



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 prices up with tighter prompt supplies**
- **China's buying appetite for imports supported to some extent**
- **Weak demand dents discussions at large across Asia**

Domestic China prices for butadiene (BD) [rebounded](#) this week with some tightening of prompt local supplies.

This lent some upside push to China's buying appetite for US dollar-denominated imports materials.

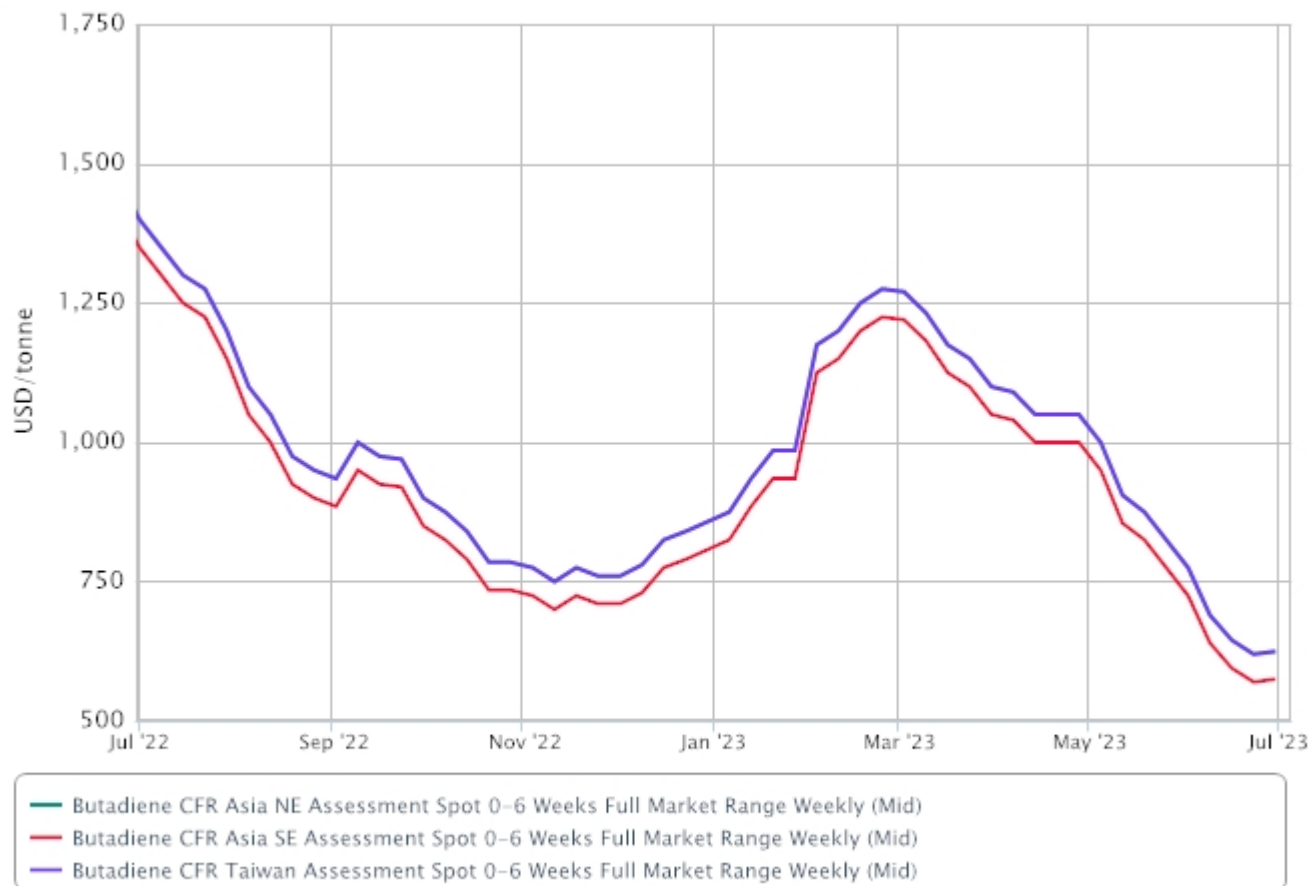
However, there were no concrete outcomes, market sources said, as downstream demand support remains lacking, amid lacklustre derivative market requirements.

Some were also skeptical if the domestic yuan uptick will sustain and therefore, held back to wait and see.

Import discussions in other NE Asian outlets were even more patchy and thin, as most end-users there have fully covered their July requirements and were also unwilling to commence August talks as yet.

End-users believe that spot BD supplies are abundant, not just from continued deep-sea availabilities, but also because more regional BD plants are restarting in the coming month.

For sellers, even if they acknowledged that downstream demand was underwhelming, many seems still resistant to selling BD any lower, or at levels closer to parity with naphtha. If the latter scenario ensues, some producers said that they would rather trim BD operations.



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OUTLOOK

- **Overhang looms for wider Asian supplies**
- **Gloomy economic outlook to weigh down on demand**
- **Sellers to monitor closely China’s appetite for imports**

PRICES

SPOT PRICES - PRICE RANGE FOR THE WEEK

			Price Range		Four Weeks Ago	US CTS/lb
Butadiene						
FOB China	USD/tonne	+20	650.00-700.00	n/c	750.00-800.00	29.48-31.75
CFR NE Asia	USD/tonne	+10	600.00-650.00	n/c	750.00-800.00	27.22-29.48
CFR Taiwan	USD/tonne	+10	600.00-650.00	n/c	750.00-800.00	27.22-29.48
CFR SE Asia	USD/tonne	+10	550.00-600.00	n/c	700.00-750.00	24.95-27.22

China

FOB China assessment was stable-to-firm, with low-end of the range lifted alongside more positive buy-side pricing indication.

Sentiment was more upbeat following gains seen in the week in the domestic yuan-denominated market.

Domestic ex-tank prices in east China rose, after prompt supplies from local producers tightened in the week.

However, with substantial volumes of import materials set to arrive in the coming weeks, some market players said that it remains to be seen how this may impact on the yuan uptick momentum.



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Northeast Asia

CFR NE Asia discussions rose slightly at the low-end of the assessment range.

A number of China-based end-users and traders adjusted up, albeit marginally, their buying indications for imports, following an uptick in domestic values.

This formed the low-end of the assessment range, even though buyers in other northeast Asian outlets did not follow suit.

The high-end was rolled over in the absence of concrete offers of regional cargoes. Most July shipment cargoes were already committed. For August spot availabilities, market sources said that regional producers are still deliberating on their production plans for the month and could not finalise as yet.

However, regional end-users were not perturbed, as they anticipate continued spot availabilities from deep-sea origins to fill the gaps in Asia, if any.

That said, negotiations for the deep-sea shipment to Asia have been protracted, market sources said, due to wide buy-sell gap.

Some discussions on end July/August lifting materials did take place within the assessment range, at around low \$600's/tonne CFR NE Asia, but it was unclear if any fresh concrete deals materialised this week.

CFR Taiwan assessments were adjusted in line with changes for CFR NE Asian assessments.

Monthly Contract DEL, \$/tonne	May 23	Apr 23	Mar 23	Feb 23	Jan 23	Dec 22	Nov 22
Taiwan FPCC	875	1,015	1,085	1,085	855	755	755
Korea YNCC	855	1,060	1,145	1,178	905	795	755

Southeast Asia

CFR SE Asia assessments were adjusted in line with changes in CFR NE Asia assessments.

SPOT PRICES - PRICE RANGE AT CLOSE OF BUSINESS FRIDAY

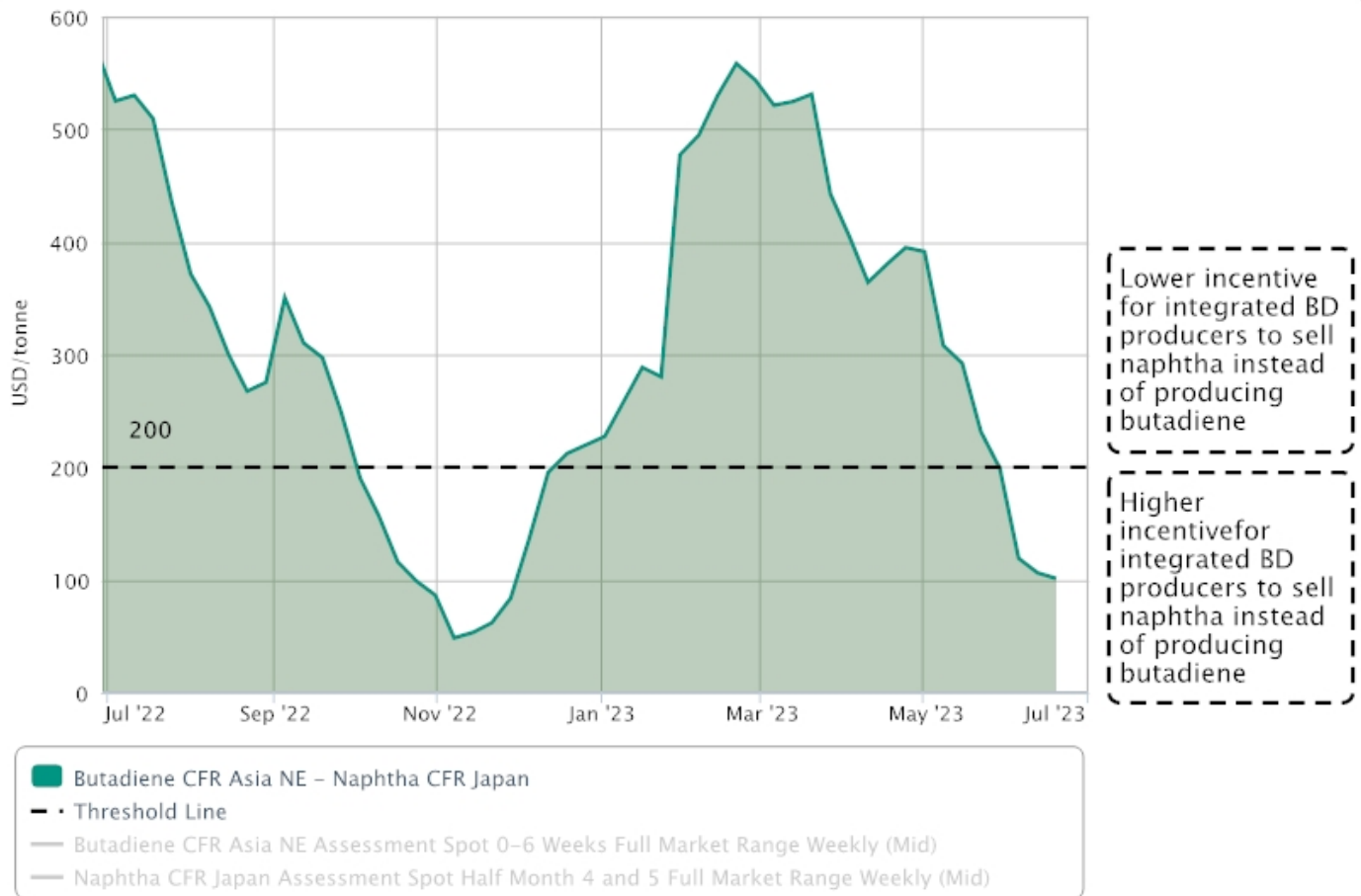
			Price Range		One Week Ago	/
Butadiene						
Ex-Tank E China	CNY/tonne	+200	6400-6500	+200	5700-5800	-

UPSTREAM

Naphtha:

- Buyers seen in market this week
- But demand fails to turn weak market around
- Crack remains in the red

[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.

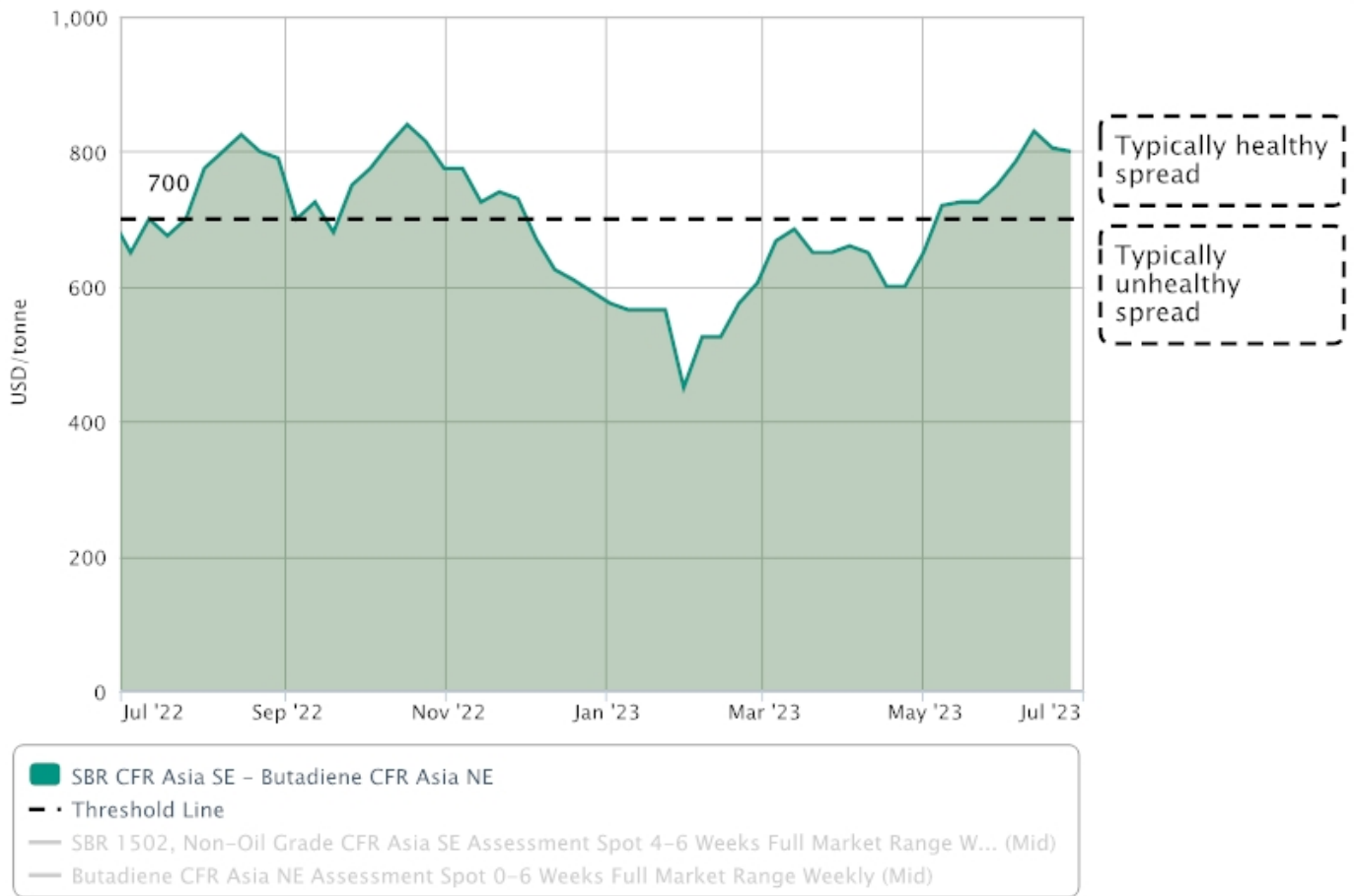
DOWNSTREAM

Styrene-butadiene-rubber (SBR)

- Discussions subdued in a short trading week
- Buying appetite curbed on weak demand fundamentals
- Market players mostly in a wait-and-see stance

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

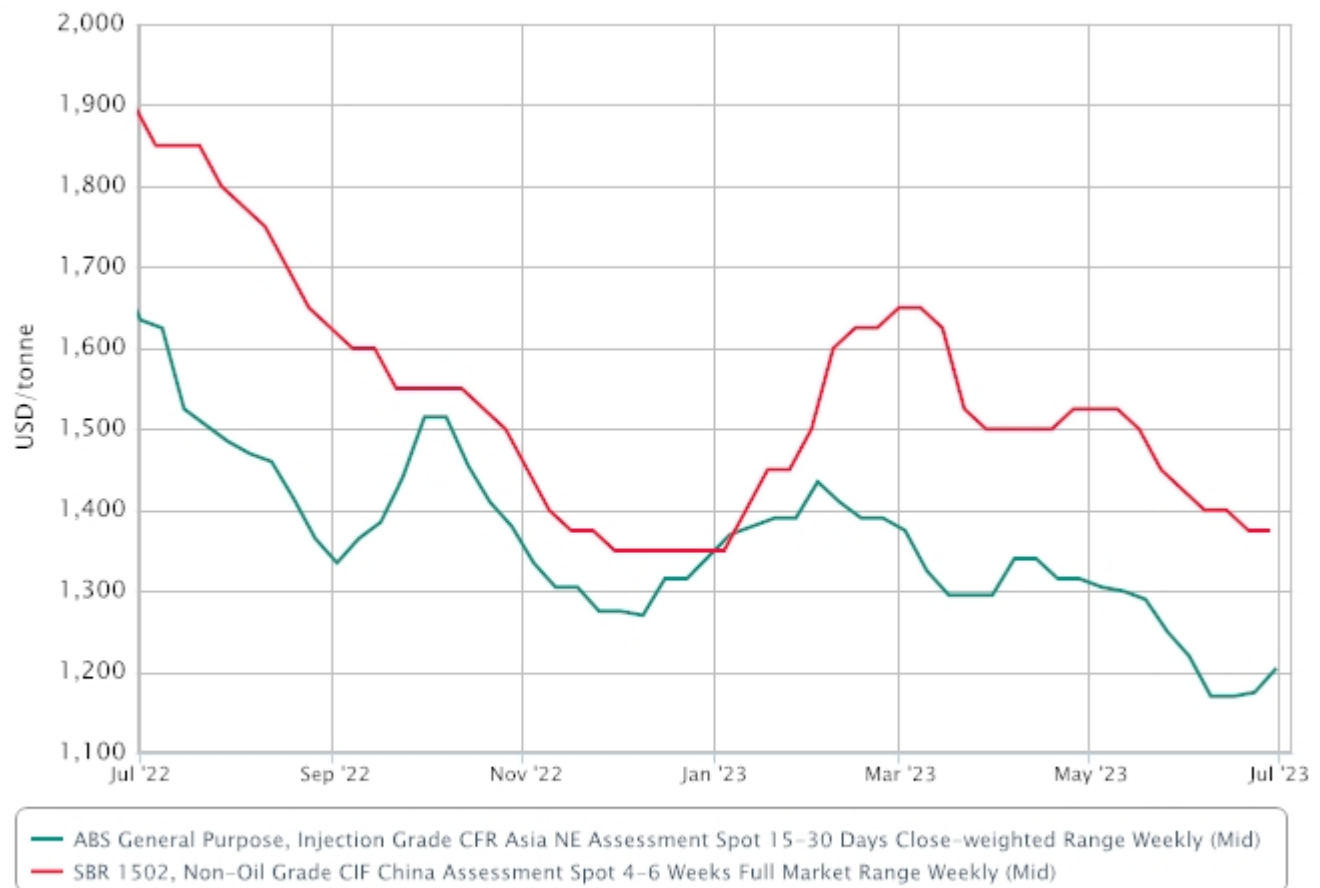
[Spread between Butadiene and Styrene Butadiene Rubber Asia](#)



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Acrylonitrile-butadiene-styrene (ABS)

- CFR NE Asia prices rose for second straight week, after two months of decline
- Rally supported by production cuts particularly in China
- Scope of recovery stay subdued by the tepid demand



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PRODUCTION

Regional output is poised to rise in Q3 with more regional plants [restarting](#) from prior maintenance closures.

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

OTHER REGIONS

Europe

- July CP falls by €70/tonne
- Demand soft, production constraints effective to a point
- Spot volumes at mercy of ever-weakening global market
- Further export competition from US volumes, CP nominated lower again

US

- July contract nominations emerge at another sharp decline
- Spot prices fall as buying appetite continues to be suppressed
- Braskem fire impact to BD still unclear

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