



## 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 eases**
- **Buy-sell disparity widens for imports**
- **Divergent pricing appetite depending on cargo origin or shipment window**

Sentiment in this week's Asian spot import market for butadiene (BD) was varied, weighed down on one hand as domestic yuan-denominated prices in China eased somewhat, and yet saw support on the other hand by structural tightness in regional supplies.

In China, domestic prices softened week-on-week, as a prior buying wave in the domestic market subsided.

But prompt supplies within China remain tight, squeezed anew too by an unplanned [outage](#) at a 250,000 tonnes/year unit in Zhoushan. Market players said that this could continue to keep yuan offers supported as such, notwithstanding periodic reduction in local buying tempo.

Domestic availabilities are also squeezed by active exports of China-origin BD cargoes, with latest trade data showing China's [BD exports in May](#) at a whopping 233.6% higher year-on-year.

Discussions for US-dollar denominated imports were in a wider range, reflecting divergent buying appetite in NE Asia for cargoes of different shipment window.

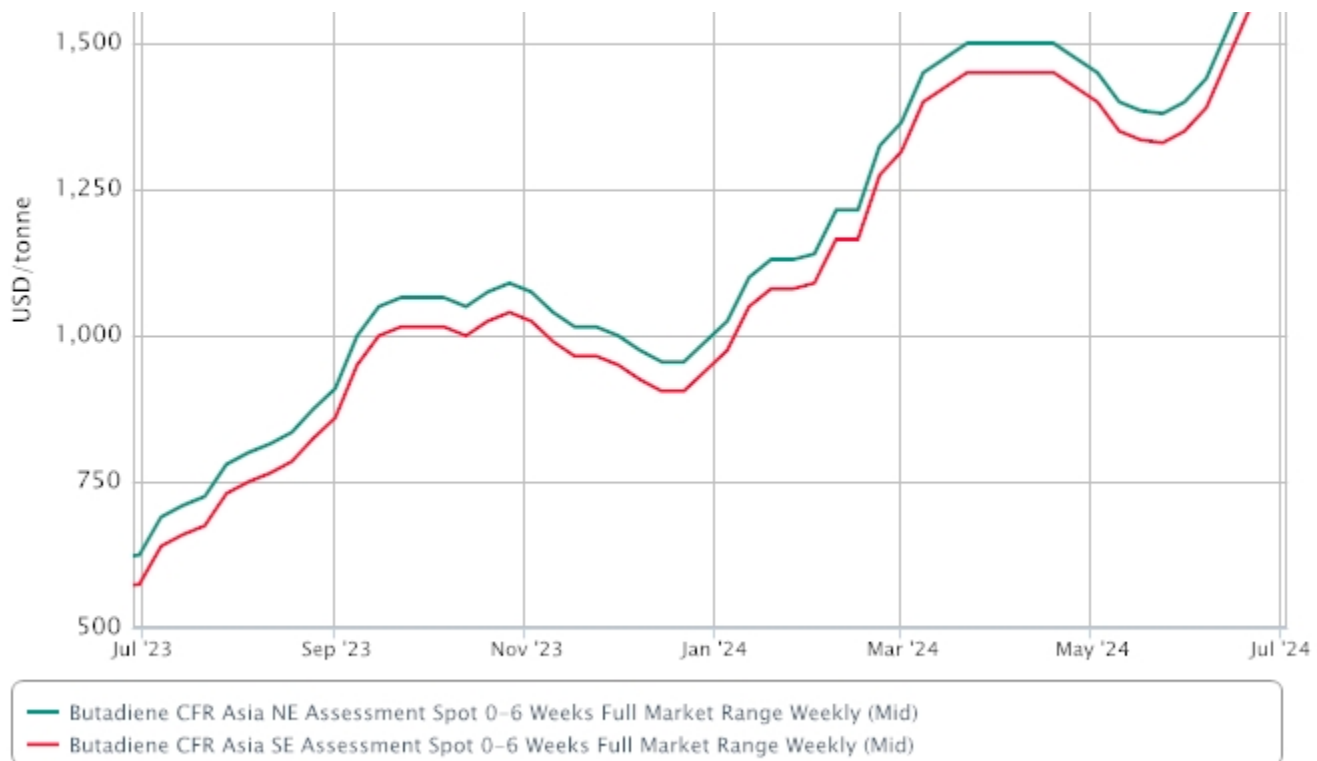
Some buy-side elements were seemingly more prepared to bid up to secure prompt July arrival cargoes, so that they can cover shortfall.

But the mood is generally more sombre for cargoes scheduled to ship later, and wider buy-sell disparity weighed on discussions for these materials.

For one, potential buyers were of the view that spot availabilities will not be that tight then, especially if more deep-sea cargoes flow towards Asia. This invariably weighed down their buying indications for these cargoes.

1,750





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## OUTLOOK

- Regional spot availabilities may lengthen with deep-sea arrivals
- Substantive requirements to also hinge on derivative market performance
- Buy-sell gap may not bridge for the near term

## PRICES

### SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
<b>Butadiene</b>						
<b>FOB China</b>	USD/tonne	+50	1550.00-1650.00	+10	1300.00-1450.00	70.31-74.84
<b>CFR NE Asia</b>	USD/tonne	+30	1550.00-1730.00	+30	1350.00-1450.00	70.31-78.47
<b>CFR SE Asia</b>	USD/tonne	+30	1500.00-1680.00	+30	1300.00-1400.00	68.04-76.20

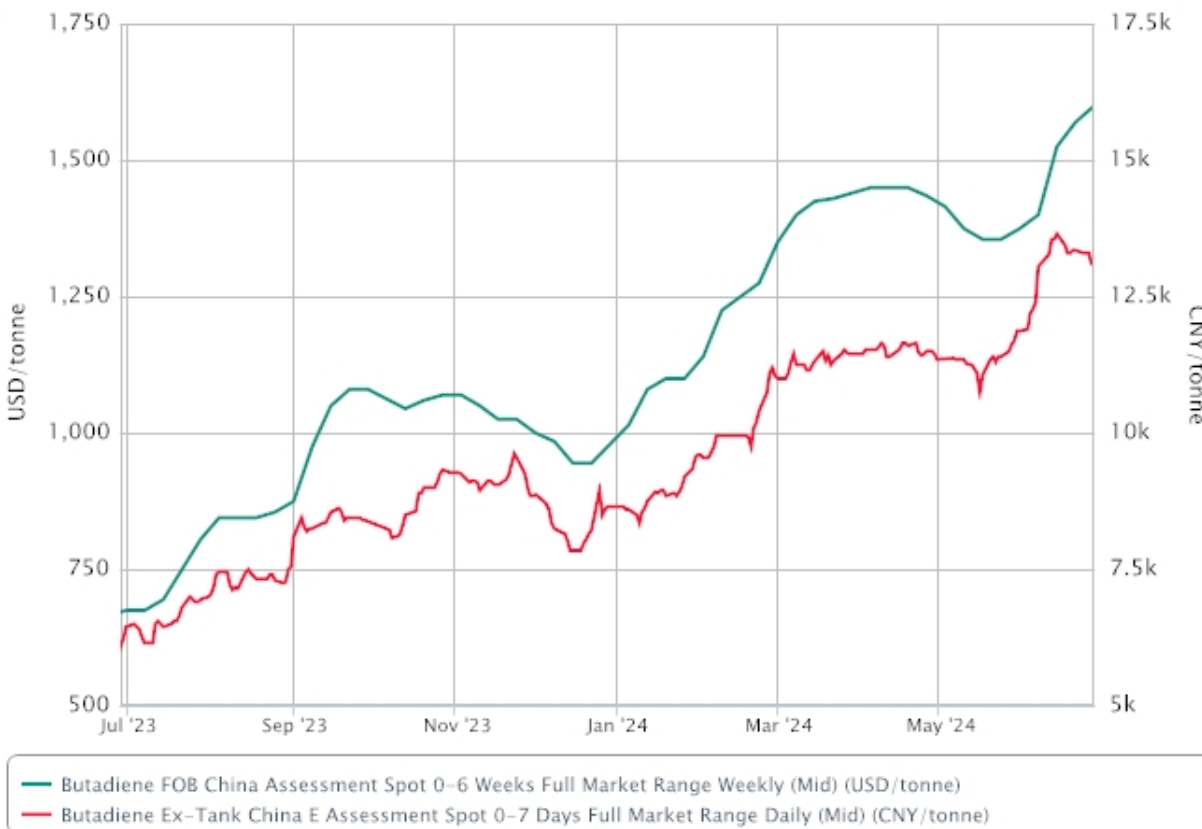
### China

FOB China assessments are up, with the high-end lifted on firmer offers.

Buying indications were capped at the low-end.

One FOB China transaction was heard for the week, for July/August lifting material, but the trade was concluded on a floating basis.

Domestic ex-tank prices in east China eased further, as buying tempo receded.



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## Northeast Asia

CFR NE Asian prices were assessed in a wider range to capture the full spectrum of discussions for cargoes of diverse shipment window.

The wider range also reflected growing buy-sell disparity in pricing outlook, and this may be a factor hampering actual closures in the week of spot trades on fixed price basis and on CFR NE Asian terms, market players said.

Some discussions for prompt July shipment China-origin materials did surface at the higher end, and a buying indication was heard at the high-end, although it was not verified by press time if any trade materialized at that level.

Meanwhile, there were several SE Asia-origin cargoes sold in the week, via tender, for H2 July lifting. The deals were heard done on FOB SE Asia basis, at around mid-to-high \$1,500s/tonne.

The low-end took reference from discussions on anticipated availabilities of deep-sea origin materials that may lift in late July/early August for September arrival into the region. Buying indications for these cargoes are tracked at the low-end, although no concrete transactions were finalized in the week, sources said.

Monthly Contract	May 24	Apr 24	Mar 24	Feb 24	Jan 24	Dec 23	Nov 23
DEL, \$/tonne							
Taiwan FPCC	1,355	1,415	1,348	1,135	1,020	910	955
Korea YNCC	1,390	1,450	1,405	1,165	1,070	945	1,000

**Southeast Asia**

CFR SE Asia assessments is adjusted with changes for the CFR NE Asian assessments in the absence of concrete discussions and transactions on CFR SE Asian terms.

**SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY**

		Price Range	One Week Ago	/
<b>Butadiene</b>				
<b>Ex-Tank E China</b>	CNY/tonne	n/c 13100-13100	n/c 13300-13400	-

**UPSTREAM**

**Naphtha**

- Crack on 27 June reached its highest since 25 March this year
- Tight supplies overshadow weak petrochemical margins
- Alternative LPG remains uneconomical; buyers to rely on naphtha

[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)

- Producers reeling under cost pressure
- Discussions crimped by wide buy-sell gap
- Buyers resistant to offers

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

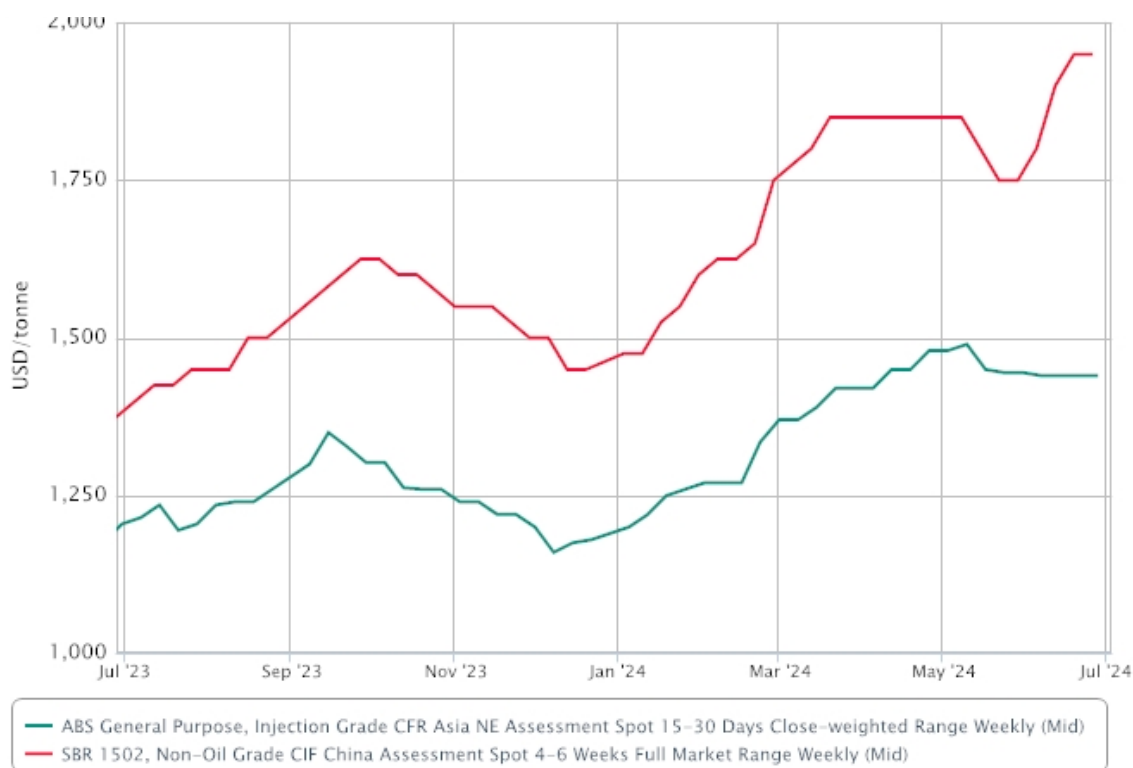
[Spread between Butadiene and Styrene Butadiene Rubber Asia](#)



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### Acrylonitrile-butadiene-styrene (ABS)

- Import prices flat for third week in NE Asia, SE Asia
- Concrete discussions hindered by high freight cost, buy-sell pressures
- Indian prices propelled upwards by freight



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## PRODUCTION

In China, a 250,000 tonnes/year [unit](#) in Zhoushan shut on 22 June for unexpected repairs that are expected to last at least a week, market sources said.

Separately, another 200,000 tonne/year plant in [Zhoushan](#) commenced a two-week maintenance from around mid-June, and another 130,000 tonne/year unit in [Urumqi](#) is also off-line currently for a two-month-long maintenance beginning mid-May.

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

## OTHER REGIONS

### Europe

- Finely-balanced supply, demand
- Some constraints persist but other restarts due
- Domestic demand holding steady
- Asian price uptrend continues

### US

- July contract nominations expected flat to down on sliding spot prices
- June CDI contracts up on weather related outages tightening global supply
- Spot prices fall on improved domestic prompt availability
- [Tropical storm Alberto causes minimal effect to chemical operations along the US and Mexican](#)

[Gulf Coast](#)

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