



Butadiene (Asia-Pacific)

By Ai Teng Lim
30-Aug-2024

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

OVERVIEW

- **Bullish sentiment in China fuels higher export offers**
- **Asia demand remains largely tepid with buyers sidelined**
- **Asia spot sellers focus on the Chinese market**

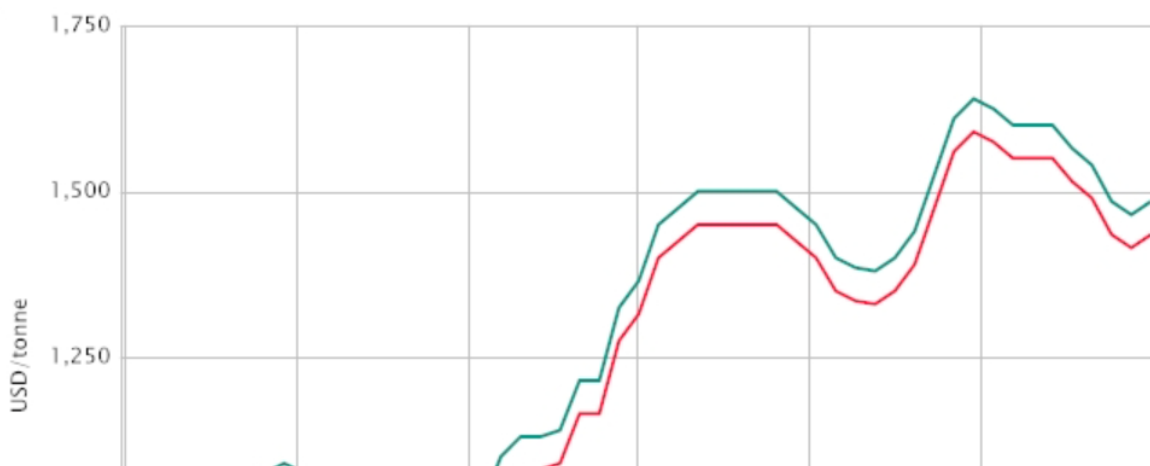
The Asian spot butadiene (BD) market remains dull, with demand understood to be still in a low ebb. Most users have covered requirements for September and are in no hurry to acquire more spot material.

Scheduled plant turnarounds in the synthetic rubber segment from October are also likely to dampen appetite for BD as well.

However, in China, the situation appears vastly different this week, where there is keen buying interest with increased enquiries.

Bullish performance in the synthetic rubbers futures had a spillover effect on the domestic BD sector. Local prices have been revised upwards, with export offers higher as well.

Some sales on the Chinese import front were heard to have been concluded as some buyers obtained material on the back of the current bullish sentiment. However, some participants are concerned that the speculative fervor might fizzle out.





OUTLOOK

- Demand likely to be capped by upcoming derivative turnarounds
- Spot availability ample with offline plants restarting
- [New capacity growth](#) expected into 2025

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	+70	1500.00-1550.00 0	+50	1520.00-1570.00	68.04-70.31
CFR NE Asia	USD/tonne	n/c	1450.00-1520.00 0	+40	1530.00-1600.00	65.77-68.95
CFR SE Asia	USD/tonne	n/c	1400.00-1470.00 0	+40	1480.00-1550.00	63.50-66.68

China

Sellers on the FOB China front quoted bullish offers of \$1,500/tonne FOB China and above, with some even mentioning prices beyond \$1,600/tonne FOB China. Other selling indications were heard at \$1,550-1,600/tonne CFR NE Asia.

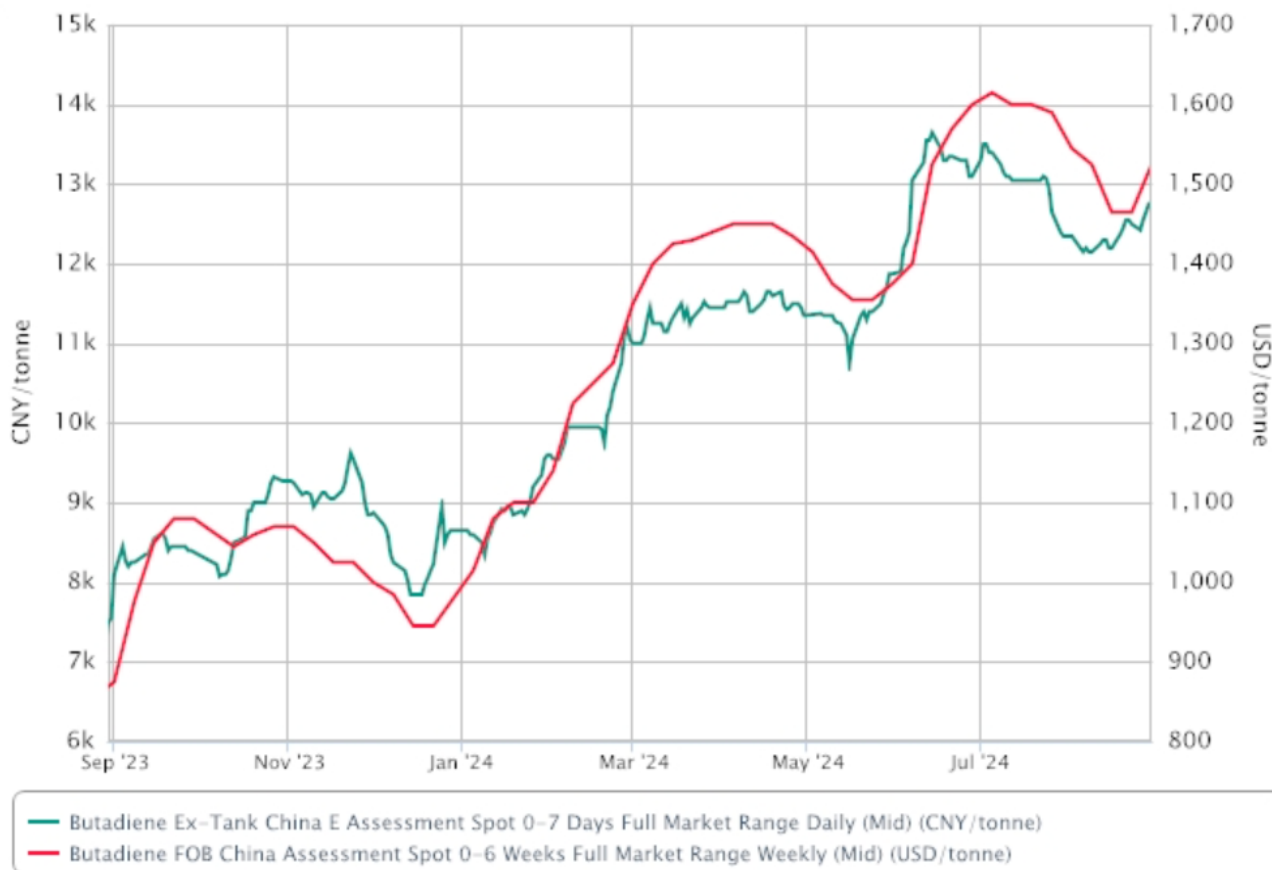
A bullish sentiment took hold of the market as the synthetic rubber futures in the mainland continue to soar. Local prices of BD have also been on an uptrend, further fuelling the perception of a runaway market.

However, export offers have been met with lukewarm response as Asian buyers have limited appetite for spot, having already secured material for September.

Meanwhile, enquiries in China for import were heard while a SE Asian cargo was heard sold in the high \$1,400s/tonne CFR China.

Some buyers even expressed willingness to consider prices above \$1,500/tonne CFR China.

Talk of fixtures at up to \$1,500/tonne CFR China circulated the market but could not be ascertained.



Northeast Asia

Apart from the upswing in China, other destinations in NE Asia were basically unchanged. Demand overall remains tepid, with buyers having sufficient stocks to meet near-term production requirements.

Selling indications from a NE Asian supplier was heard in the high \$1,400s/tonne FOB NE Asia but no deals were heard done.

Monthly Contract DEL, \$/tonne	Jul 24	Jun 24	May 24	Apr 24	Mar 24	Feb 24	Jan 24
Taiwan FPCC	1,515	1,395	1,355	1,415	1,348	1,135	1,020
Korea YNCC	1,565	1,493	1,390	1,450	1,405	1,165	1,070

Southeast Asia

CFR SE Asia prices were adjusted in line with changes for the CFR NE Asia assessment.

A tender for a 2,000-tonne lot, H2 September lifting, closed this week. Some participants said the

parcel was awarded on a floating price basis, namely FOB SE Asia with a discount of \$20-40/tonne. Others said it was sold on a fixed price to a buyer in China.

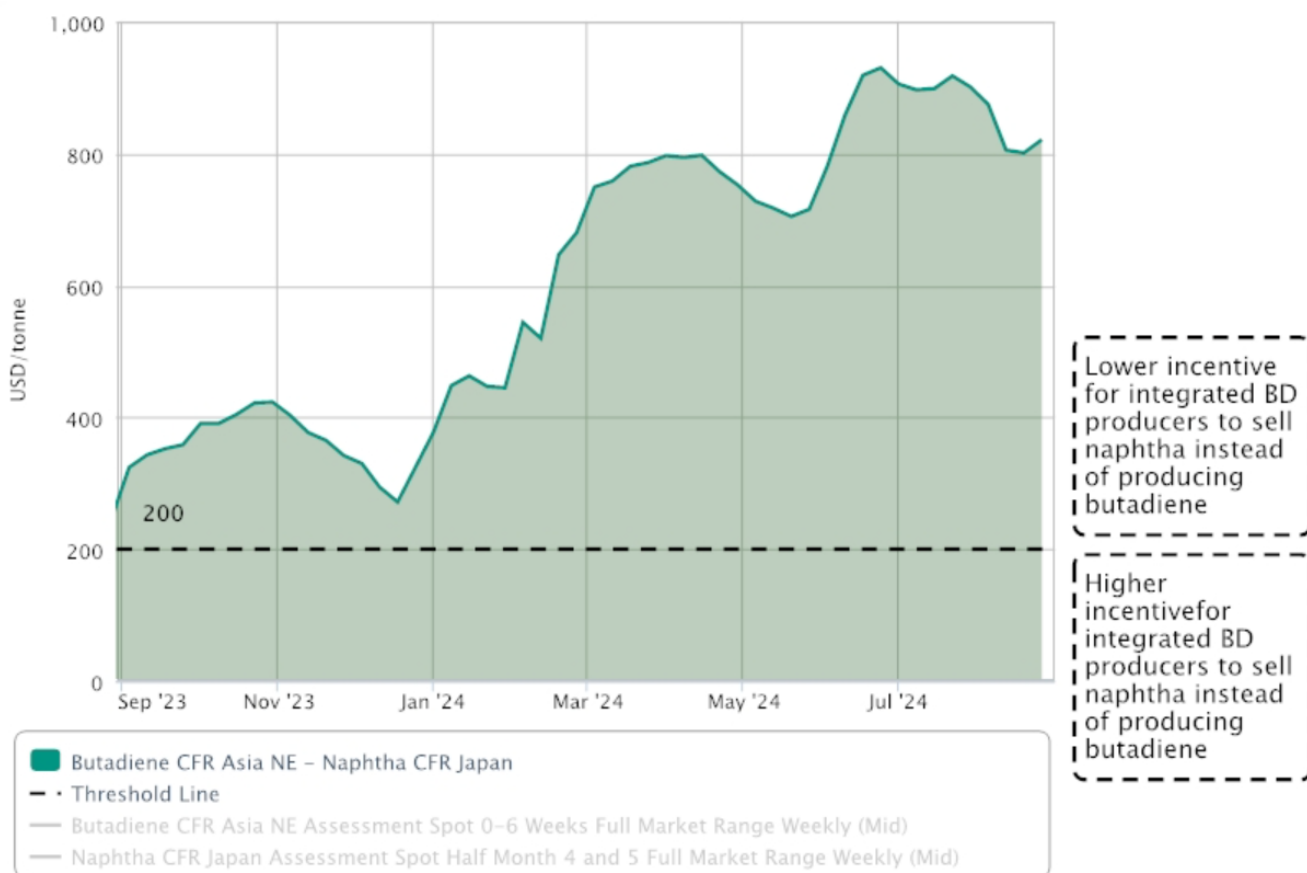
SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

			Price Range		One Week Ago	/
Butadiene						
Ex-Tank E China	CNY/tonne	n/c	12700-12800	n/c	12500-12500	-

UPSTREAM

Naphtha

- Fewer buyers seen this week versus a week ago
- Crack spread on 29 Aug lowest since 19 Aug
- Uncertainties over supply balances seen countered by cracker outage, weak margins



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

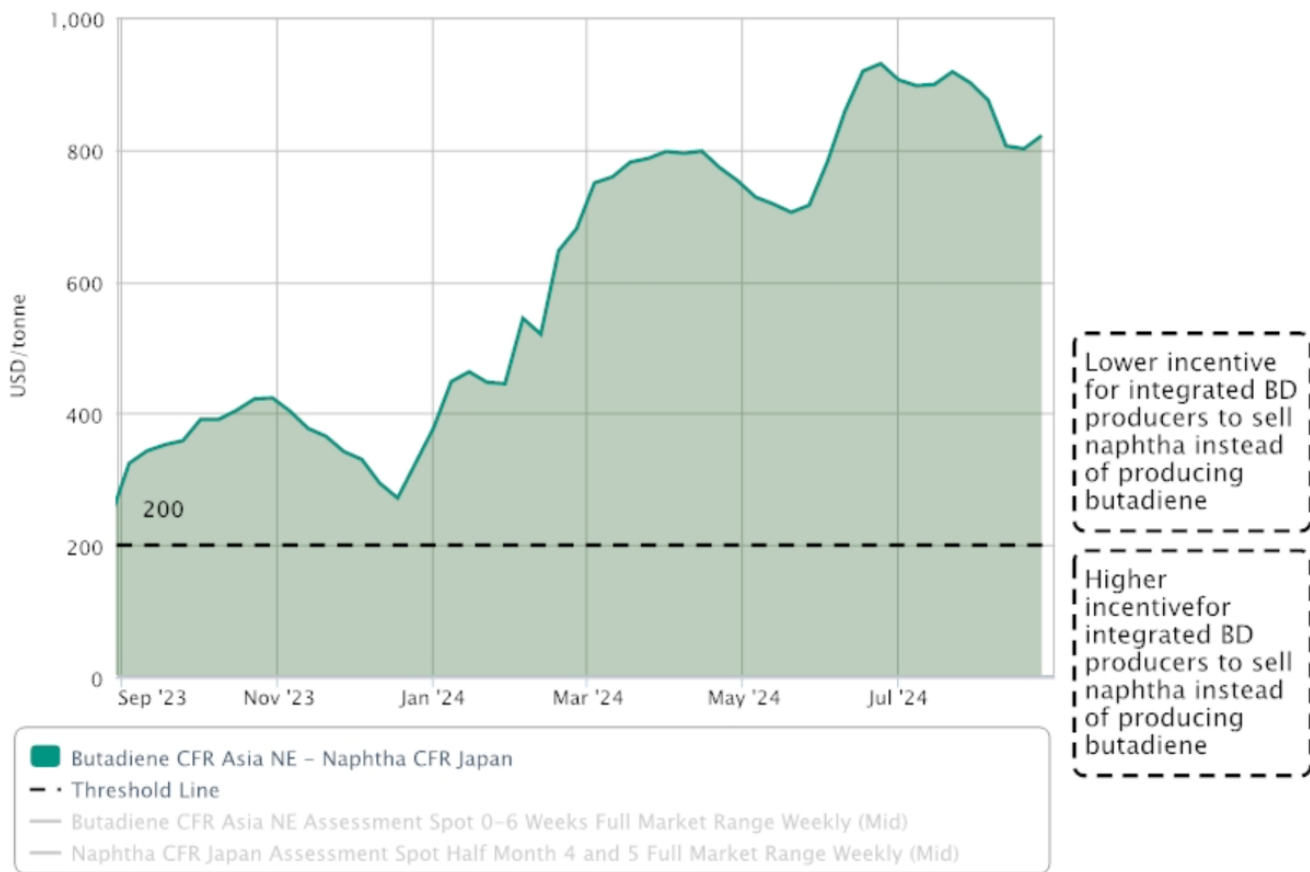
Click [here](#) for the Asia feedstocks and petrochemicals weekly summary.

DOWNSTREAM

Styrene-butadiene-rubber (SBR)

- China sees some support from domestic futures gains
- Downstream demand otherwise mostly limp across the region
- Spot supply constraints cushion impact of demand losses

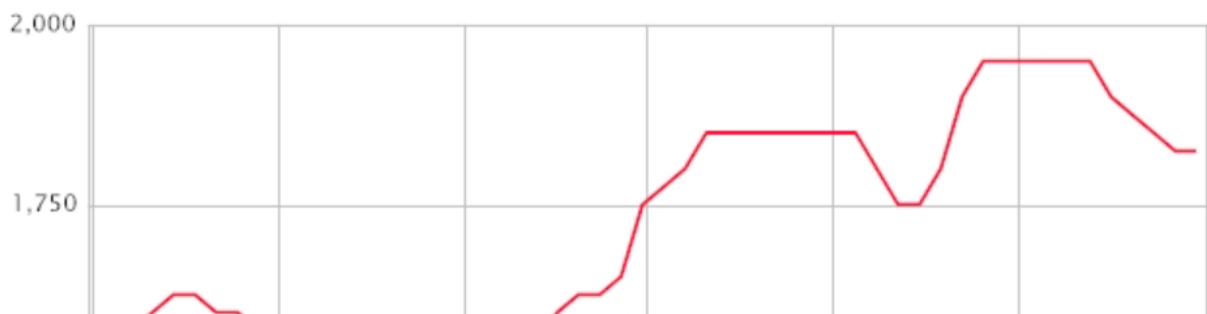
The chart below shows the spread between BD and SBR in Asia.

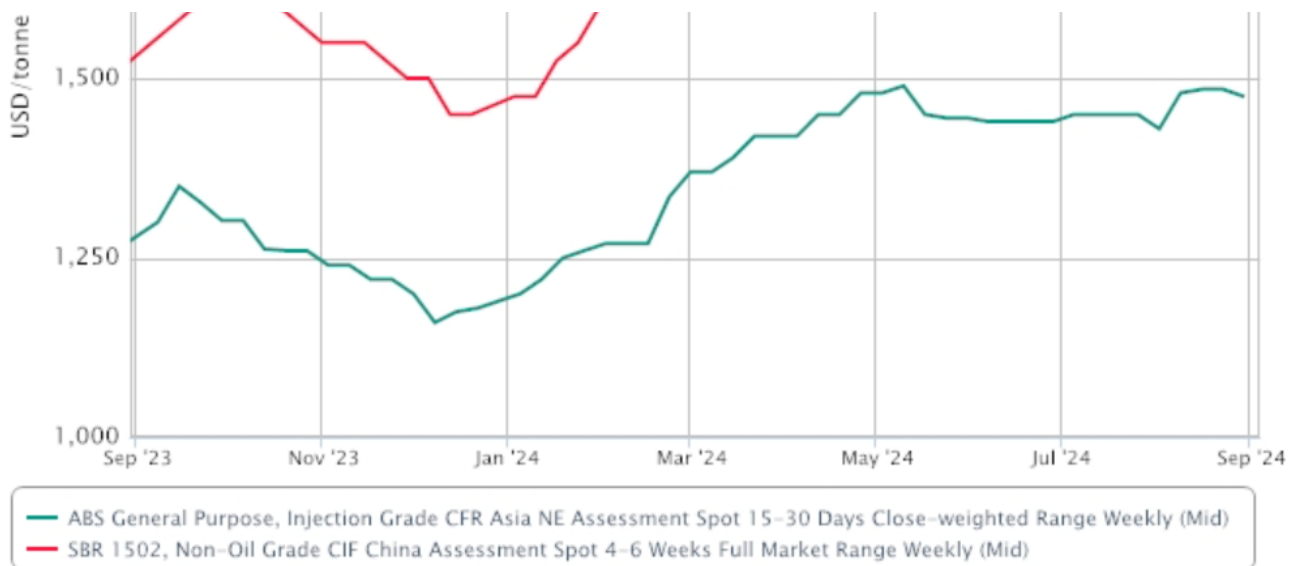


[Spread between Butadiene and Styrene Butadiene Rubber Asia](#)

Acrylonitrile butadiene styrene (ABS)

- Import markets stable to soft for second week
- Offers lowered to induce offloading towards month's end
- Seller margins still manage to hit new annual highs





PRODUCTION

In wider Asia, a [162,000 tonne/year unit](#) in Taiwan was shut in August for maintenance, but another [109,000 tonne/year unit](#) at the same site, which has been shut since March, will restart in September.

In China, a 100,000 tonne/year unit in [Panjin](#) started a 50-day maintenance from early July, while a 50,000 tonne/year line in [Shandong](#) went offline for about a week in H1 July for unplanned weather-related repairs, market sources said.

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

Covering editor: Clive Ong

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