

**By Ai Teng Lim**  
**29-Sep-2023**

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

The FOB China and China domestic yuan (CNY) prices in the weekly analysis on 29 September will be assessed based on information collated up to 28 September. In addition, the FOB China and China domestic yuan (CNY) prices in the weekly analysis on 6 October will not be assessed. Please click [here](#) for the ICIS publishing schedule.

### OVERVIEW

- **Discussions [stall](#) as holidays approach**
- **Buying tempo tapers with softer domestic China**
- **Concrete offers scant too, with October mostly already sold out**

Discussions in Asia's spot butadiene (BD) import market were muted this week, with a number of players away at an industry conference in Europe.

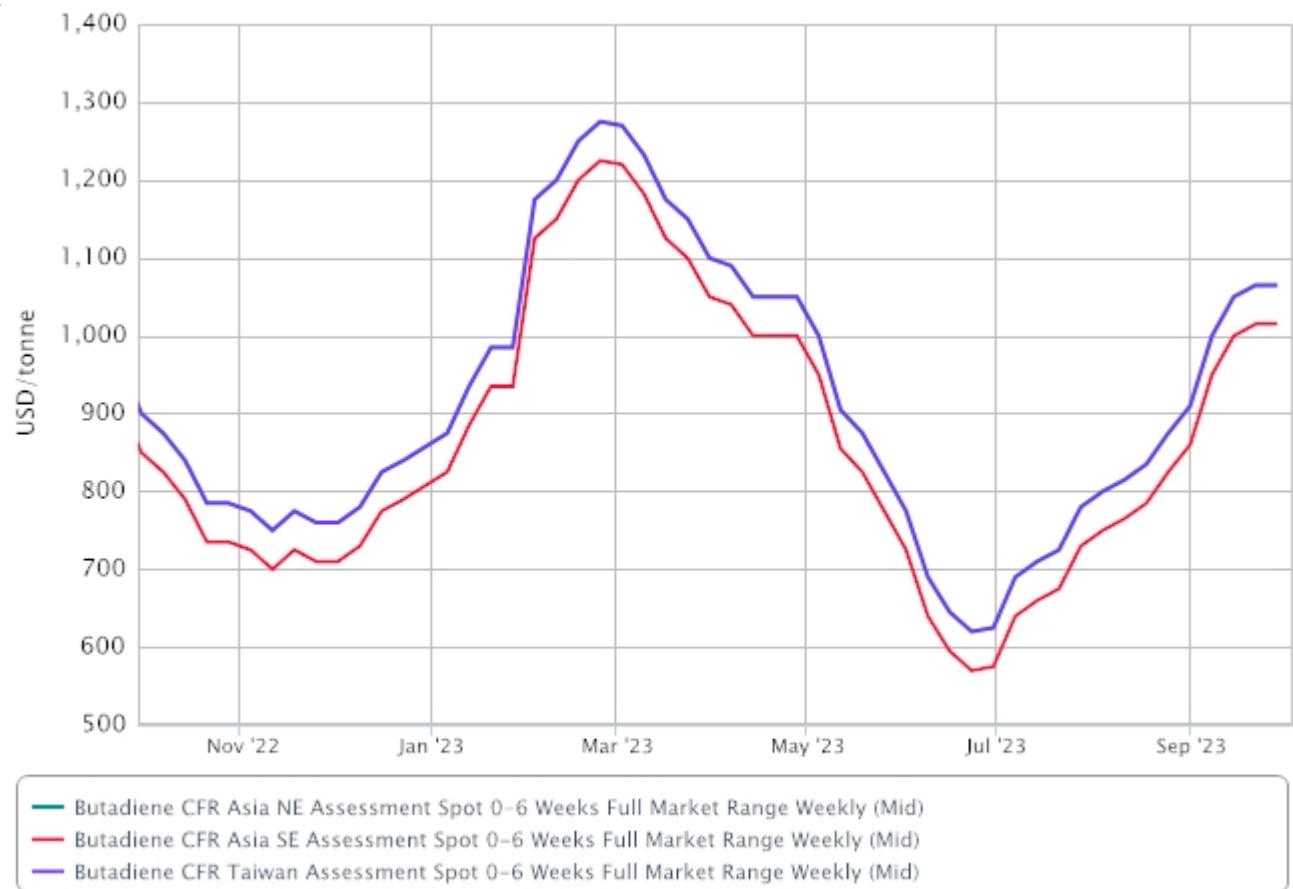
There were also many holidays coming up in northeast Asia - South Korea has shut from mid-week for the Chuseok holidays, while China and Taiwan will celebrate the Mid-Autumn Festival on 29 September. Furthermore, China will stay out of action longer for the extended National Day holidays until 7 October.

Domestic yuan prices also softened this week, which dented further buy-side sentiment in the US dollar-denominated import market.

Regional end-users said that they will hold back purchases until there is more clarity on how the post-holiday market in China may trend.

But sellers were similarly withdrawn, with many heard already sold out of October shipment materials, and in no hurry to discuss November yet.

Selling ideas are also bullish in nature, as besides having to cope with [steep upstream costs](#), producers said that spot supplies are unlikely to lengthen much soon either, as there are more BD turnarounds coming up and cracker operations will remain subdued too.



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## OUTLOOK

- Supply could stay snug in near term
- Trade tempo may shift with [post-holiday market dynamics](#)
- Divergence in buy-sell pricing outlook may widen

## PRICES

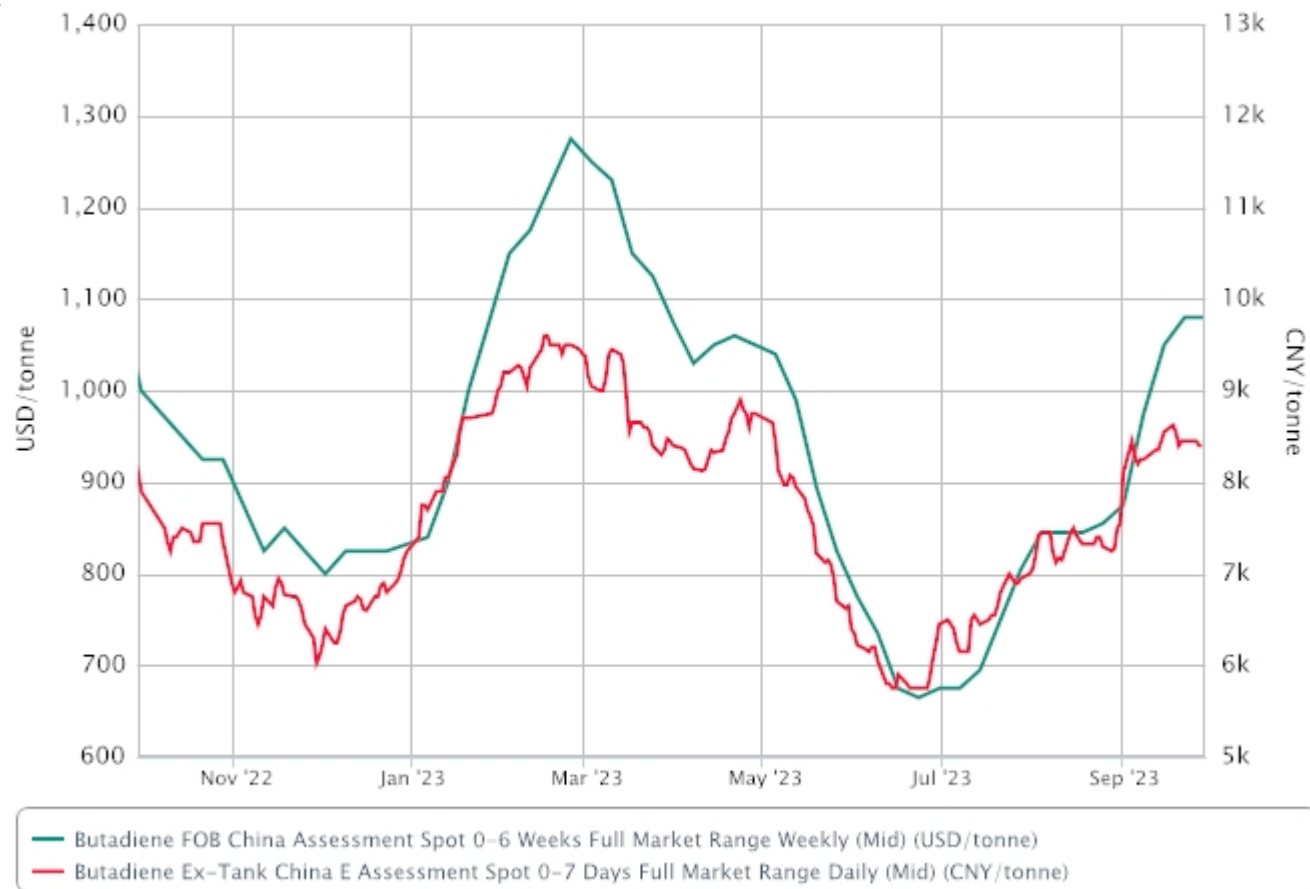
### SPOT PRICES - PRICE RANGE FOR THE WEEK

			<b>Price Range</b>		<b>Four Weeks Ago</b>	<b>US CTS/lb</b>
<b>Butadiene</b>						
<b>FOB China</b>	USD/tonne	n/c	1060.00-1100.00	n/c	850.00-900.00	48.08-49.90
<b>CFR NE Asia</b>	USD/tonne	n/c	1000.00-1130.00	n/c	870.00-950.00	45.36-51.26
<b>CFR Taiwan</b>	USD/tonne	n/c	1000.00-1130.00	n/c	870.00-950.00	45.36-51.26
<b>CFR SE Asia</b>	USD/tonne	n/c	950.00-1080.00	n/c	820.00-900.00	43.09-48.99

## **China**

FOB China assessments were unchanged on range-bound, albeit sporadic, indications. There were no substantive discussions, with many players already winding down to leave for holidays.

Domestic ex-tank prices in China softened in the week, as trade momentum eased with the approaching holidays.



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## Northeast Asia

CFR NE Asian assessments were left unchanged in a thinly-discussed week.

Sellers held fast to their current expectations, but said that they did not engage buyers more extensively as they have no availabilities on hand for sale.

Buyers on the other hand mostly retreated, preferring to wait until the regional holidays pass before they review and deliberate on their next buying position.

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

Monthly Contract Aug 23 Jul 23 Jun 23 May 23 Apr 23 Mar 23  
 DEL, \$/tonne

Taiwan FPCC	750	650	655	875	1,015	1,085
Korea YNCC	770	665	635	855	1,060	1,145

### Southeast Asia

CFR SE Asian prices were also flat amid the unchanged CFR NE Asian assessments.

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

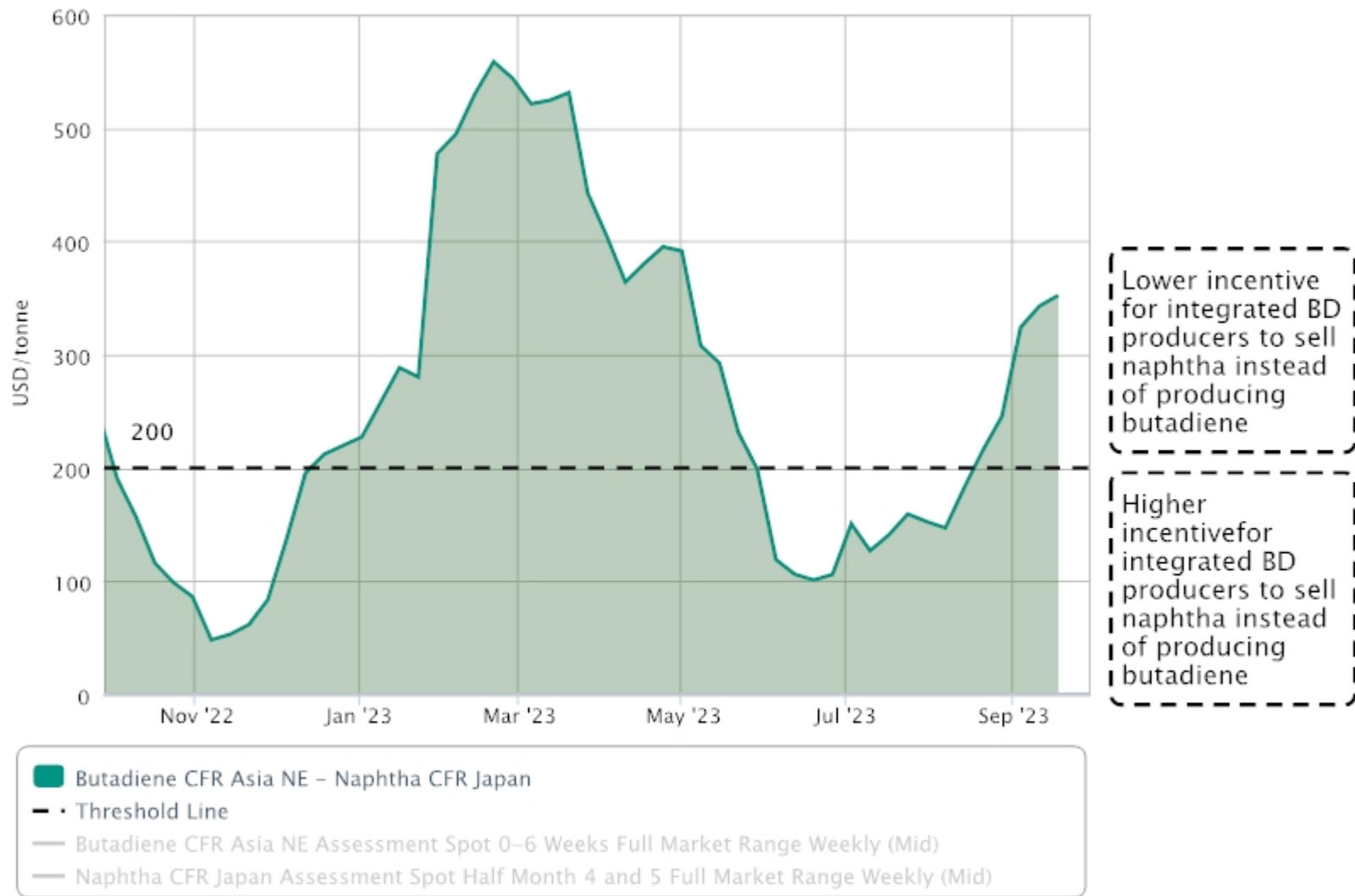
			Price Range		One Week Ago	/
<b>Butadiene</b>						
<b>Ex-Tank E China</b>	CNY/tonne	n/c	8300-8500	n/c	8400-8500	-

## UPSTREAM

### Naphtha:

- Crack turns red on Thursday
- Persistent strong crude values weigh on demand
- More cargoes seen from Oman's new Al-Duqm refinery

[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

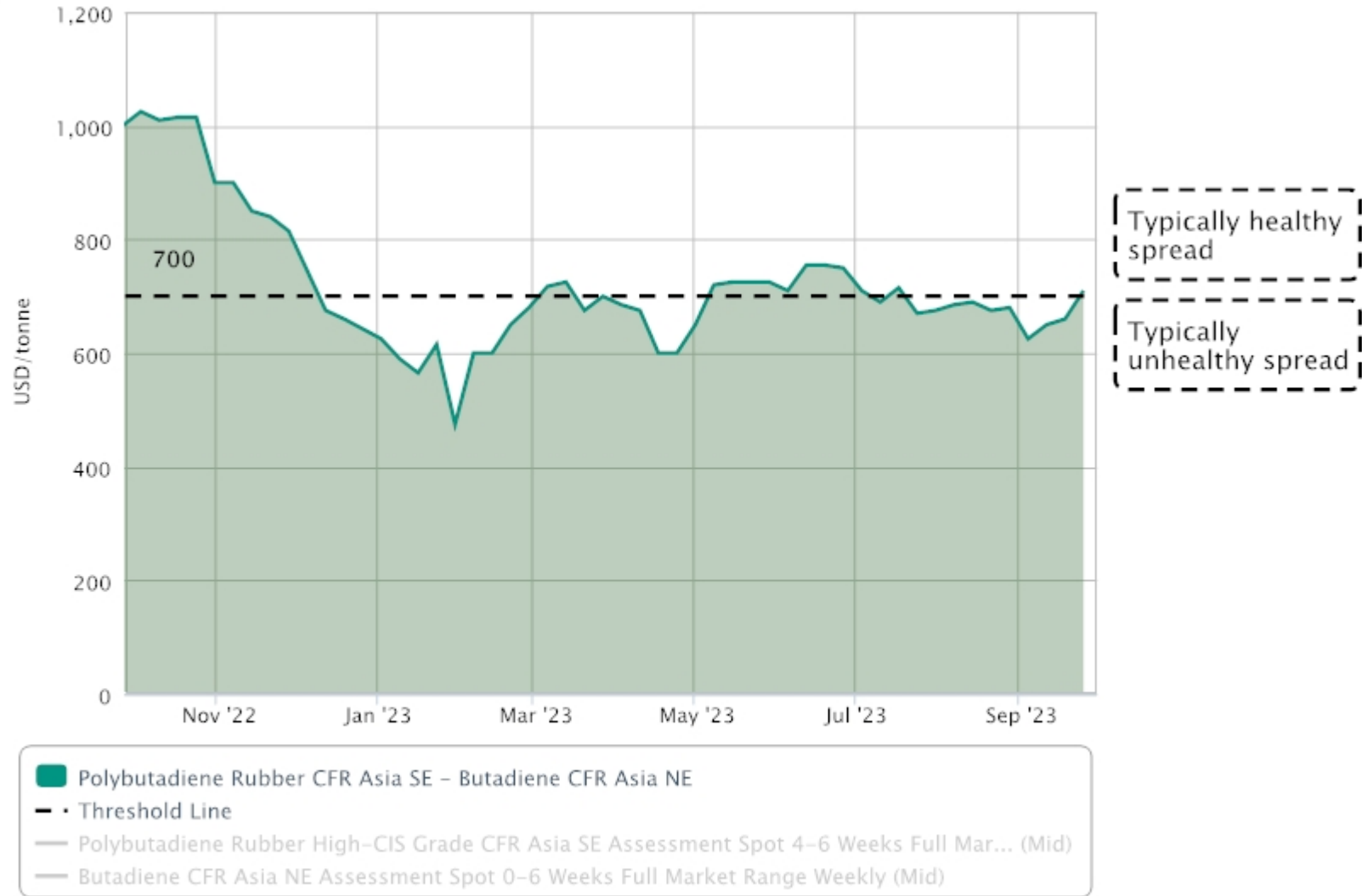
### Styrene-butadiene-rubber (SBR)

- Trade muted ahead of extensive regional holidays

- Domestic China softer, affecting buyers' confidence
- But offers supported on unrelenting cost pressures

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)**

- CFR NE Asia down for second week after four-week uptrend
- Feedstock slides weaken ABS sentiment
- Momentum further subdued by upcoming holidays



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## PRODUCTION

Several plants in South Korea have [turnarounds](#) planned in Q4 and this will keep spot supplies in wider Asia tight.

But in China, supply may lengthen with some plants [restarting](#) after completing planned maintenance.

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

## OTHER REGIONS

### Europe

- Oct CP rises on naphtha, market improvement
- Asian uptrend continues, drives spot export prices higher
- Domestic situation stable overall, small upticks on Asia too

### US

- October contracts nominated higher on rising costs, Asia uptrend
- Spot prices rise, tracking global price uplift
- Supply limitations have limited impact for downstream consumers

## ANALYTICS

### ICIS Crude Outlook

Global crude supply is expected to tighten in Q4, with Saudi Arabia extending its unilateral cut of 1m bbl/day. Global oil prices moved steadily higher in August and continued that trajectory in September, reflecting a supply reduction with deeper OPEC+ output cuts and robust market fundamentals. Firm demand for crude in the spot market, rising global refinery intakes, stronger refining margins, and a large draw in crude stocks have boosted spot prices. We anticipate global oil inventories will decline in the coming months, adding upward pressure to oil prices with putting the prospect of the \$100/bbl mark in sight. However, non-OPEC production growth, concerns over Chinese demand dynamics and the sustained elevated interest rate environment, maintaining US dollar strength, will weigh on oil prices.

By **David Jorbenaze**, senior analyst, [david.jorbenaze@icis.com](mailto:david.jorbenaze@icis.com)

### ICIS Naphtha Outlook

Europe's refineries are planning for a reduced autumn maintenance season to capitalise on higher profit margins amid low fuel inventories and the loss of Russian diesel. Refiners that remain online will have to purchase crude at higher prices, which may have a negative impact on profitability. In Asia, as seasonal consumption for middle and light distillates remain elevated, Chinese imports of naphtha reached new highs, with the government supporting its economy by implementing a series of stimulating policies.

By **David Jorbenaze**, senior analyst, [david.jorbenaze@icis.com](mailto:david.jorbenaze@icis.com)

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