



Butadiene (Asia-Pacific)

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

OVERVIEW

- **Domestic China uptrend continues**
- **Buying interest for imports supported as such**
- **But liquidity curbed by persistent constraints in regional supply**

The domestic China butadiene (BD) market continues to trend up this week, keeping sentiment in the US dollar denominated import market upbeat as well.

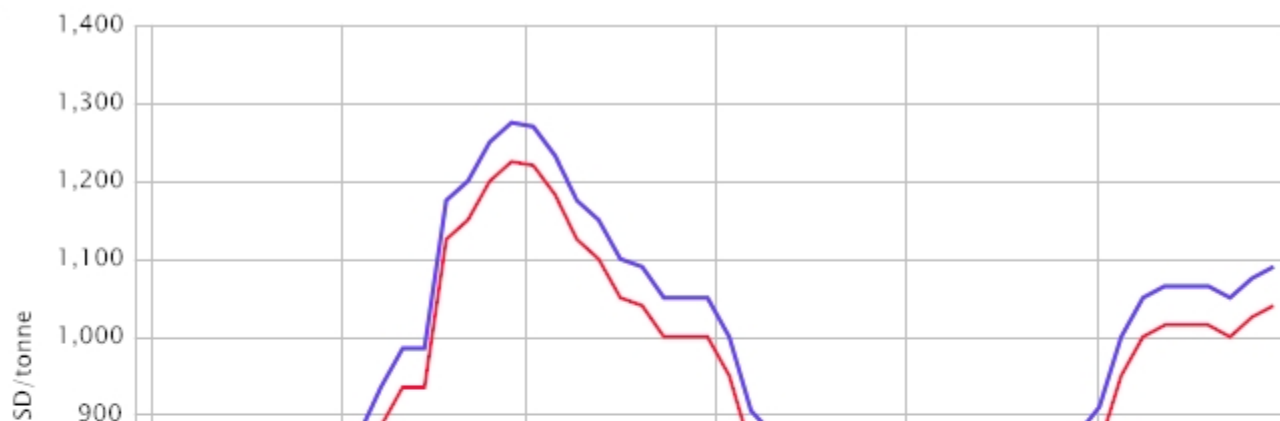
In China, prompt BD requirements picked up after a local polybutadiene rubber plant smoothly [restarted](#) from an extended closure.

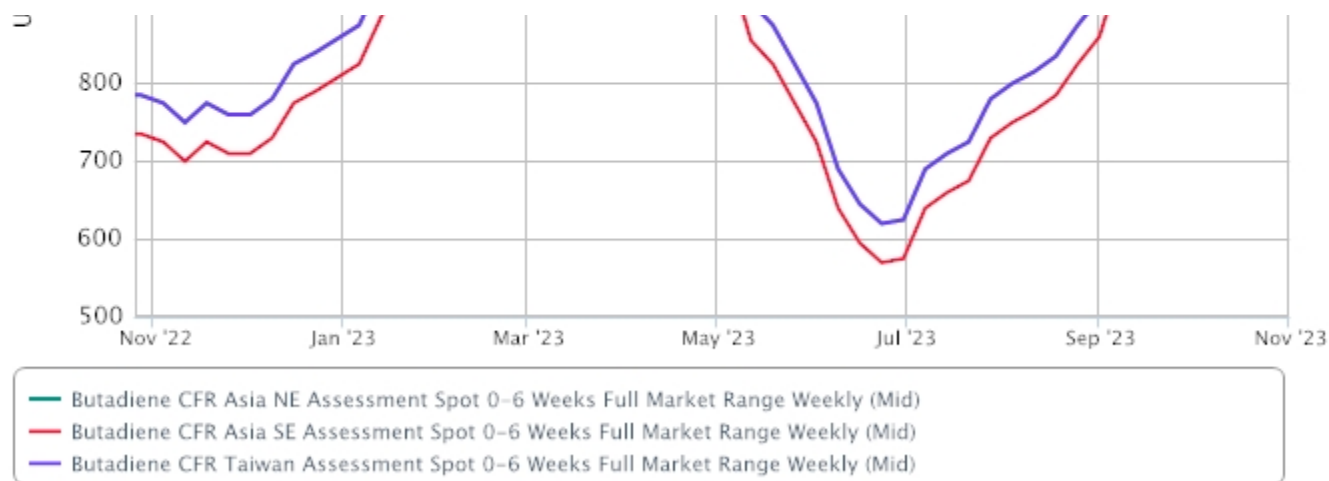
But this came at a time when local BD production has been disrupted by unplanned upstream outage, prompting China-based users to keep up their search for supplemental volumes from the import pool.

Some were ready to bid higher for regional materials available for prompt shipment, but for cargoes that could only ship and arrive later, like into December, they remained restrained and kept to more subdued buying ideas.

But sellers' confidence held strong, underpinned by the reality that regional supplies will remain structurally tight for the rest of the year, on the back of both planned turnarounds, and unplanned outages.

Even if deep-sea cargoes continue to flow to Asia, this may not be fully plug all regional gaps, as only select ports in Asia could receive deep-sea vessels, market sources said.





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OUTLOOK

- ICIS [forecast](#) tightness in regional supplies for rest of year
- Deep-sea flow may continue
- Squeezed margins to dampen downstream operations

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	n/c	1040.00-1100.00	+20	1060.00-1100.00	47.17-49.90
CFR NE Asia	USD/tonne	n/c	1050.00-1130.00	+30	1000.00-1130.00	47.63-51.26
CFR Taiwan	USD/tonne	n/c	1050.00-1130.00	+30	1000.00-1130.00	47.63-51.26
CFR SE Asia	USD/tonne	n/c	1000.00-1080.00	+30	950.00-1080.00	45.36-48.99

China

Domestic ex-tank China prices climbed higher this week as domestic shortage persisted.

No fresh export offers were heard, therefore, with China BD producers prioritising fulfilment of domestic requirements over selling overseas.

But given recent gains in yuan values, indicative selling ideas for China-origin cargoes, if any were available for export sales, also rose. These were heard at the high-end and up.

The low-end is kept unchanged in the absence of any concrete buy-side indications.



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Northeast Asia

Sellers lifted their expectations on regional cargoes, leveraging on the buoyancy seen in the yuan-denominated market.

They were confident that the strong yuan market will help bolster bids from China based buyers, and the high end of CFR NE Asian assessments is up, tracking selling indications heard in the \$1,130-1,150/tonne range.

Buyers' response was mixed. Some deep-sea materials ready to lift in November from Europe changed hands at around mid-\$1,000s/tonne CFR NE Asia, and the low-end takes reference from this.

Some traders were also ready to bid higher to secure regional cargoes for November shipment to China, but no trades materialised on a fixed-price basis, suggesting that buy-sell differences still failed to bridge.

In fact, to sidestep these differences, many players turned to discussing on formula-linked terms, market sources said.

Some December shipment volumes were heard sold in such circumstances, at a two digit premium to CFR NE Asia index.

CFR Taiwan assessments are adjusted with changes in the CFR NE Asian assessments.

Monthly Contract DEL, \$/tonne	Sep 23	Aug 23	Jul 23	Jun 23	May 23
Taiwan FPCC	940	750	650	655	875
Korea YNCC	980	770	665	635	855

Southeast Asia

CFR SE Asian prices are adjusted with changes in CFR NE Asian assessments. There were no 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	+50	9250-9400	+100	8900-9100	-

UPSTREAM

Naphtha

- Cracks turned positive on Wednesday, but returned to discounts the next day
- Several Asian buyers seen this week, but merely to routinely replenish stocks
- CFR spot prices for December cargoes in discounts, reflecting weak market

[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)

- China slows down
- Buyers in wider Asia also pull back
- Cost pressures on sellers unyielding

The chart below shows the spread between BD and SBR in Asia, which has slipped back to the unhealthy zone, to the disadvantage of SBR makers.

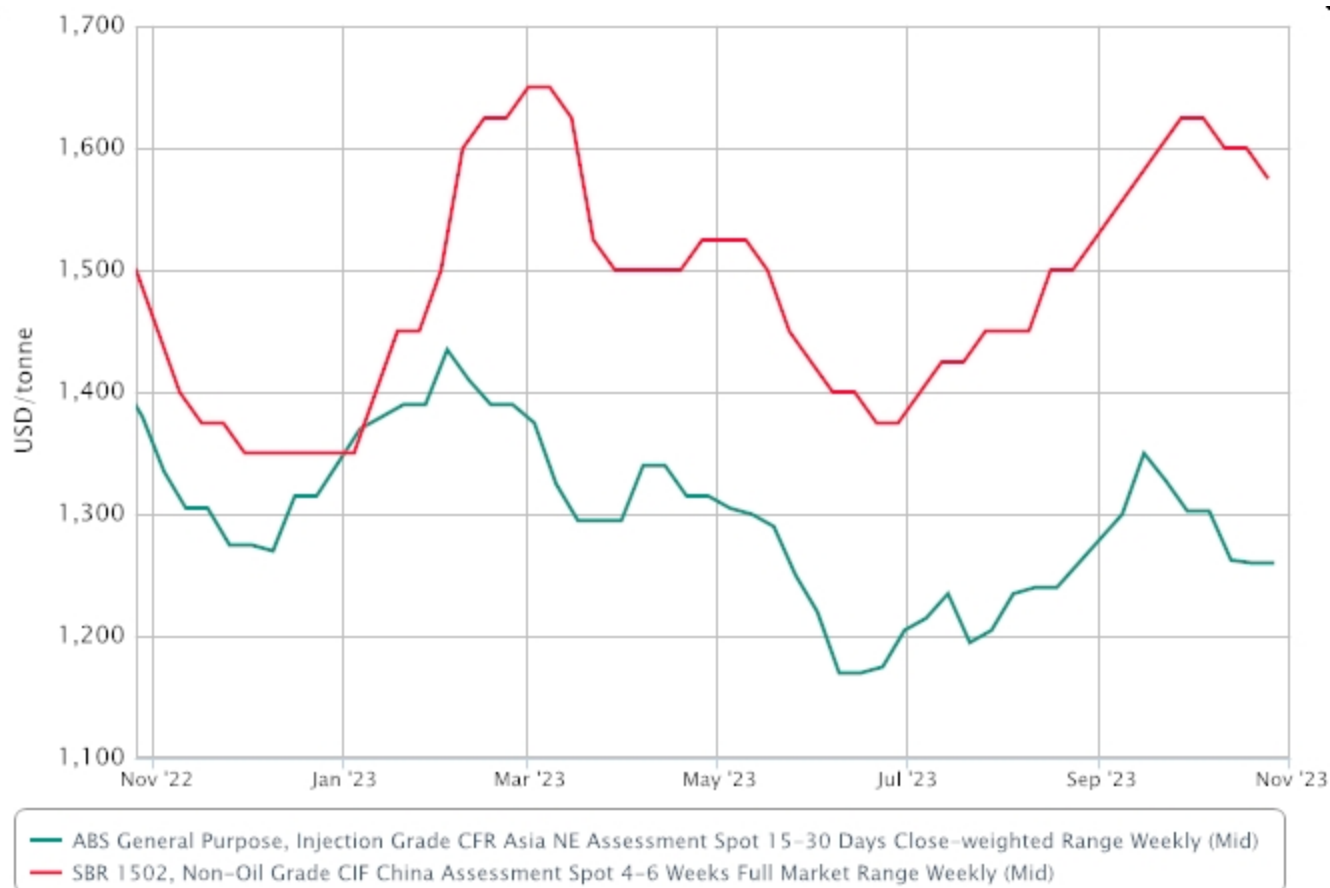
[Spread between Butadiene and Styrene Butadiene Rubber Asia](#)



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Acrylonitrile-butadiene-styrene (ABS)

- CFR NE Asia hold steady after a two-week decline
- Momentum subdued up coming seasonal lull amid escalating Mideast conflict
- Higher deal deemed unrepresentative of sluggish market sentiment



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PRODUCTION

Regional supplies remain squeezed by several planned Q4 [turnarounds](#), and unplanned [outages](#), including extended closure of a [SE Asian unit](#).

Domestic supplies in China are tighter too, after an upstream [cracker](#) shut down.

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

OTHER REGIONS

Europe

- Nov CP talks begin, settlement due next week
- Fundamentals unchanged – demand weak but stable
- Export activities support producers but pricing is key

US

- November contract nominated flat
- BTP remains offline; allocations in place
- Outage continues to have limited negative impact to domestic buyers

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