



Butadiene (Asia-Pacific)

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

ICIS is currently consulting readers about the methodology used for this report. To respond, [click here](#).

The FOB China and Chinese domestic yuan (CNY) prices in the weekly analysis on 27 January are not assessed. Please click [here](#) for the ICIS publishing schedule.

OVERVIEW

- **Discussions curbed on holiday closures**
- **Buy-sell sentiment mixed**
- **Most hold back for clarity on post-holiday China situation**

Discussions [slowed down](#) this week in Asia's butadiene (BD) import market with extensive holiday market closures. Available market participants mostly said that they would defer concrete discussions till later, or when it is clearer how the post-holiday market in China may pan out.

China and Taiwan, both of which were active spot buyers in recent weeks, are shut until 27 January. And market players said that trade momentum in China may pick up even later, possibly after the Lunar New Year festivities are fully completed in early February.

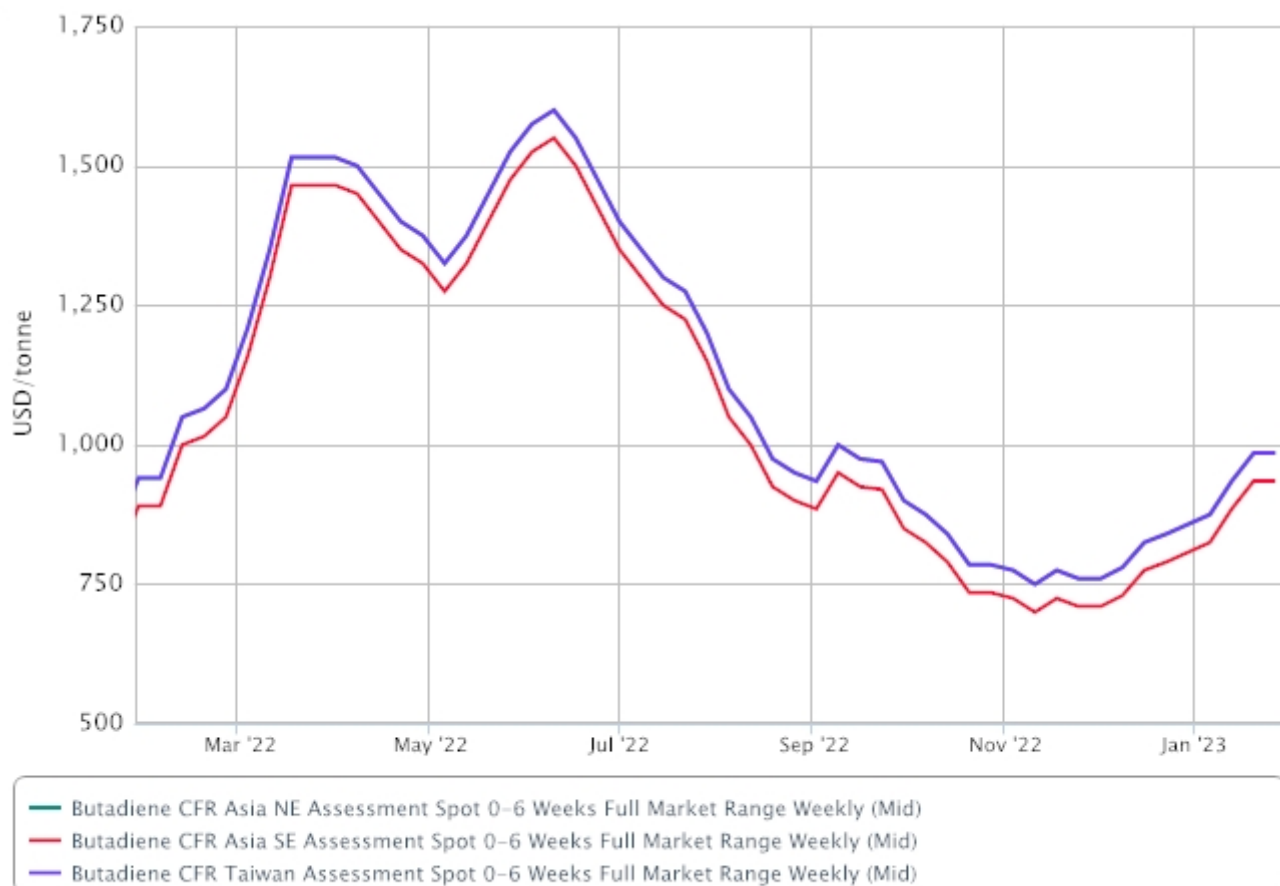
There is some buying interest in other regional outlets, market sources said, but discussions there were also curbed due to divergent buy-sell pricing expectations.

Most end-users maintained that as pricing conditions in their own downstream markets, such as synthetic rubbers and acrylonitrile-butadiene-styrene (ABS), have yet to catch up sufficiently with recent BD gains, their ability to pay more for feedstock BD is limited.

But potential BD sellers are bullish, with most expecting ongoing spot supply constraints to generate fresh upside potential for spot talks. The snug supply situation is not expected to ease anytime soon, or as long as regional cracker operations remain sub-optimal, market players said.

As to whether such differing buy-sell positions may align better in coming weeks to boost spot trade liquidity, market players said that this could hinge on how China will trend post-holiday.

If downstream operations in China do recover sufficiently well - as widely [anticipated](#) now - to bolster off-take for BD derivative products, then this may help lift upcoming BD import discussions closer to sellers' terms, market players added.



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OUTLOOK

- Spot supplies to stay limited in the near term
- All eyes on post-holiday situation in China
- Anticipations high that China will drive Asian demand recovery

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	-	n/a	-	n/a	n/a
CFR NE Asia	USD/tonne	n/c	970.00-1000.00	n/c	800.00-880.00	44.00-45.36
CFR Taiwan	USD/tonne	n/c	970.00-1000.00	n/c	800.00-880.00	44.00-45.36
CFR SE Asia	USD/tonne	n/c	920.00-950.00	n/c	750.00-830.00	41.73-43.09

Northeast Asia

CFR NE Asian assessments are rolled on limited range-bound discussions.

There were some negotiations within the published range for Japan-origin volumes available to ship in February, market sources said, although it is not clear if transactions materialised by press time.

Beyond this, it was unclear if there were other concrete spot availabilities in the market, given constrained output at most regional BD extraction units.

There was therefore minimal engagement otherwise between majority end-users and producers, especially since both sides remained wide apart in respective expectations.

For instance, some end-users maintained that they were unable to pay over the mid-\$900s/tonne CFR NE Asia, while sellers were heard targeting at levels way higher than the published high-end.

But as there was no concrete follow-up discussions around these values, market participants were of the consensus that these were not reflective of mainstream tradable values, and they were thus not taken into consideration for assessments.

CFR Taiwan assessments were unchanged with stable CFR NE Asian assessments.

Monthly Contract DEL, \$/tonne	Dec 22	Nov 22	Oct 22	Sep 22	Aug 22	Jul 22	Jun 22
Taiwan FPCC	755	755	795	885	1,025	1,255	1,450
Korea YNCC	795	755	745	920	983	1,315	1,555

Southeast Asia

CFR SE Asian assessments were also kept unchanged with stable CFR NE Asian assessments.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

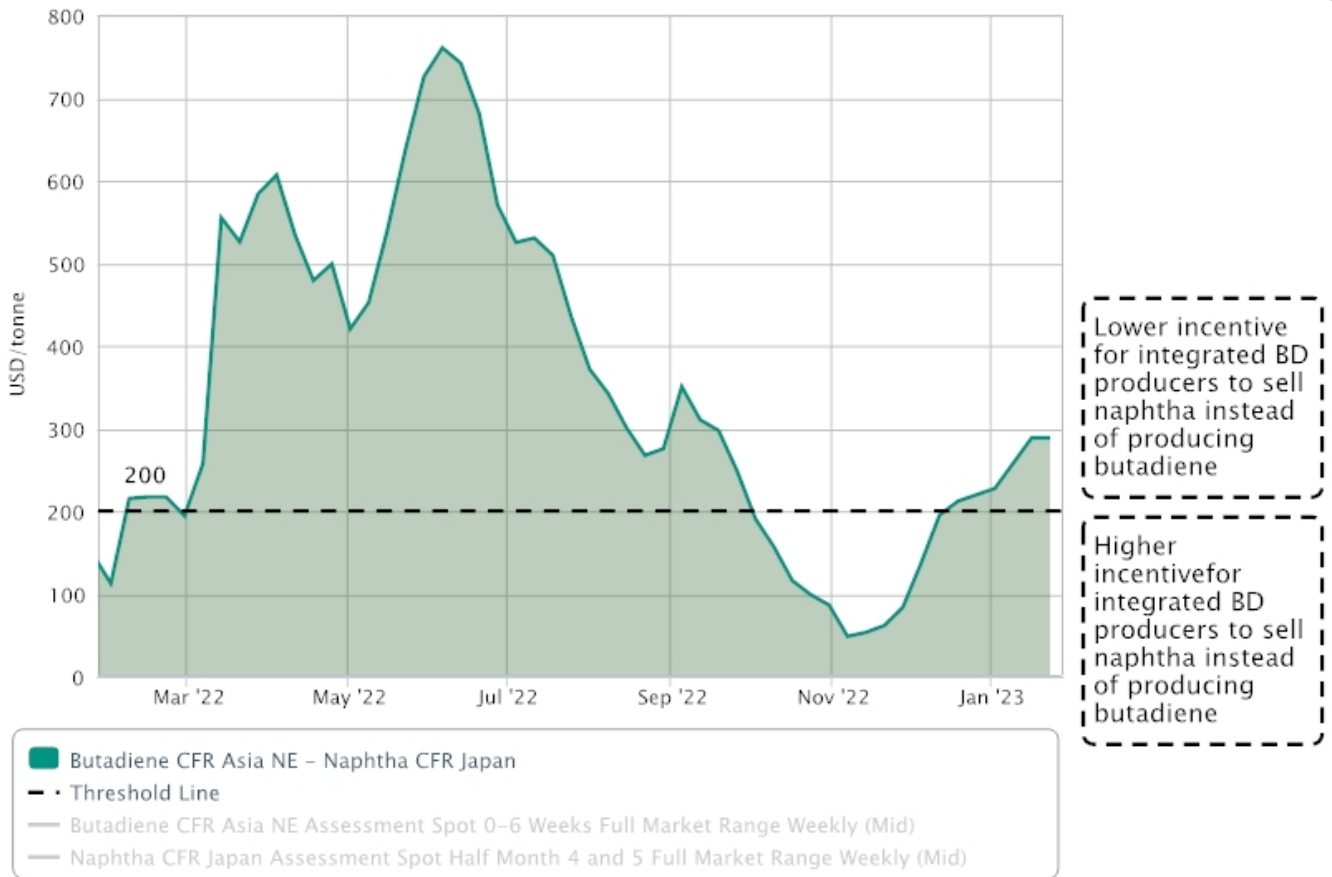
			Price Range	One Week Ago	/
Butadiene					
Ex-Tank E China	CNY/tonne	n/c	8600-8800	n/c	8000-8100
					-

UPSTREAM

Naphtha

- Hopes of China demand revival cushion sentiment
- Weak returns downstream limiting factor
- End-user appetite moderate at best

[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.

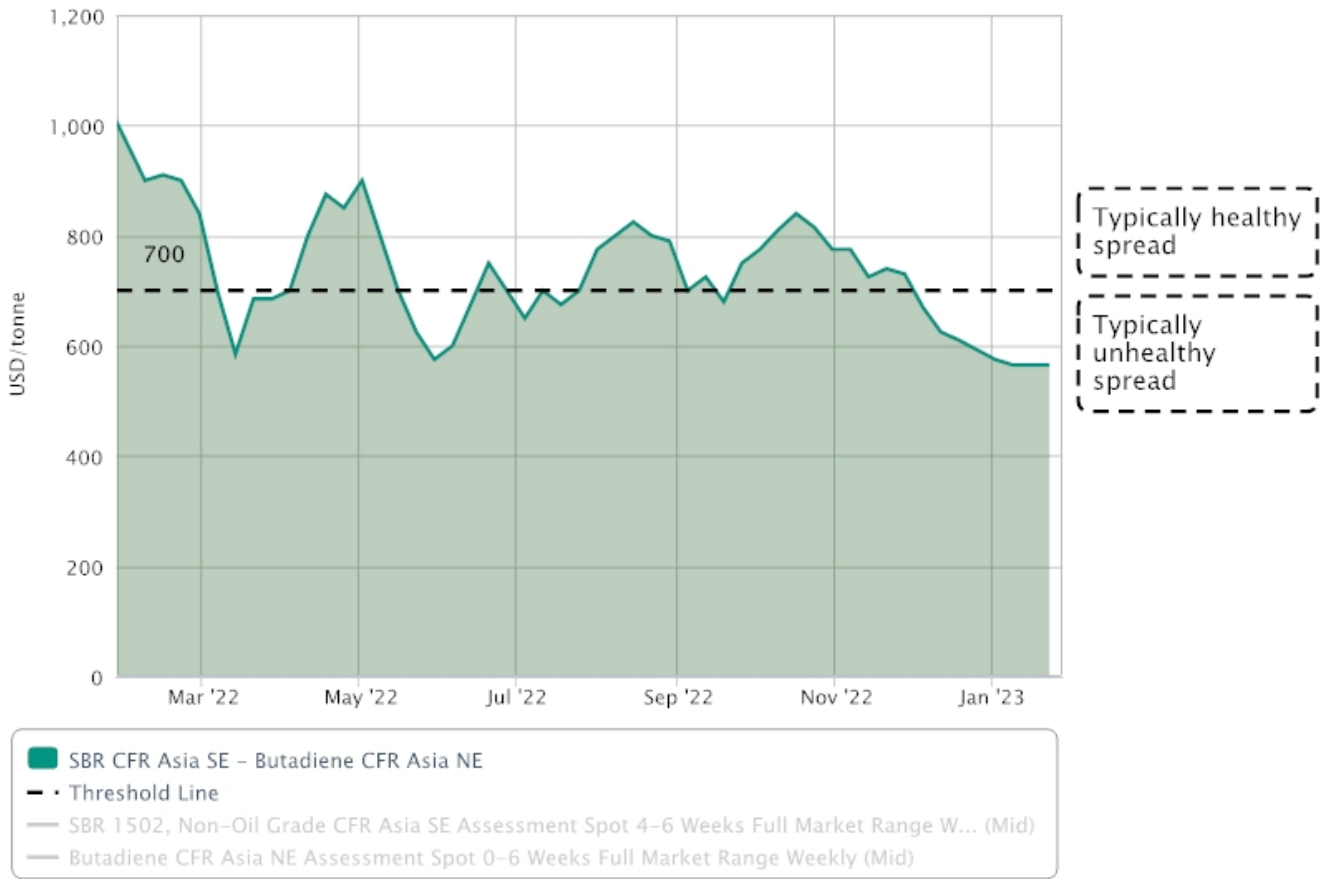
DOWNSTREAM

Styrene butadiene rubber (SBR)

- Upstream strengths lend support to offers
- Buyers mostly in wait-and-see mode
- Discussions subdued due to holidays

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)

- Import prices stable
- Momentum subdued during festivities
- Discussions to resume earliest next week



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PRODUCTION

In northeast Asia, overall BD output is expected to remain capped in the near term, as weak margins continue to weigh on operating rates at many upstream crackers, forcing in turn some BD plant [closures](#) too.

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

OTHER REGIONS

Europe

- Production cuts remain in place to mitigate soft demand
- Domestic demand ticking along at reduced levels, various hiccups on derivative production at play too
- Spot export discussions ongoing, but in wait-and-see mode regarding Asia developments
- First Feb CP nomination from US, Europe Feb CP talks get underway

US

- February nomination emerges higher
- Supply sufficient despite maintenance as demand weak
- Imports to help support US needs

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