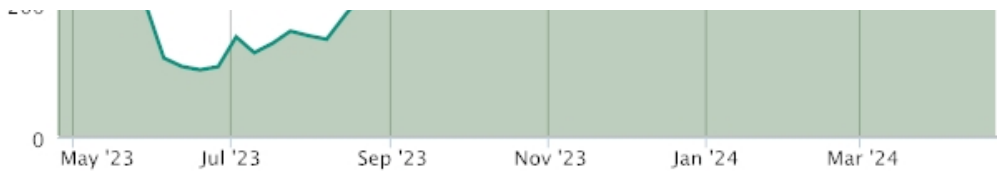
UPSTREAM

Naphtha

- Escalating geopolitical tensions reignite concerns over supplies
- Crack spread on 25 Apr at its highest since 2 Apr
- A number of buyers seen this week

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





Higher incentive for integrated BD producers to sell naphtha instead of producing butadiene



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

DOWNSTREAM

Styrene-butadiene-rubber (SBR)

- Discussions muted, with more players retreating to sidelines
- India prices at a narrower range
- Indications mostly flat elsewhere in the region

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

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



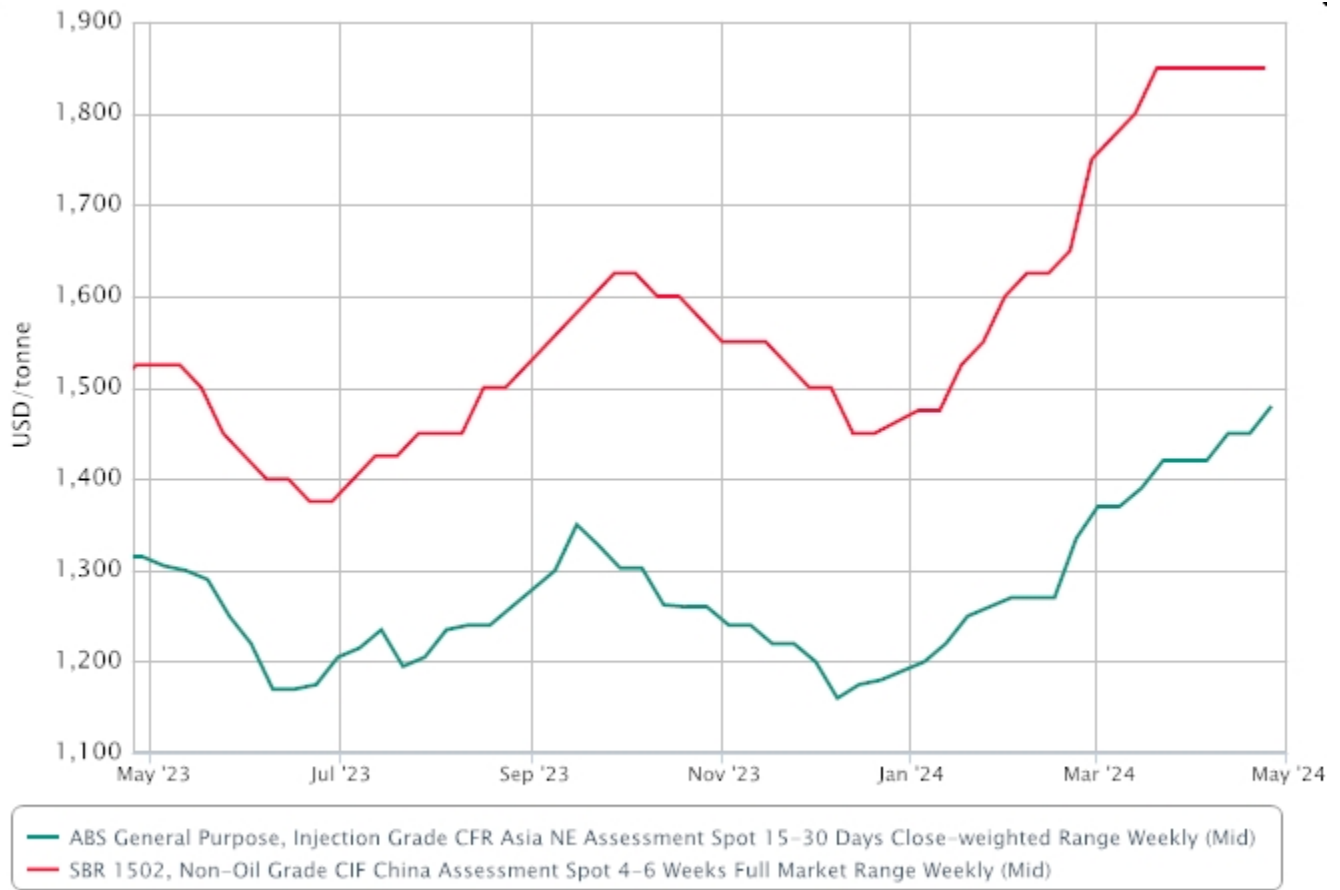
Typically healthy spread
Typically unhealthy spread



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Acrylonitrile-butadiene-styrene (ABS)

- Import prices rise after last week's stalemates in India, NE Asia
- Uptrend largely attributed to feedstock cost support, production cuts
- Spot buyers stocking up ahead of holidays had to accept high offers



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PRODUCTION

In northeast Asia, several plants in [Japan](#) and [China](#) are undergoing maintenance between March and May, affecting cumulatively nearly 400,000 tonnes/year worth of production capacity.

In southeast Asia, a 110,000 tonnes/year unit in [Vietnam](#) is also shut since late February and may not restart till June. Another 137,000 tonnes/year unit in [Indonesia](#) will undergo maintenance in the May-June window too.

In Malaysia, a 185,000 tonnes/year unit may [restart](#) in H2 May, but another 100,000 tonnes/year is scheduled for a [month-long maintenance](#) from late April, market sources said.

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

OTHER REGIONS

Europe

- Tight balance persists on unplanned, planned production constraints
- Domestic demand unchanged week on week – healthy versus 2023
- Good demand for exports but supply limitations hamper activities
- Spot prices continue to command premiums in domestic sector, export values increase

US

- May prices expected higher on tight supply
- Import secured above May contract price nomination
- Long-delayed export finally en route despite tight supply

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