ICIS
Independent Commodity Intelligence Services

Butadiene (Asia-Pacific)

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Overview | Outlook | Prices | Upstream | Downstream | Production | Other Regions

Please click here for full details on the criteria ICIS uses in making these price assessments.

OVERVIEW

- **There was remnant December talk but drew limited interest**
- **Players wary of committing as long as domestic China volatility persists**
- **Some cautious optimism in outlook for January trade**

Discussions for Asian butadiene (BD) imports slowed down as players mostly pulled back to wait for volatility in the domestic China market to subside.

Domestic yuan-denominated prices continued to fluctuate within the week. Trading started on a relatively positive note early week, only to falter anew towards late-week's trading.

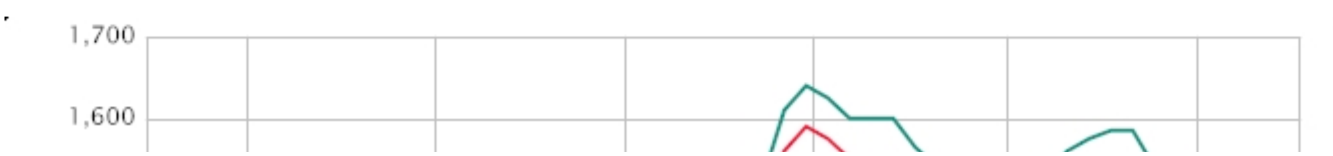
Local availabilities tightened early week due to some logistical bottlenecks caused by inclement weather, but after the weather cleared up mid-week and cargo flow resumed to more normalcy, buying momentum in the domestic China market also eased in line, market sources said.

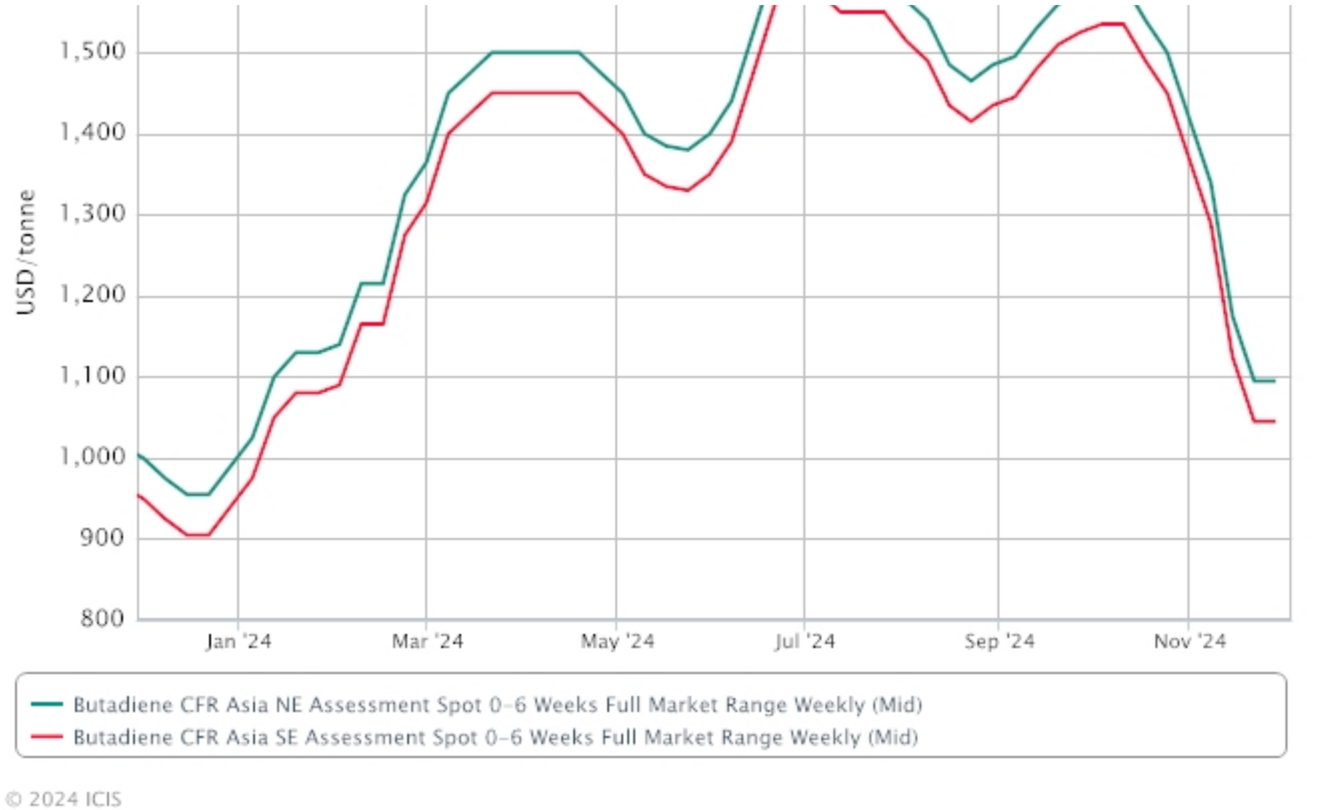
However, derivative polybutadiene rubber (PBR) futures saw a late week uptick in local Chinese exchange, fuelling optimism among some market players that buying interest in feedstock BD cargoes may improve in the coming week.

Meanwhile, in the import markets, limited discussions mirrored how domestic China had trended, softer mid-week, but seemingly more upbeat in sentiment towards the end of the week.

Some additional December shipment materials surfaced late week on downstream production issues, which served to further reinforce buyers' perception that it is amply-supplied market and that there is no need to rush to book imports.

That said, market players said much as December demand is tepid in wider Asia, the mood may differ when January trade commences, perhaps in a week or two, as some buyers may need to procure top-up parcels if 2025 term talks are still not wrapped up by then.





OUTLOOK

- **Performance of derivative rubber futures to weigh on domestic China market**
- **Import talks likely to track how domestic China trades may trend**
- **Demand for January parcels to hinge on status and progress of 2025 term negotiations**

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

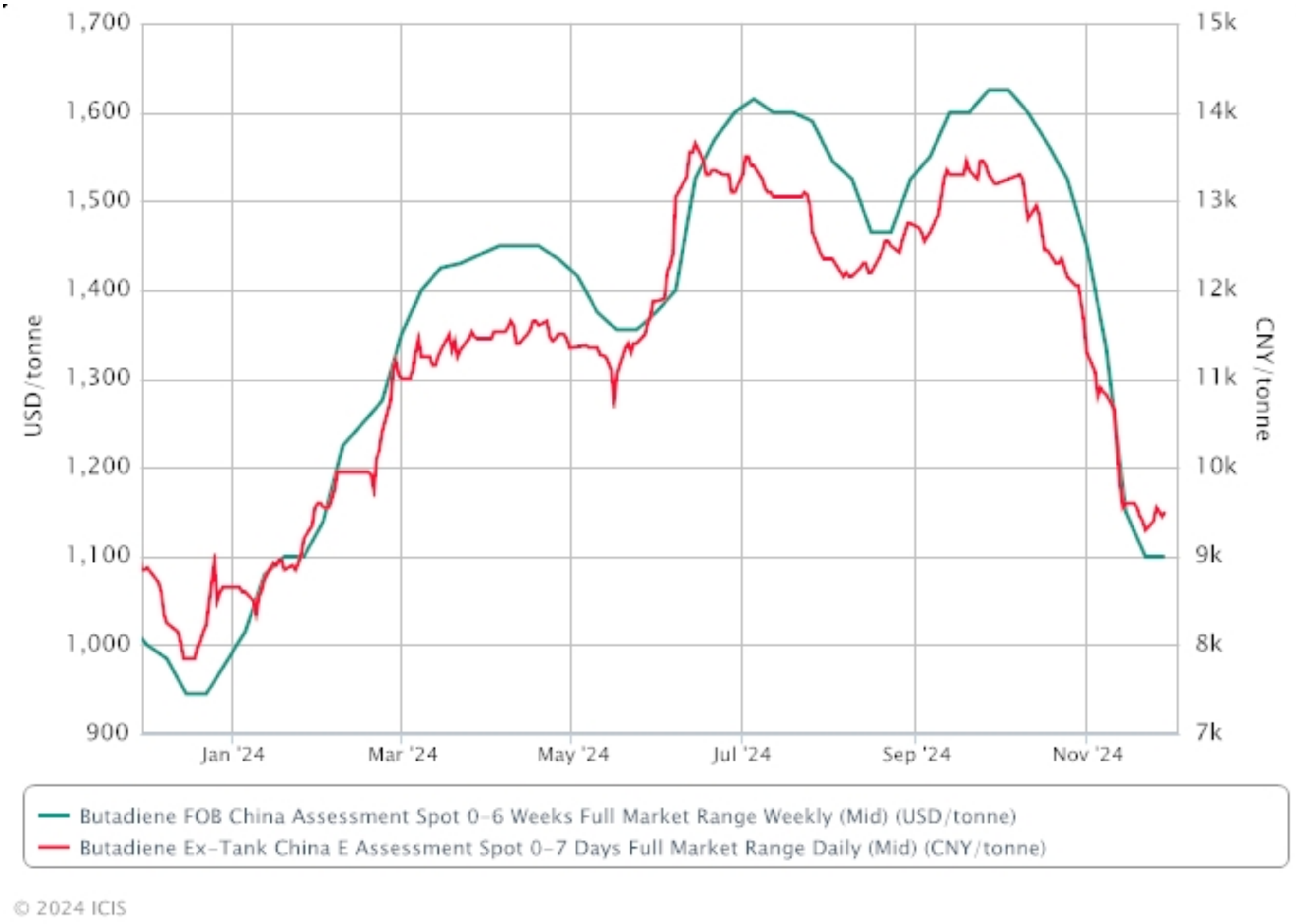
			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	n/c	1050.00-1150.00	n/c	1400.00-1500.00	47.63-52.16
CFR NE Asia	USD/tonne	n/c	1050.00-1140.00	n/c	1400.00-1440.00	47.63-51.71
CFR SE Asia	USD/tonne	n/c	1000.00-1090.00	n/c	1350.00-1390.00	45.36-49.44

China

FOB China assessments were kept unchanged, taking into account stable offers heard at around the high end.

There was no active buying interest detected, and the low end was rolled over as such.

Domestic ex-tank prices in east China fluctuated in the week, starting on a positive note, but faltered mid-week. It recovered some lost grounds at the end of the week nonetheless, with support from a late-week spike in derivative synthetic rubber futures.



Northeast Asia

CFR NE Asia assessments were kept unchanged, taking into account rangebound discussions and indications heard during the entire course of trading week.

Buying indications from China-based buyers were heard still hovering at the published low end.

A southeast Asia-origin cargo available to lift mid-December was heard transacted mid-week at nearer the low end, at around $1,070/tonne CFR NE Asia.

Additional SE Asia-origin December shipment availabilities surfaced for spot sales towards the latter part of the week on the back of some disruption in derivative plant operations.

Buy-side response was uneven, starting on a duller note initially, and a cargo was sold on formula-linked basis, market sources said.

But on the last trading day of the week, sentiment was more upbeat, riding on news of a late week surge in derivative synthetic rubber futures in China. The latter triggered anticipations of improvement in domestic yuan trades for feedstock BD, which market sources said could translate, in turn, into more rosy buying appetite for US dollar-denominated imports.

Indeed, buying indications seemingly edged up then towards the higher end of the published range, although no substantive negotiations on CFR NE Asia trade terms transpired in the end.

Monthly Contract DEL, $/tonne	Oct 24	Sep 24	Aug 24	Jul 24	Jun 24	May 24
Taiwan FPCC	1,480	1,470	1,465	1,515	1,395	1,355
Korea YNCC	1,530	1,550	1,500	1,565	1,493	1,390

Southeast Asia

CFR SE Asia assessments held steady with stable CFR NE Asia assessments.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

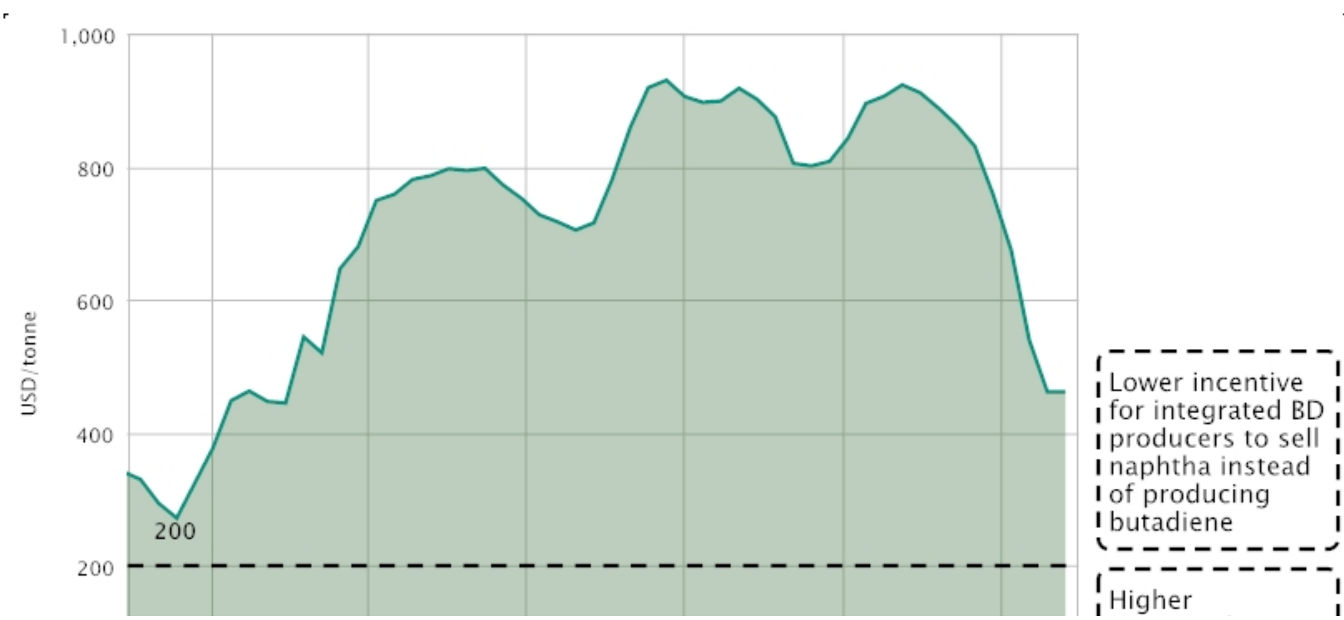
			Price Range		One Week Ago	/
Butadiene						
Ex-Tank E China	CNY/tonne	n/c	9400-9600	+100	9200-9400	-

UPSTREAM

Naphtha

- S Korea buyers kick off Jan 2025 purchases this week
- Deepening trade conflicts affecting market sentiment
- Average crack spread from 25-28 Nov slightly down vs 18-21 Nov

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



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

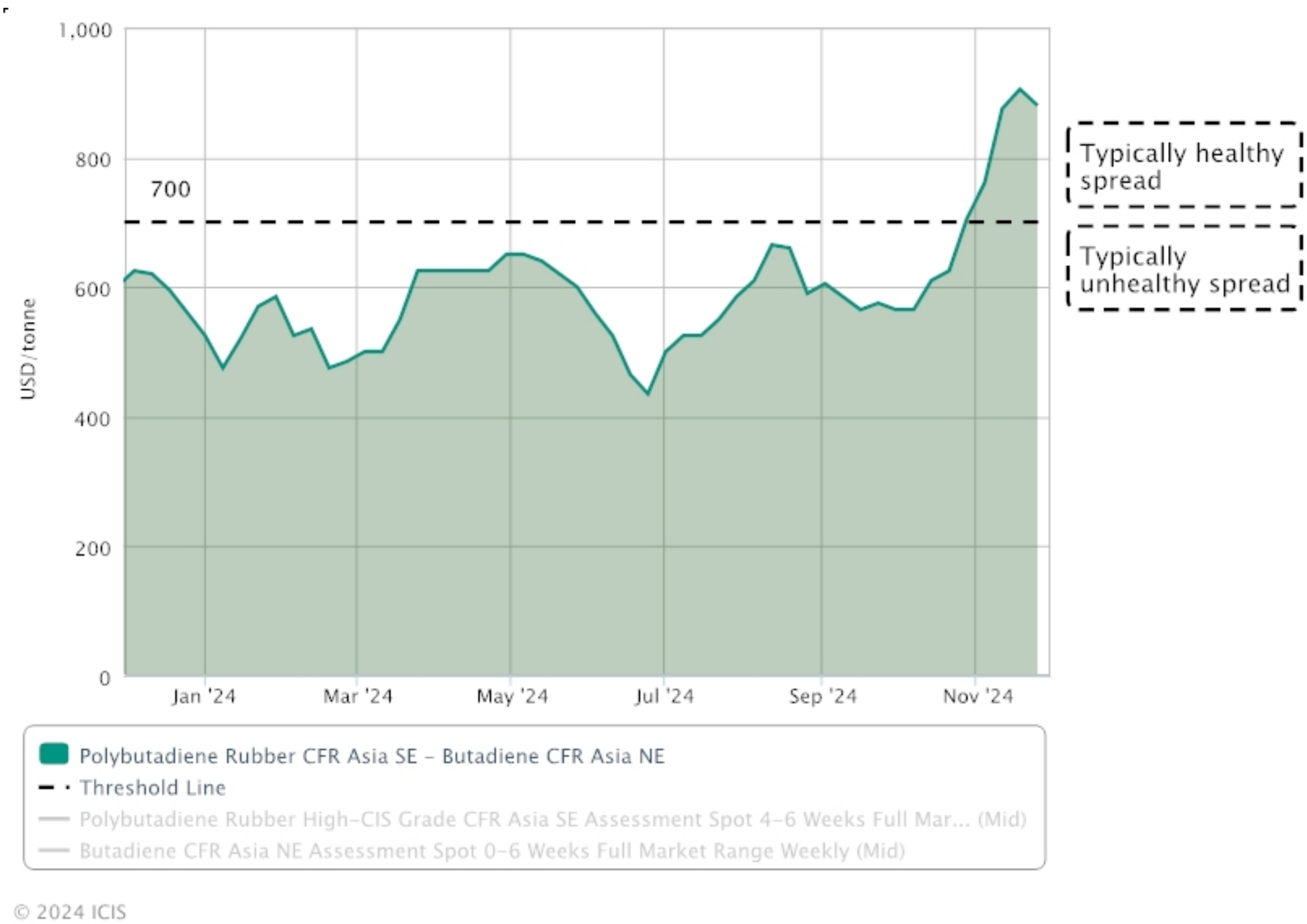
DOWNSTREAM

Styrene butadiene rubber (SBR)

- Discussions remain under pressure on weak upstream
- Buyers continue to press for discounts
- Sellers resisting deeper cuts for offers

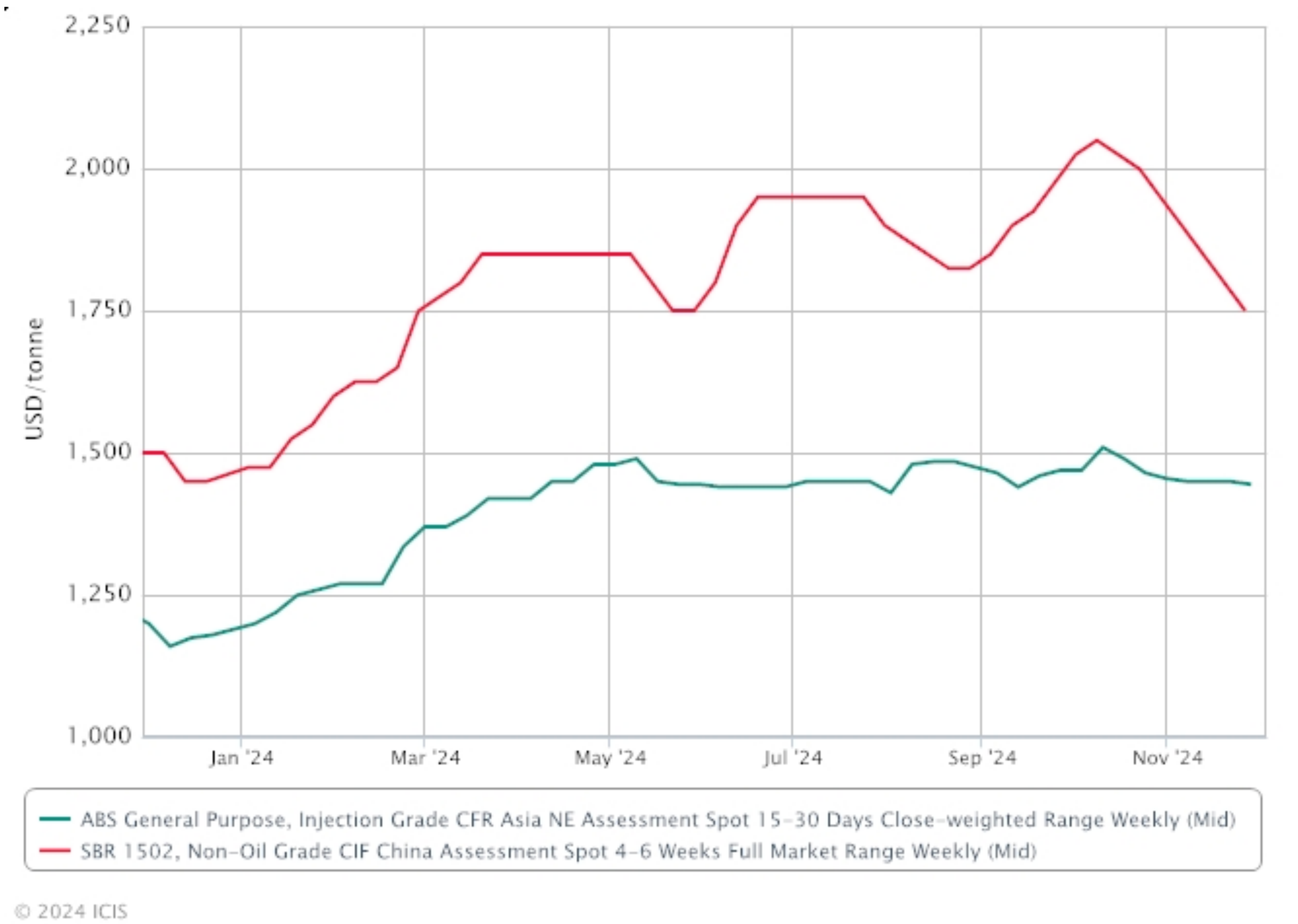
The chart below shows the spread between BD and SBR in Asia.

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



Acrylonitrile butadiene styrene (ABS)

- Asia ABS stable to soft, fails to extend last week's uptrend
- Decline mitigated by production cuts
- Year-end lull manifests



PRODUCTION

There was a wave of plant maintenances in northeast Asia in Q3/Q4, but most have restarted by November.

Click here for the Live Disruption Tracker.

Company	Location	Status	Capacity (MT/ year)	Start	End
Sinopec Shanghai	Shanghai, China	Maintenance/ Commercial	53,000 (#1)	Sep 2023	Unknown

Zeon	Tokuyama, Japan	Maintenance	180,000	Mid-September	End-November
LG Chem	Yeosu, South Korea	Maintenance	160,000	End-October	Mid-November
FPCC	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	H2 November
Lotte-GS	Yeosu, South Korea	Maintenance	90,000	End-September	End-November
JG Summit	Batangas, Philippines	Cracker closure	70,000	Early 2025	Unknown

OTHER REGIONS

Europe

- Dec CP drops by €50/tonne on slower demand, regional pressures
- Largely balanced supply, demand
- Ethylene-led cracker constraints, ongoing BD outage offsetting seasonal demand
- Spot values notionally weaker but no trade evident, export uncertain with weak Asia pricing

US

- US BD contract nominations fall on improved supply
- Multiple reports reveal higher output on stronger op rates as outages resolve
- Weak downstream demand weighing on automotive and tire markets