



# Argus *Butadiene Outlook*

# | Contents

- 1. Executive summary**
- 2. Energy and feedstocks**
- 3. Americas**
- 4. Europe**
- 5. Asia-Pacific**
- 6. Contact us**

# Executive Summary

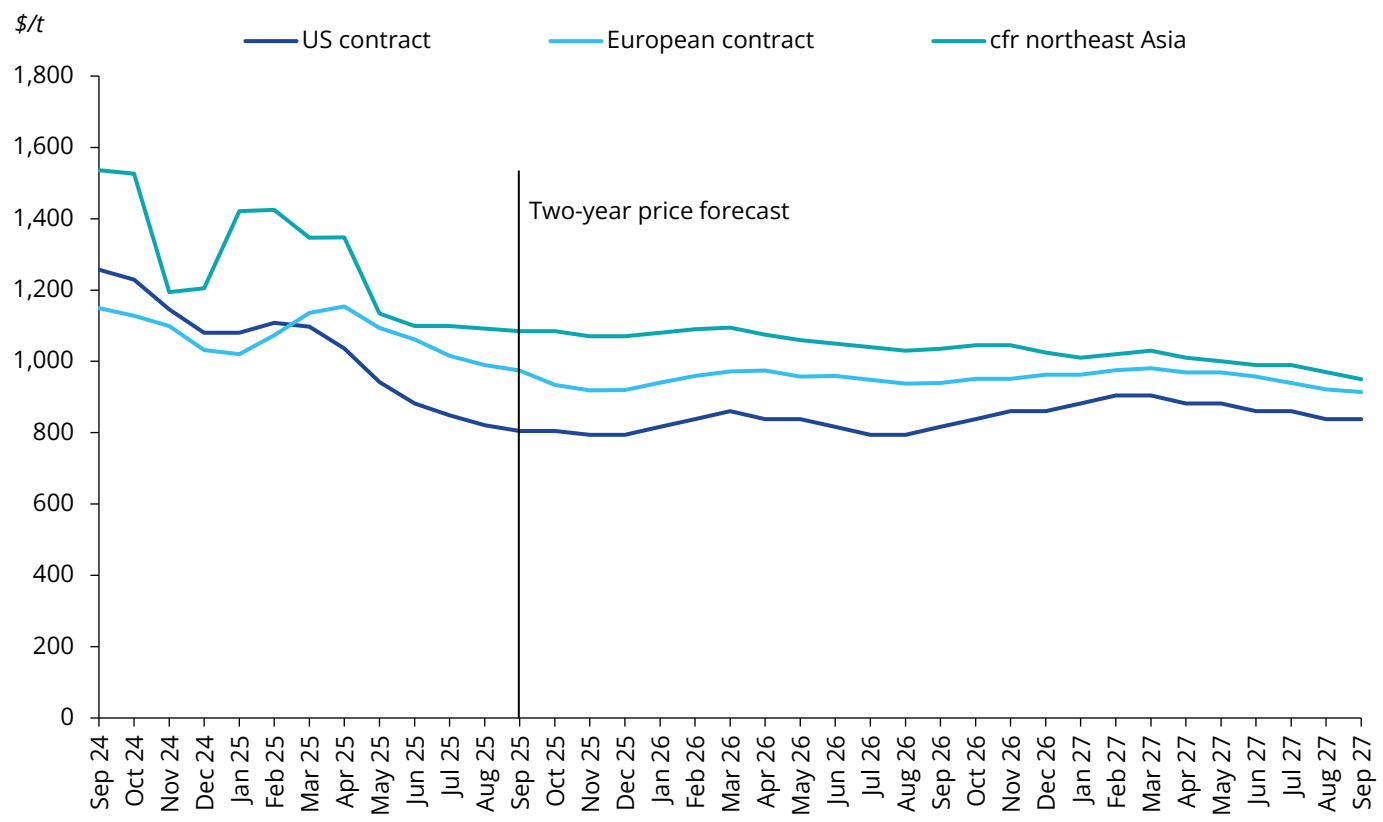
The US and Europe are exporting volumes in order to maintain balances.

[Click here to download the price dataset in Excel](#)

## What's changed

- Deepsea imports and a turnaround by a large South Korean consumer have held back prices in Asia-Pacific from rising, even with a heavy cracker turnaround season in the fourth quarter.
- A major Texas BD producer declared *force majeure* at the start of September because of heavy storms.
- Prior to this event, the US was already long on crude C4 supply, and exports to Europe were already in the works for loading in September and October.
- Unanticipated domestic offers for crude C4 from northwest and eastern Europe were the result of BD extraction unit turnarounds. Depressed domestic demand has also freed up spot crude C4 molecules.

## Global butadiene price forecast



US contract: Prevailing final nominated transaction contract price, fob basis  
European contract: Monthly negotiated contract price, free delivered basis, undiscounted  
Asia spot: cfr northeast Asia basis

# Near-term and long-term outlook

Prices in Asia-Pacific could decline on imports and destocking or rise on planned repairs and LPG cracking.

## Near-term outlook

- Asia-Pacific will need to weigh deep sea imports and destocking against cracker turnarounds and a boost in LPG cracking.
- So far maintenance season has failed to provide a meaningful uplift to regional BD prices. Cfr northeast Asia BD traded in roughly \$40 range over the last ten weeks, between \$1,075-1,118/t and averaging \$1,092/t. In addition, inventory clearance spans across all supply chains in the fourth quarter.
- Still there could be tightness with several crackers in northeast Asia maximizing out on LPG feedstock.
- US spot prices manage to rise on the back of a Texas BD unplanned outage. Consumers bought as a precaution in case the shutdown lingered. The region still managed to export both BD and crude C4 loading in September.

## Long-term outlook

- We have concerns about European consumer margins on elevated feedstock BD, styrene, and natural gas prices, as well as a weak US dollar versus the euro.
- There is a significant risk if European feedstocks coupled with a weak US dollar and green efforts chip away at profitability. End users have mostly been spared from rationalization efforts, but this could easily shift.
- Looking east, the anti-involution campaign in China and South Korean government's order to reduce petrochemical capacities will impact supply situation in both regions.
- China is reviewing assets older than 20 years. In addition, the country has halted new oil and gas and petrochemical licenses starting 2030.
- South Korea mulling mergers and acquisitions.

# Price forecast

Click here to download the price dataset in Excel

## Americas

	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27
WTI \$/bl	64	63	62	61	61	62	63	64	66	67	67	68	67	67	65	64	66	66	68	68	69	69	70	70	69
Natural gas Henry Hub \$/mmBtu	2.74	3.06	3.38	3.93	4.25	4.02	3.63	3.49	3.53	3.70	3.89	3.93	3.89	3.93	4.14	4.53	4.78	4.44	3.86	3.45	3.43	3.58	3.75	3.80	3.76
Butadiene contract ¢/lb (estimated avg net)	36.5		36.0	36.0	37.0	38.0	39.0	38.0	38.0	37.0	36.0	36.0	37.0	38.0	39.0	39.0	40.0	41.0	41.0	40.0	40.0	39.0	39.0	38.0	38.0
Butadiene - contract \$/t	805		794	794	816	838	860	838	838	816	794	794	816	838	860	860	882	904	904	882	882	860	860	838	838

## Europe

	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27
North Sea Dated \$/bl	68	67	66	65	65	66	67	68	70	71	71	72	71	71	69	68	70	70	72	72	73	73	74	74	73
Naphtha cif Rotterdam \$/t	561	553	546	538	529	540	543	552	569	576	576	583	579	577	575	567	589	587	600	601	594	598	604	607	608
Exchange rate	1.17	1.17	1.17	1.17	1.17	1.18	1.18	1.18	1.18	1.18	1.19	1.19	1.19	1.19	1.19	1.19	1.19	1.19	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Butadiene contract €/t	835		785	785	800	815	825	825	810	810	800	790	790	800	800	810	810	820	820	810	810	800	785	770	760
Butadiene contract \$/t	974		919	920	940	959	972	974	957	959	948	938	939	951	951	963	963	975	981	969	969	957	939	921	914
Butadiene contract vs Naphtha cif \$/t	413		373	382	411	419	429	422	388	383	372	355	360	374	376	396	374	388	381	368	375	359	335	314	306

## Asia-Pacific

	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27
Naphtha cfr Japan \$/t	585	580	573	566	565	563	565	571	593	600	597	602	593	592	594	595	623	610	616	623	621	621	627	627	619
Butadiene spot \$/t	1,085	1,085	1,070	1,070	1,080	1,090	1,095	1,075	1,060	1,050	1,040	1,030	1,035	1,045	1,045	1,025	1,010	1,020	1,030	1,010	1,000	990	990	970	950
Butadiene Asia vs naphtha cfr Japan \$/t	500	505	497	504	515	527	530	504	467	450	443	428	442	453	451	430	387	410	414	387	379	369	363	343	331

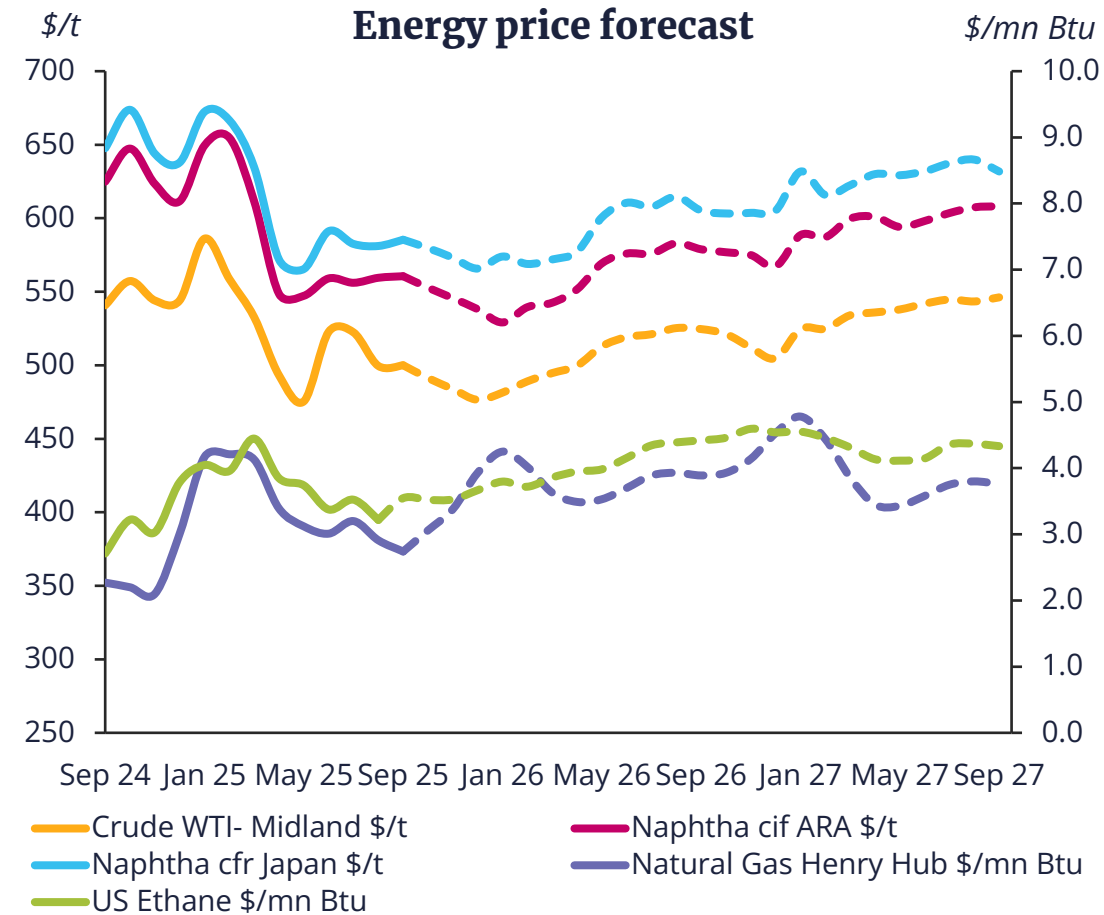
## **| Contents**

- 1. Executive summary**
- 2. Energy and feedstocks**
- 3. Americas**
- 4. Europe**
- 5. Asia-Pacific**
- 6. Contact us**

# Energy and feedstocks

Bullish revisions to near-term crude price forecasts contrast with underlying weak fundamentals. Naphtha demand is supported by seasonally stronger LPG prices in Europe and Asia-Pacific, moderated by strong US exports to both regions.

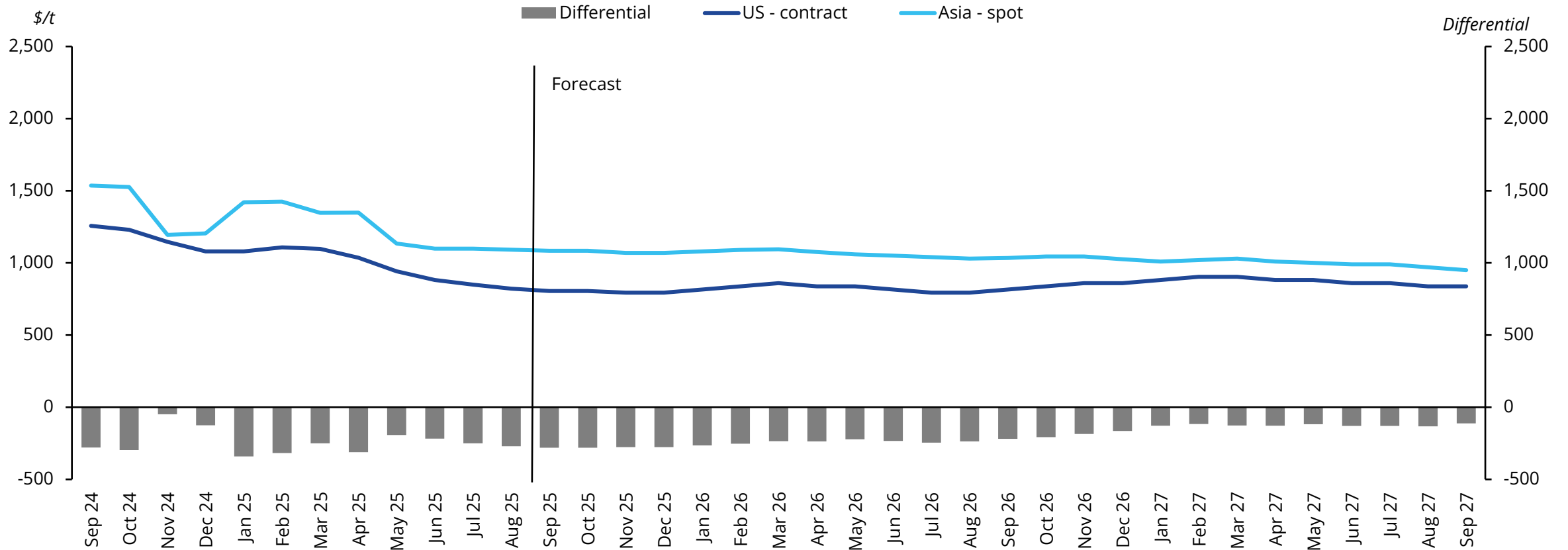
- Opec+'s unwinding of its November 2023 cuts has been achieved a full year ahead of the originally agreed schedule and without significantly weakening prices, encouraging the group to consider unwinding the 1.66mn b/d of cuts introduced in April 2023. The unwinding process so far has coincided with the peak summer cooling season in the Middle East, which has kept around 0.35mn b/d of crude from the export market. Key to Opec+'s resolve is its belief that further unwinding will not result in a huge amount of oil returning to market, given that the group appears to tailor production to market needs. Prices are expected to remain relatively stable as a result.
- US ethane exports to China will resume for now. Ethane prices will move higher with natural gas prices as US LNG exports increase this year and next. Producers remain confident about ethane supply as production has increased despite limited growth in shale oil output.
- The Asia-Pacific naphtha market is tightening because of drone strikes on Russia's key naphtha facilities, further reducing supply already limited by scheduled maintenance at several key Middle eastern refineries. Naphtha cracks in the US Gulf coast have reached a three-month high supported by gasoline blending demand and the anticipation of naphtha exports to Venezuela. But recent problems with Azeri crude contamination are not expected to continue supporting naphtha prices in the coming months, while weaker LPG prices have reduced demand for naphtha feedstock from Europe's flexible steam crackers. Naphtha prices are anticipated to firm at the start of next year once the impact of rising winter LPG demand starts making naphtha more competitive for steam cracking.
- LPG prices have increased on an outright basis, but weak fundamentals are keeping them low relative to naphtha, going against seasonal trends. Chinese LPG demand remains muted, weighed down by high costs and tariffs on US imports, while petrochemical producers are caught between expensive feedstock and weak downstream margins. US LPG production is robust, but sluggish demand has led to rising inventories and slow export growth, even after the new Nederland terminal expansion, although exports will ramp up in the coming months. Inventories are firm globally and continue to build. Prices typically rise in September as buyers begin to build inventories ahead of winter, but already sizeable stocks should prevent prices rising too sharply this year. European prices are increasingly tied to the US market — US product make up 58pc of Europe's imports. Freight rates are expected to remain steady, so we expect Europe to continue to following movements in the US.



# BD pricing differentials

Pricing in these regions could remain steady in the short-term.

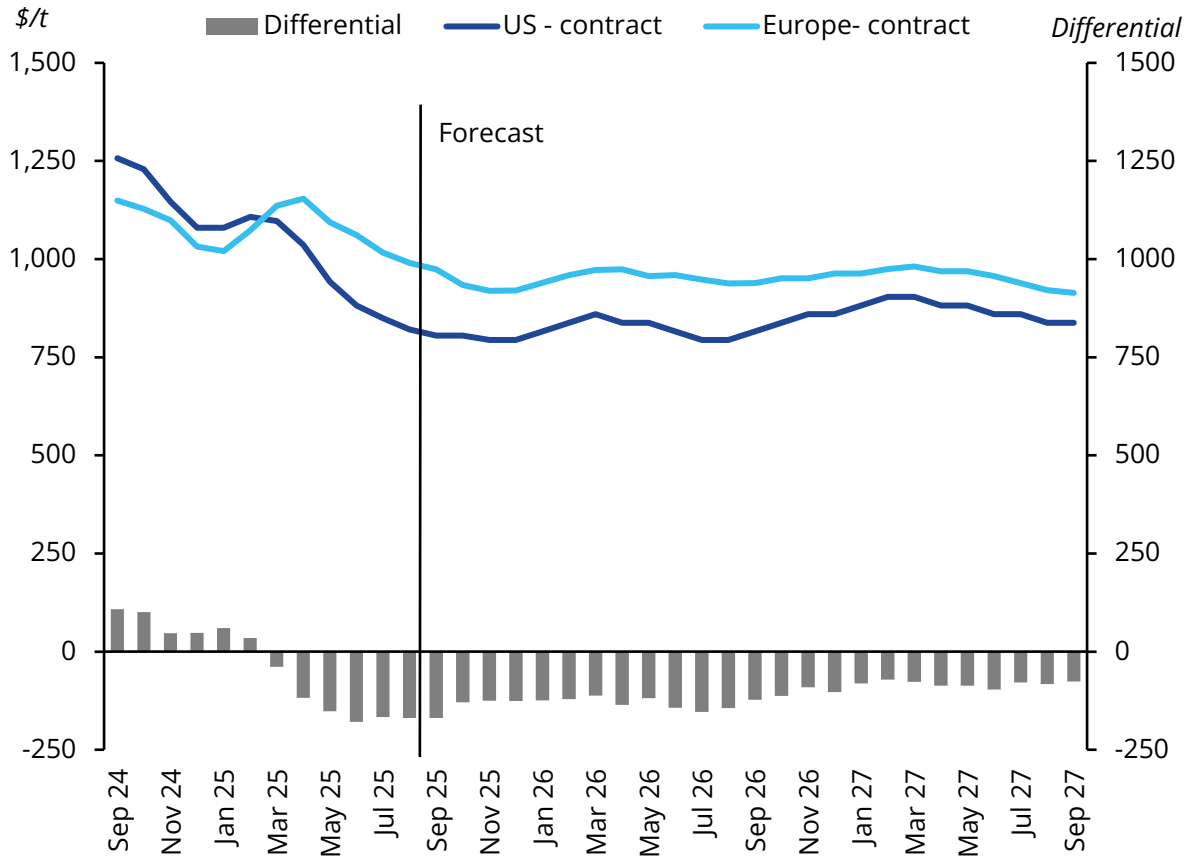
### US contract vs Asia spot price forecast



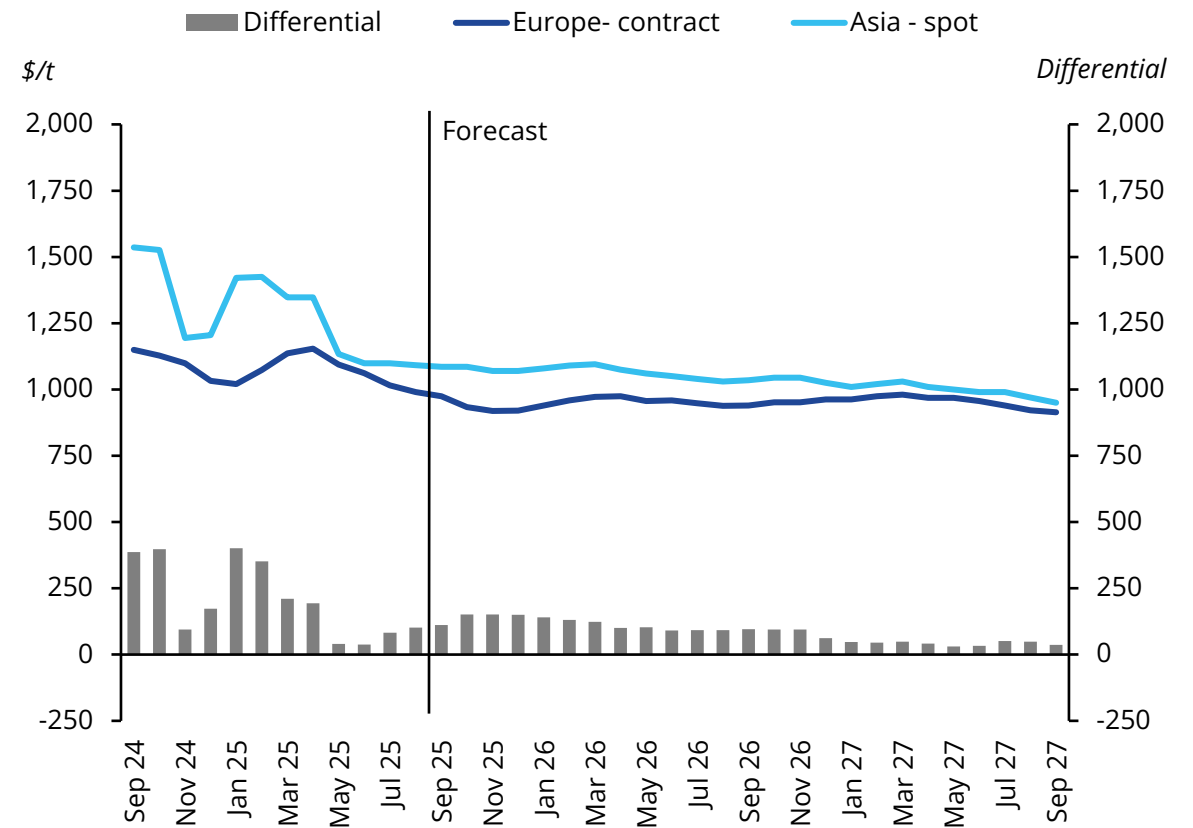
# BD pricing differentials

European prices could narrow the gap to the US while prices in Asia-Pacific may stabilize.

### US contract vs Europe contract price forecast



### Asia spot vs Europe price contract forecast

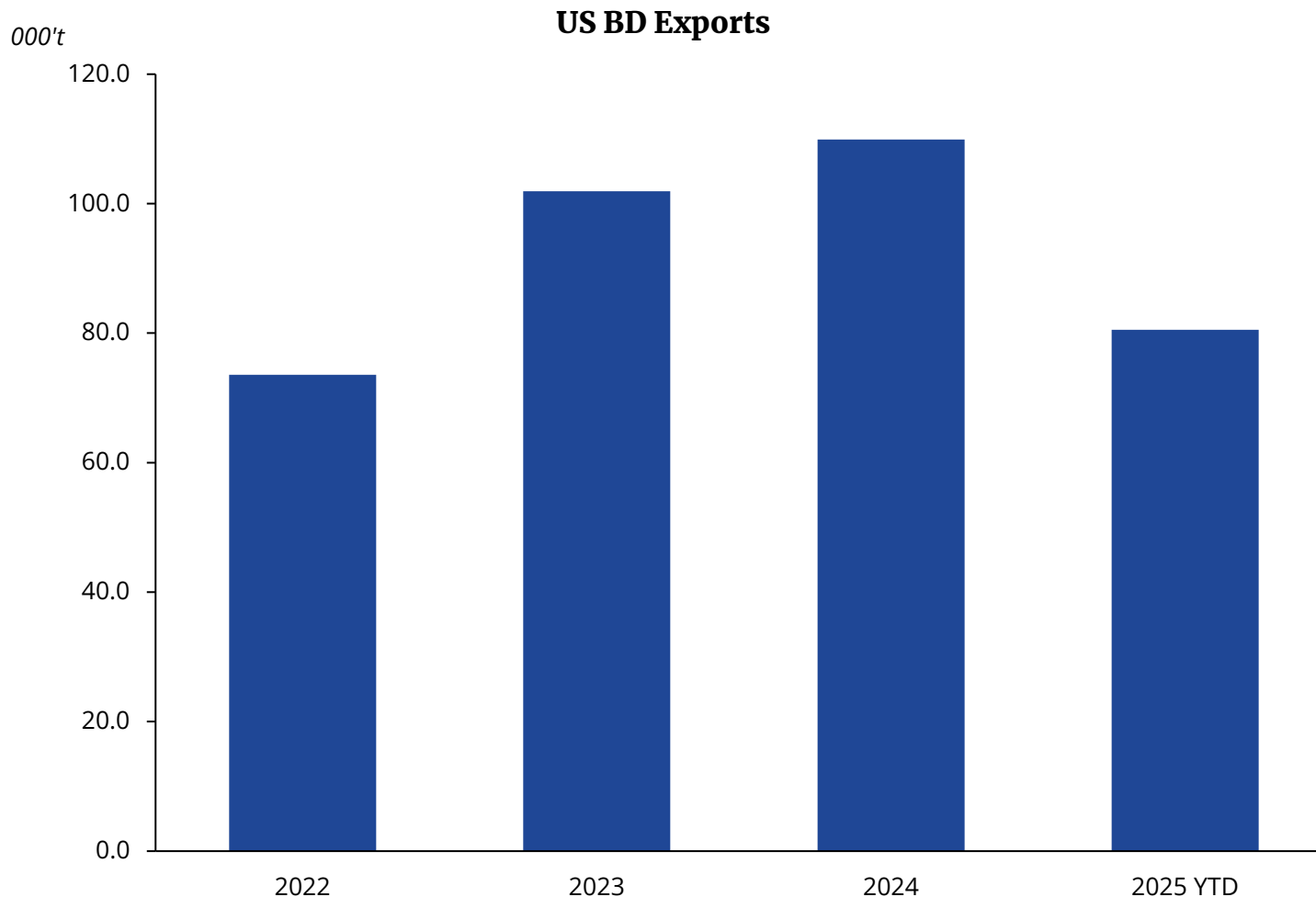


## **| Contents**

- 1. Executive summary**
- 2. Energy and feedstocks**
- 3. Americas**
- 4. Europe**
- 5. Asia-Pacific**
- 6. Contact us**

# Americas: Supply

An outage sparks a temporary buildup in crude C4 supplies but a restart and exports work down stocks.

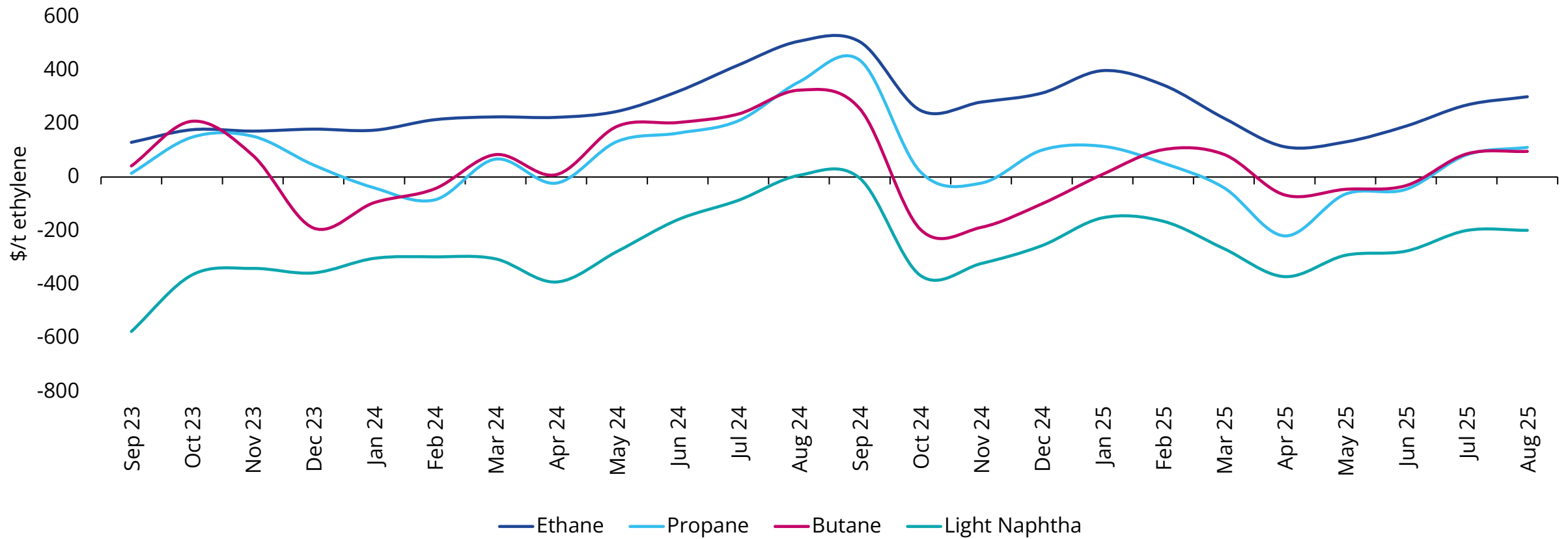


- US feedstock crude C4 supply began to build up in late July and into August.
- Then at the start of September, one Texas butadiene producer declared *force majeure* at the start of September. Initially an allocation was anticipated but those fears disappeared with the unit's restart.
- The same Texas producer delayed planned maintenance from September to October.
- One crude C4 cargo will load in September for export to Europe. In addition, about 20,000t of butadiene are also scheduled for export this month. Additional exports of BD and possibly crude C4 from the US are anticipated for the balance of the year and beyond.
- By early 2027, additional crude C4 supply will come onstream with the startup of a new Texas cracker.

# Americas: Cracker margins

Ethane cracker margins remain strong.

## US steam cracker cash margins



## Americas: Demand

Short covering and exports help to maintain a balance.



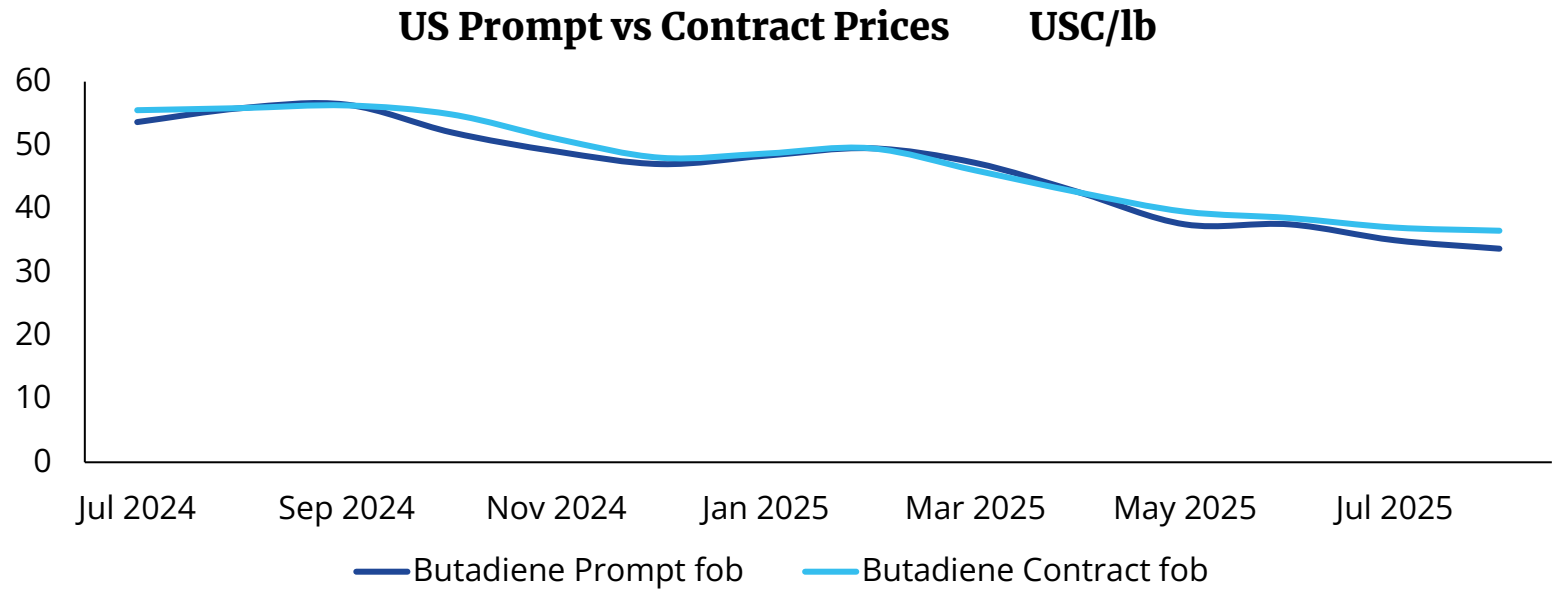
- Consumers in early September bought spot tons in case the Texas BD *force majeure* resulted in extended shortfalls. Price discussions were a touch higher from previous weeks but mostly at a discount to the contract price (CP).
- This event – coupled with the export volumes – has kept the prompt market balanced.
- Outside of the short-covering, there has been very little domestic demand outside of term volumes. In addition, there is inventory management as well as at least one derivative turnaround. This is the reason we anticipate additional exports.

# Americas: Pricing

The US could export more regularly on limited demand growth and new cracker capacity.

- US butadiene prices have held an advantage against Europe since March. While this trend could tighten on a recent *force majeure* in Texas, we are still anticipating that the US will maintain a discount throughout the forecast period.
- Despite this discount, there has been little upside to derivative growth in the region. When a new Texas cracker commences operations, we could see an uptick in exports, cocracking or hydrogenation.
- The challenge for exports is Chinese tariffs, which so far has limited US shipments to South Korea and Taiwan. Europe and Brazil do not have the same obstacle.

	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Butadiene - contract ¢/lb (estimated avg net transaction)	36.5		36.0	36.0	37.0	38.0	39.0
Butadiene - contract \$/t	805		794	794	816	838	860



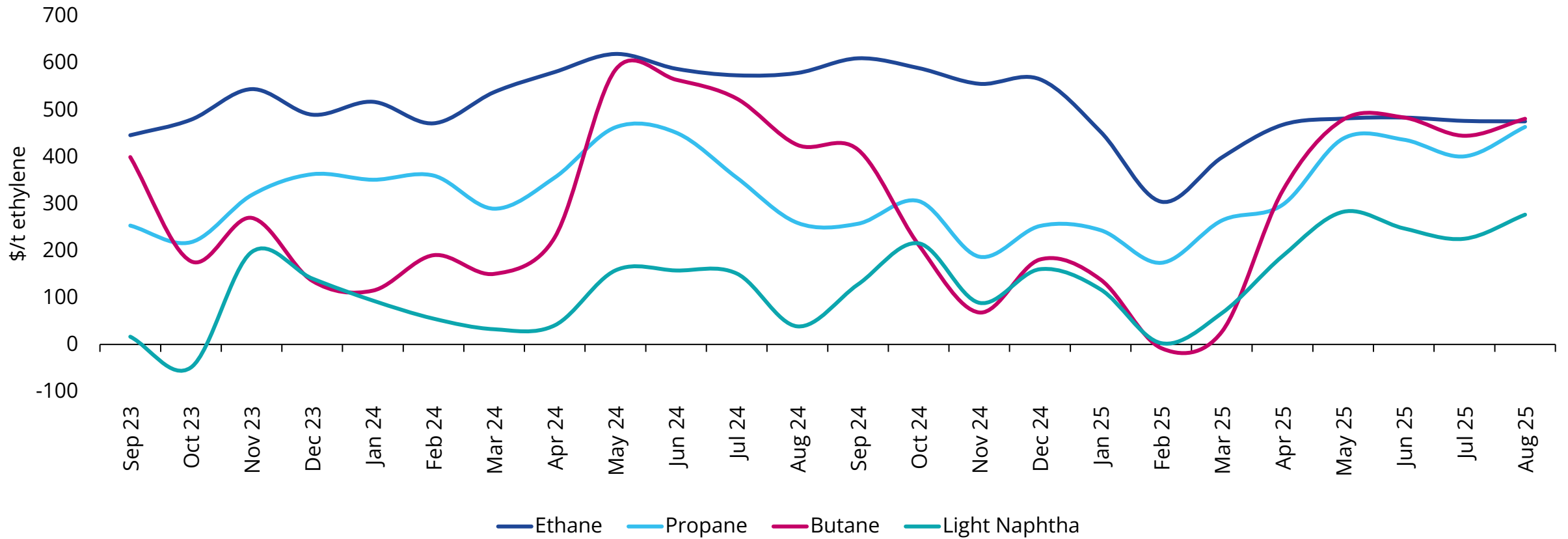
## **| Contents**

- 1. Executive summary**
- 2. Energy and feedstocks**
- 3. Americas**
- 4. Europe**
- 5. Asia-Pacific**
- 6. Contact us**

# Europe: Supply

Butane and propane margins close in the gap to ethane margins.

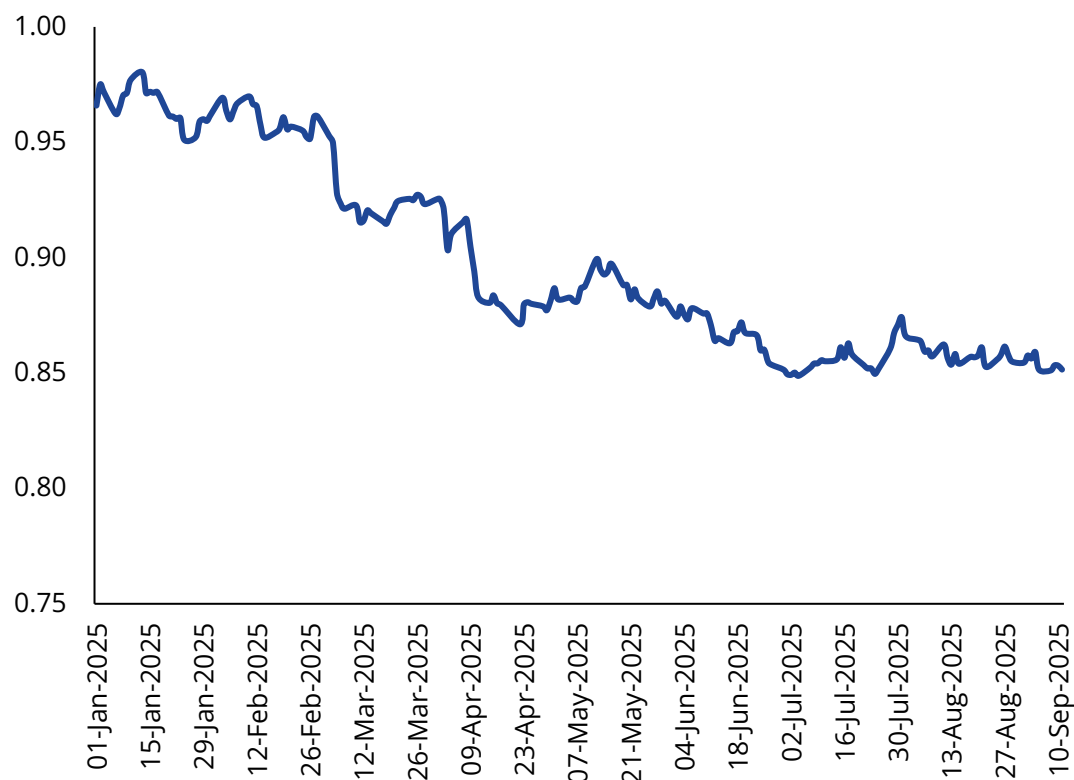
### Western Europe Steam Cracker Cash Margins



# Europe: Supply

Prompt crude C4 improves on BD maintenance plus lower derivative demand.

Exchange rate EUR/USD day ahead, London close

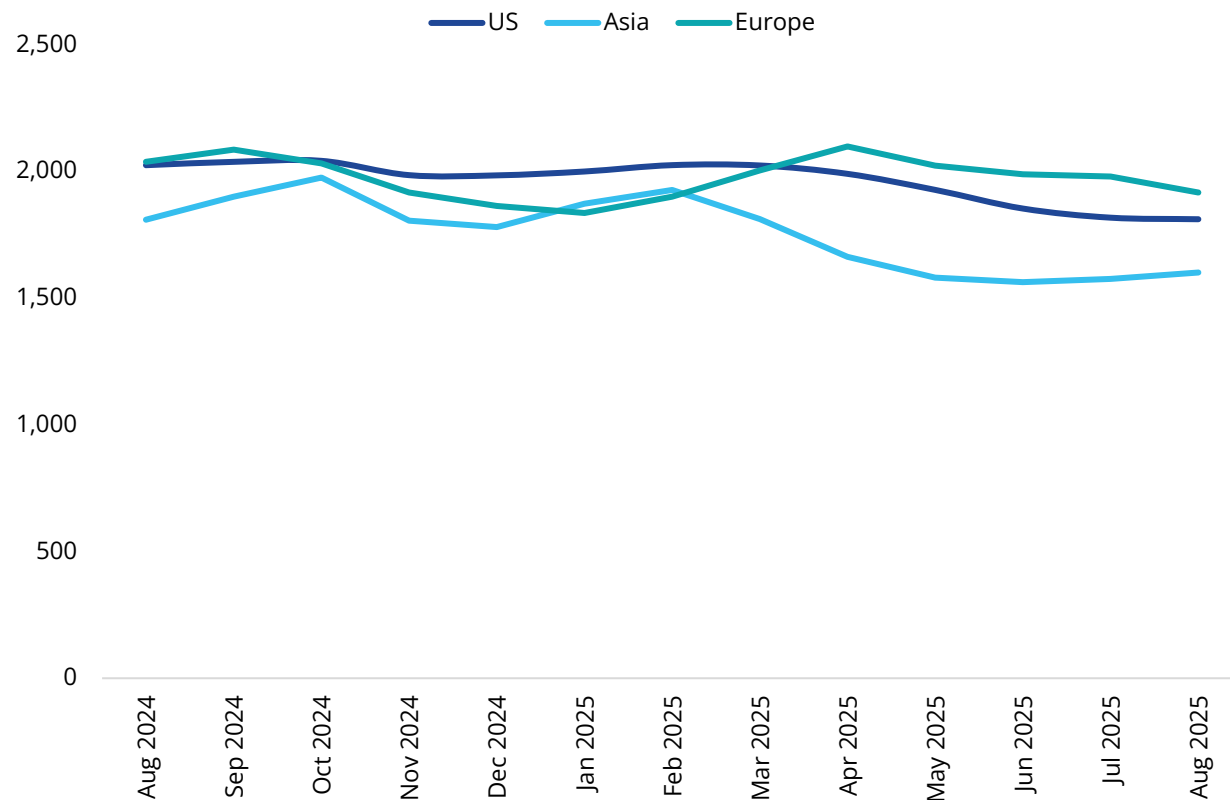


- More than 9,000t of domestic feedstock crude C4 of transactions were reported over a three-week period. Price levels ranged from 1.06 to 1.15 x naphtha. The recent flurry of activity was preceded by a more than six-week trading lull starting from 10 July to 26 August. Most of the trades were attributed to as many as four ongoing butadiene turnarounds, but some volume was on weak domestic demand.
- In addition, a rare import of US origin crude C4, around 6,000mt, is scheduled to load in September, because of a production constraints fueled by a Texas BD producer's *force majeure*.
- A BD export for about 13,000t is expected to lift in September. In October, at least one similar sized parcel is anticipated, although trader price ideas have slumped to the low \$700's/t this week.
- A September-January BD turnaround in France has not resulted in market tightness to date.
- This week, the US dollar fell to a four year low versus the euro ahead of the rate cut by the Fed.

# Europe: Demand

MTBE helps to support the chain, but the trend is not sustainable.

Global SBR 1502 prices, \$/t



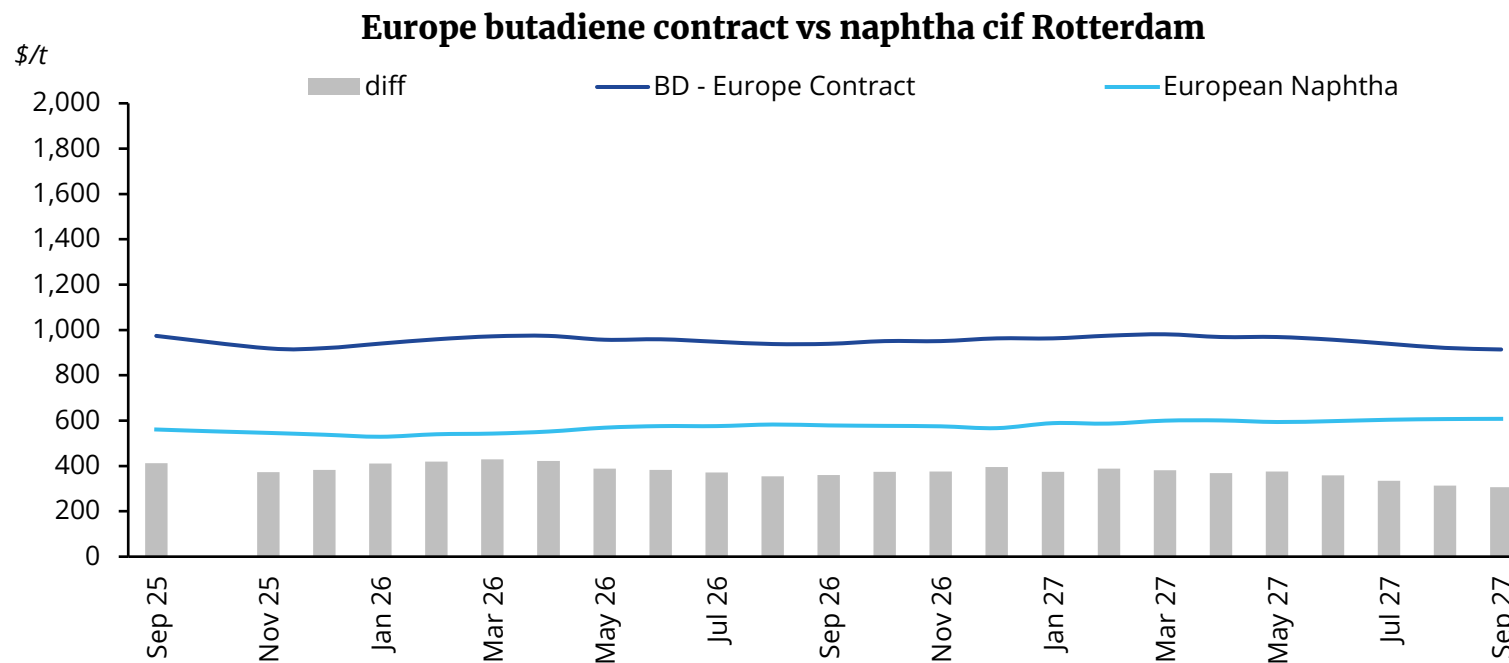
- Domestic demand has been slow, which contributed to extra feedstock crude C4 supply. September is typically a restocking month following summer production holidays taken by the automotive sector, but we believe orders have been slower compared to previous years.
- Adiponitrile demand in the coming weeks is expected to slow.
- Derivative turnarounds in September and October have also played a role.
- Fortunately MTBE demand has been healthy on planned turnarounds (Middle East and western Europe) and technical problems (Nigeria), even at the close of summer driving season. This is seen as a temporary development.

# Europe: Pricing

A lower BD to naphtha spread is projected across the forecast period.

- Negotiations for the November MCP will not start until 29 September, which is more than a week after the normal timeline. There could be fundamental changes, so please consider this risk.
- There is little excitement about BD margins given lackluster interest in spot from domestic players and with the export arbitrage so narrow.
- To ship volumes to northeast Asia, producers need to sell at an estimated 25pc discount to the September monthly contract price (MCP).
- While a pull from the MTBE has helped the chain, large quantities of imports from China to Europe could halt an extended rebound. This will not prevent the BD to naphtha spread from sliding to below \$400 for the balance of the year.
- In 2026, we are projecting a BD to naphtha spread at just under \$400/t. For 2027, we are estimating that the spread will average closer to \$360/t.

	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Butadiene - contract €/t	835		785	785	800	815	825
Butadiene - contract \$/t	974		919	920	940	959	972

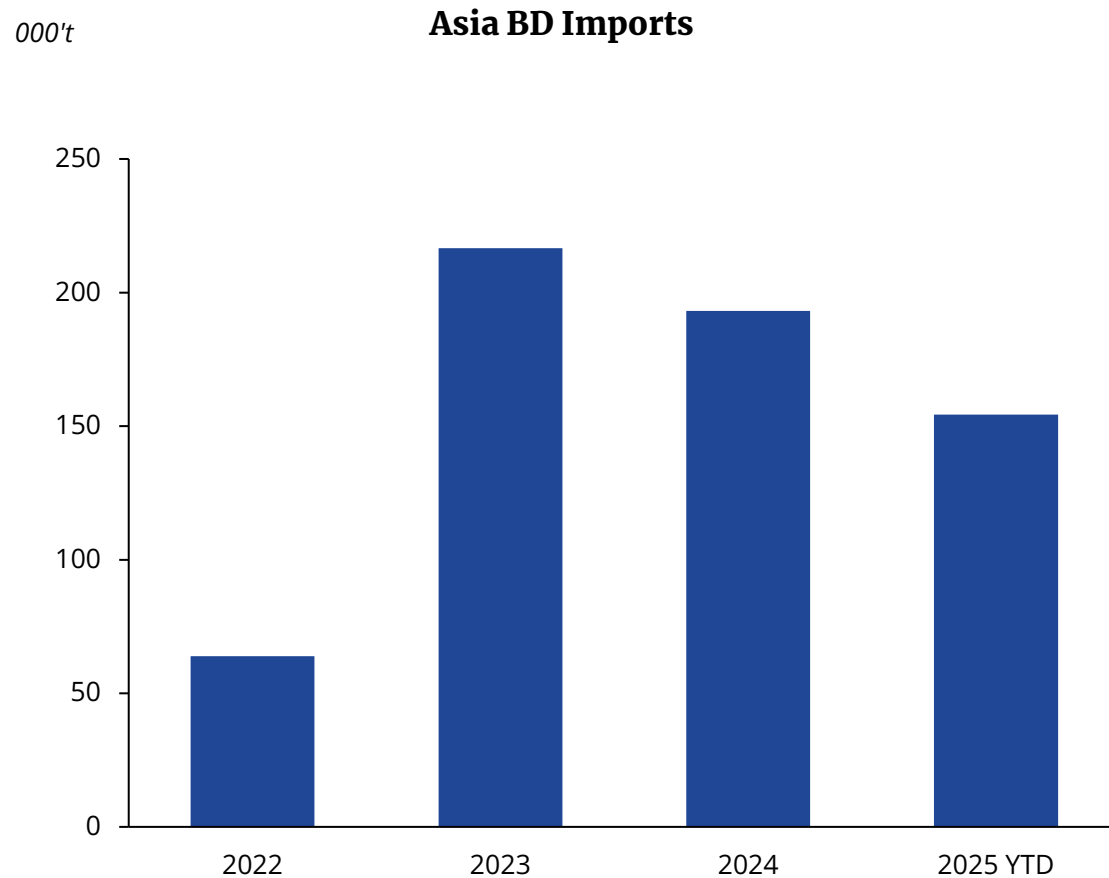


## **| Contents**

- 1. Executive summary**
- 2. Energy and feedstocks**
- 3. Americas**
- 4. Europe**
- 5. Asia-Pacific**
- 6. Contact us**

# Asia-Pacific: Supply

Bearish and bullish factors collide.

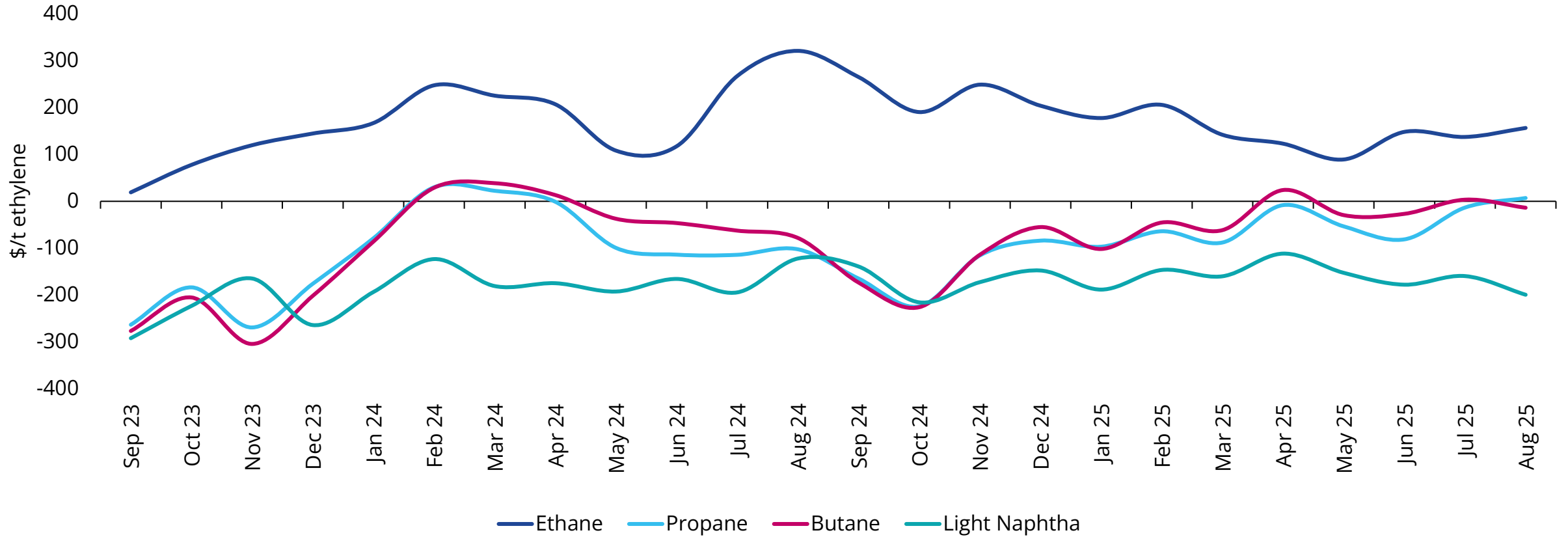


- The supply picture is mixed in Asia-Pacific. Deep-sea imports have blunted the pricing impact of the peak cracker turnaround season. There were two vessels in October, November, and another one in December already floated to the market.
- LPG cracking is on the horizon. Crackers are taking advantage of US LPG that cannot go China because of tariffs, inadvertently restricting BD supplies particularly in South Korea.
- Some tightness is expected in south and southeast Asia too. India's Opal lowered the operating rates of its cracker, owing to repair works on its polypropylene unit that could take another month or so. In southeast Asia, Aster, formerly Shell's asset, is expected to shut for a few months after issuing a *force majeure* recently. However Indonesia's Chandra Asri has postponed the turnaround of its naphtha cracker in Cilegon, northwest of Java, to January 2026 to offset the Aster outage.
- In response to the incidents, crackers in southeast Asia have raised operating rates to fill the gap.

# Asia-Pacific: Supply

Propane feedstock prices see some improvement in August.

### Northeast Asia steam cracker cash margins



# Asia-Pacific: China automobile

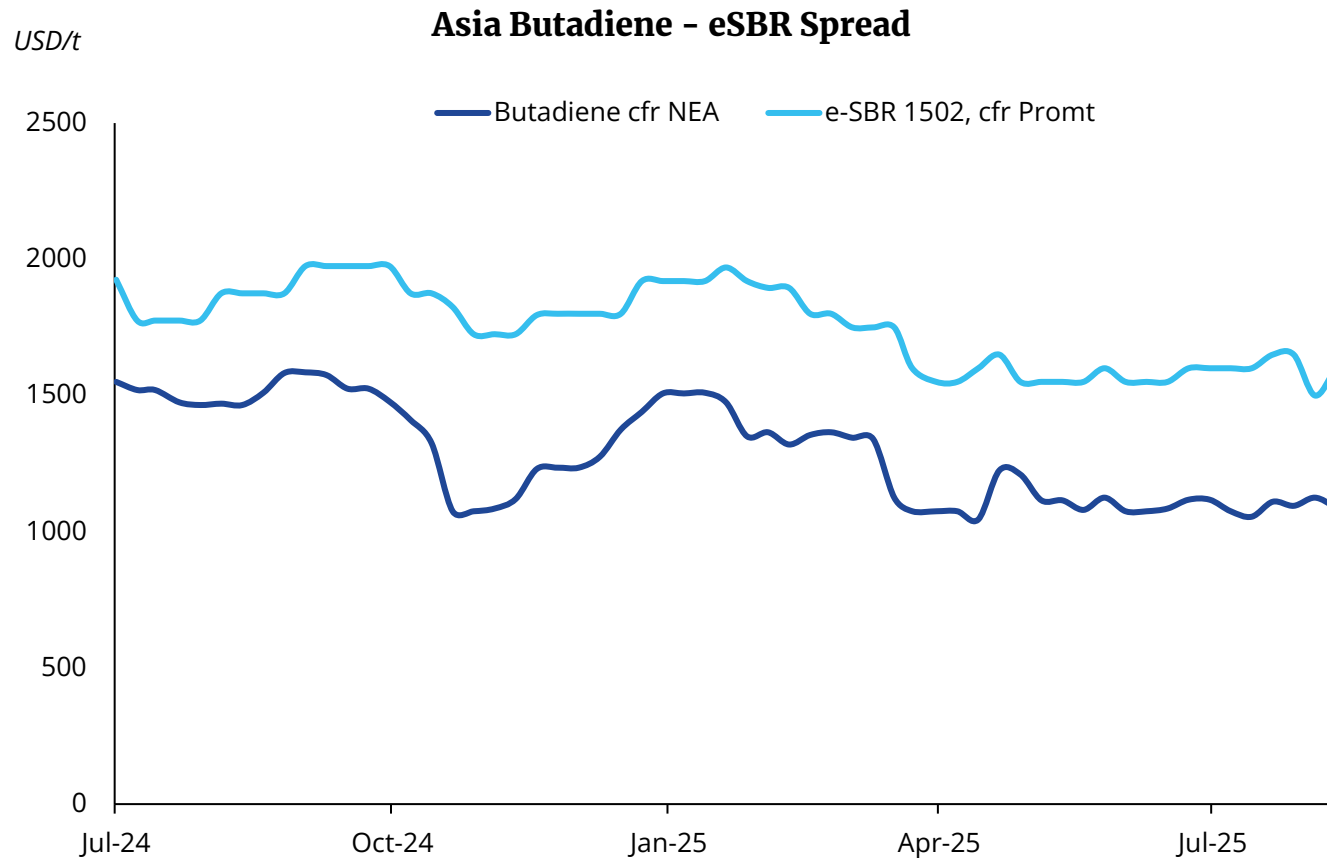
Auto sector accelerates in August, boosting both NEV growth and exports.

- China's August auto sales rose by 10pc from July to 2.86mn units and production was up by 8.7pc on the month to 2.82mn units, according to Chinese automobile manufacturers association (CAAM). But as compared to the year earlier, August sales rose by 16pc, whereas production was up by 13pc.
- January-August vehicle sales and production both rose by 13pc on the year to 21.13mn units and 21.05mn units, respectively.
- Chinese government also rolled out fiscal subsidies for interest of personal consumption loans in August in addition to continuing its auto trade-in policy.
- Passenger car sales in August rose by 11pc on the month to 2.54mn units and production was down by 9pc from July to 2.5mn units. But car sales in August rose by 17pc year-on-year, while production increased by 13pc.
- China's new energy vehicle (NEV) sales reached 1.40mn units in August, with production at 1.39mn units—both rising 27pc year-on-year. For January to August, sales and output rose by 37pc to 9.62mn and 9.63mn units, respectively.
- China's auto export volume in August was up by 6.2pc from July to 611,000 units, up by 20pc from a year earlier, CAAM said. January-August exports of vehicles rose by 14pc from the same period last year to 4.29mn units.

	Aug	Jul	±% Aug/Jul	±% Aug 25/24
Total vehicle sales	2,857	2,593	10.1	16.4
Total vehicle production	2,815	2,591	8.7	13.0
Passenger car sales	2,540	2,287	11.1	16.5
Passenger car production	2,500	2,293	9.0	12.5

# Asia-Pacific: Demand

Rubber margins are good although destocking persists.

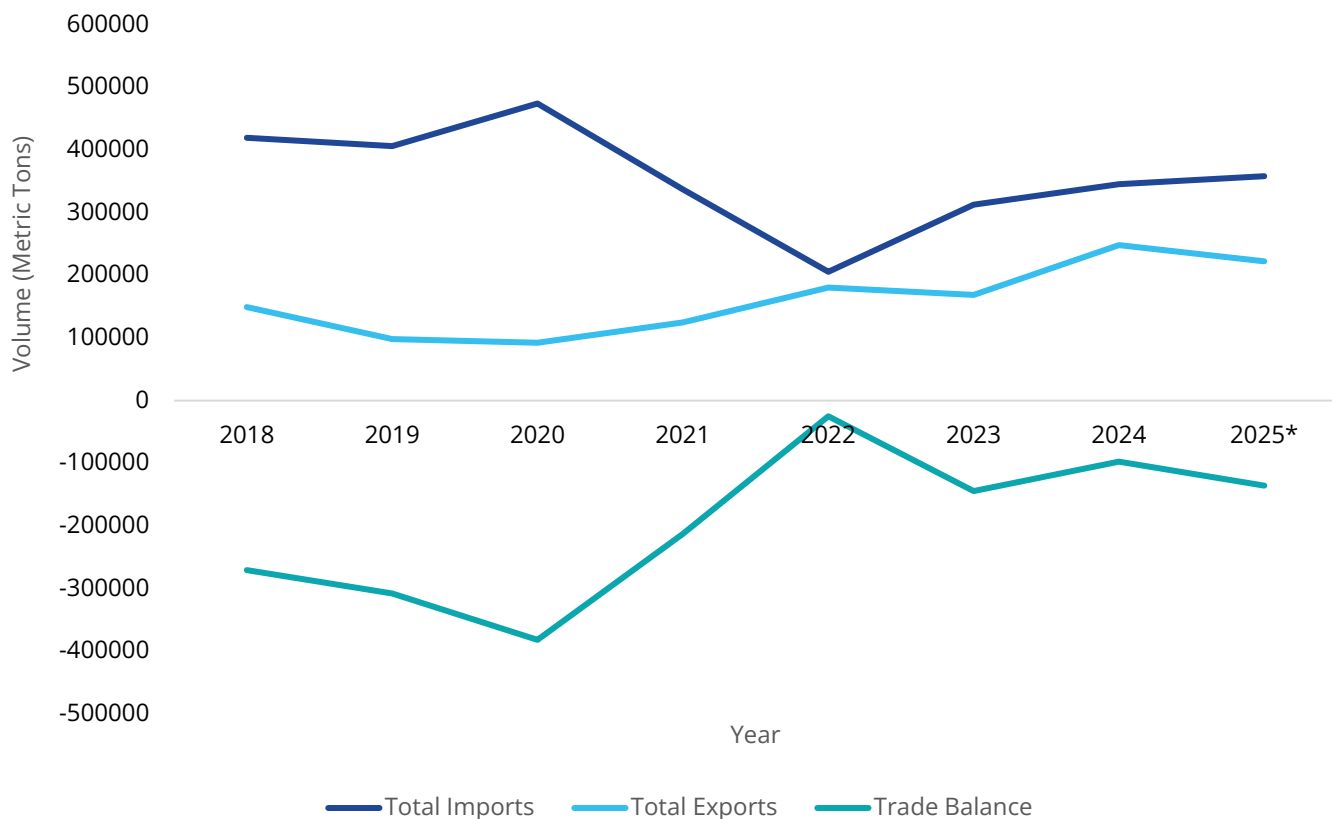


- Tariff uncertainties remained a lingering issue for demand. There is no end in sight for the tariff negotiations between China and the US.
- Rubber margins remained healthy. Destocking of natural and synthetic rubber exchange inventories is still underway.
- Looser monetary policy seems to be coming to the horizon. The Federal Reserve is poised to raise interest rates twice this year. This could cheapen financing costs for home and car ownerships, and potentially spur consumption.
- Indonesia has launched a stimulus measure that sees \$12b of cash injected to the banking system and a \$1b directly to households.

# Asia-Pacific: South Korea's petrochemical sector will restructure

The country has been a net importer of BD prior to its plans to slash naphtha cracker capacity.

South Korea Butadiene Trade Performance (2018-2025\*)



- South Korea's 10 producers operating naphtha cracking centers (NCC) in August 2025 agreed to cut capacity and will develop a business restructuring plan by the end of the year, the country's trade and industry ministry (Motie) confirmed.
- Naphtha cracker production margins have been negative since late 2021, following rapid expansions in China and a global economic slowdown. Prior to the startup of new capacities, China bought most of South Korea's export volumes.
- Butadiene (BD) production and capacity data from the Korea Petrochemical Association (KCIA) imply operating rates between 50-55pc.
- According to Global Trade Tracker data, the country has been a net importer between 2018 to 2025 year-to-date through July.
- Additional analysis will be available in the December *Butadiene Analytics* update.

Note: 2025 data is annualized from January to July.

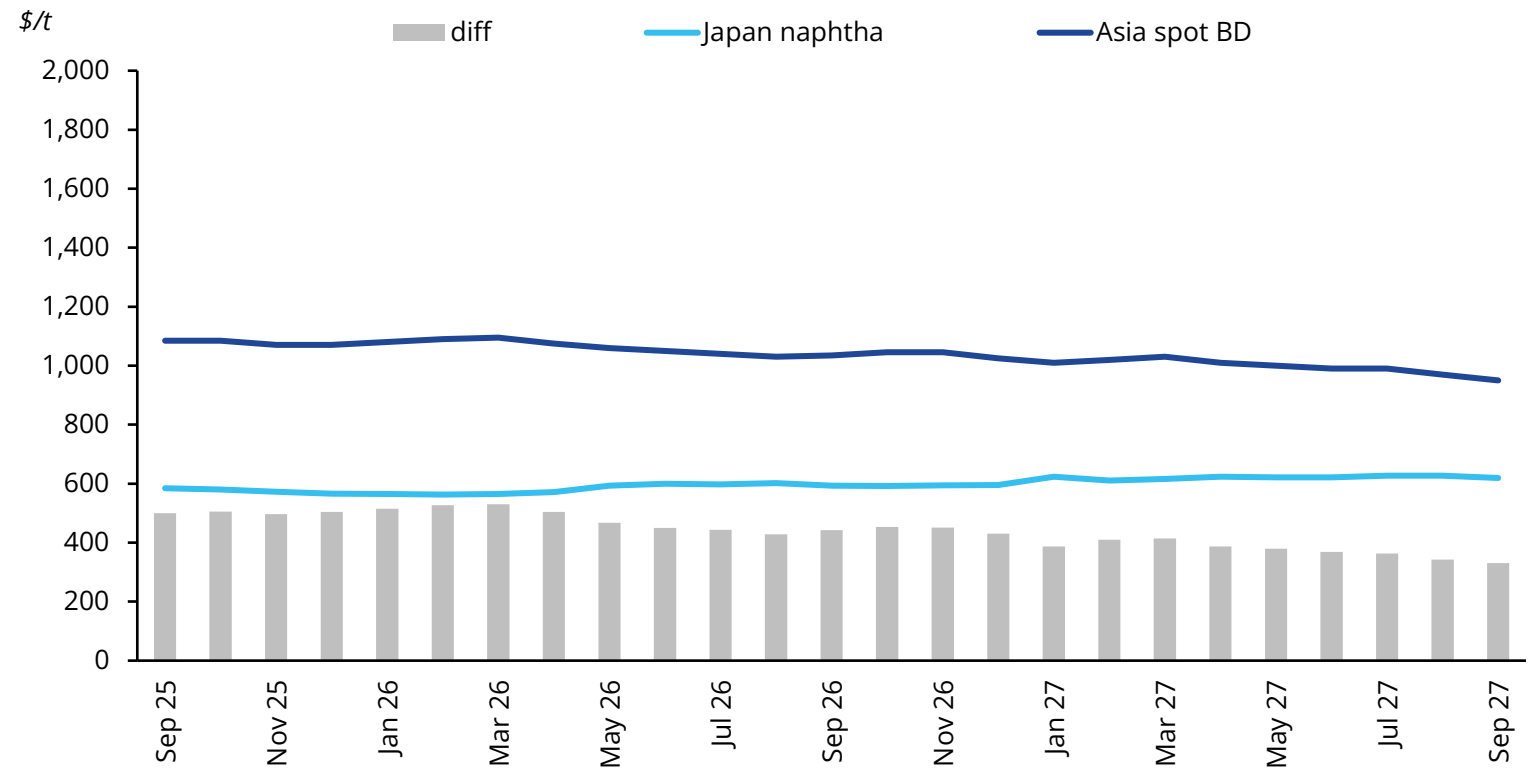
# Asia-Pacific: Pricing

Import cargoes will subdue prices.

- Deep-sea cargoes are subduing BD-naphtha spread. Expectations emerged for some support, with LPG cracking season on the horizon.
- There could be a bump in pricing in October before the start of the Golden Week in China. That is when market participants typically rush for purchases before going for a holiday.
- The BD to naphtha spread will average just around \$470/t in 2026. The delta will fall to about \$380/t in 2027.

	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Butadiene - spot \$/t	1,085	1,085	1,070	1,070	1,080	1,090	1,095

Asia spot butadiene vs naphtha cfr Japan



## | Contents

- 1. Executive summary**
- 2. Energy and feedstocks**
- 3. Americas**
- 4. Europe**
- 5. Asia-Pacific**
- 6. Contact us**

## Contact us



**Angie Joe**  
**Vice President, Global Butadiene and Derivatives**

Angie leads the crude C4, butadiene and derivatives consulting practice at Argus. She spearheads the creation and production of the butadiene newsletter, monthly outlook and long-term supply and demand analytics publications. Angie has more than 15 years' experience in the petrochemical industry, including roles as an analyst and broker, and in business development and communications. She also has expertise in styrenics, aromatics, olefins and methanol. Angie enjoys tapping her experience along the entire petrochemical value chain to piece together market information in a global context.



**Brian Leonal**  
**Editor, Chemicals Asia**

Brian Leonal is the Asia Pacific editor of Argus' petrochemicals desk. He has nine years of experience in the hydrocarbon industry. Before joining Argus for the second time, he was a corporate banker in DBS Bank covering oil and gas as well as petrochemical markets. He has been involved in a diversity of transactions, including asset-backed, project, trade, and M&A financing, as well as clean corporate loans. He started his career in Argus in 2015 as part of the petrochemical team, with exposures to olefins, aromatics, and polymers.

# Access Butadiene Outlook content in an interactive format on Argus Direct

## Butadiene forecast services

This workspace includes data and analysis from our monthly [Argus Butadiene Outlook](#).

For our long term viewpoints, including a 10-year supply and demand forecast, read [Argus Butadiene Analytics](#).

You can learn about all our butadiene services [here](#).

To see the Chemicals forecast service publishing schedule, click [here](#).

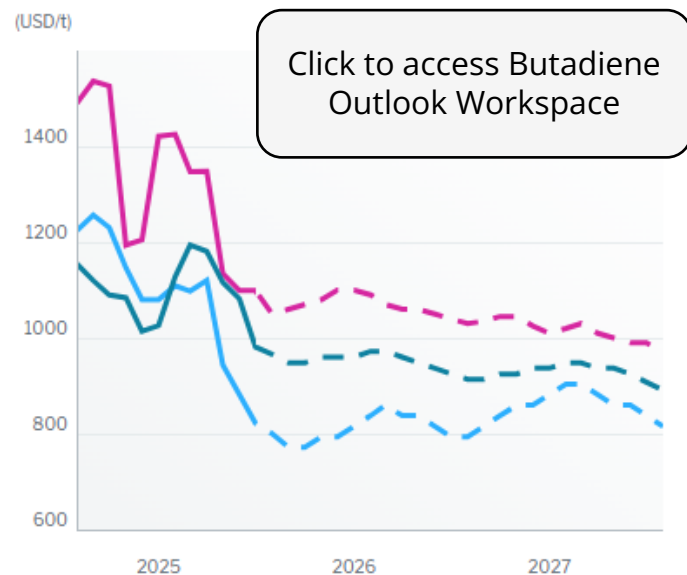
## Butadiene experts



**Angie Joe** leads the crude C4, butadiene and derivatives consulting practice at Argus. She spearheads the creation and production of the butadiene newsletter, monthly outlook and long-term supply and demand analytics publications.

## Global butadiene forecasts

1M 2M 3M 6M **1Y** 5Y Custom



■ NEA cfr  
■ US contract fob  
■ NWE contract del

## Global butadiene analysis

Analysis C4S Global

- 17 Jul 25 [Butadiene Analytics July 2025 : Northeast Asia](#)
- 17 Jul 25 [Butadiene Analytics July 2025 : Western Europe](#)
- 17 Jul 25 [Butadiene Analytics July 2025: North America](#)
- 17 Jul 25 [Butadiene Analytics July 2025: Executive Summary](#)

## More insights

- [Fluctuating market conditions force global rubber producers to adapt \(Nov 2024\)](#)

## Download forecast data

Butadiene outlook

- 18 Aug 25 [Butadiene 24 Month Price Outlook - August 2025](#)
- 17 Jul 25 [Butadiene 24 Month Price Outlook - July 2025](#)

## 5-year price forecast (Mar 25)





# Argus Butadiene Analytics

10-year forecast and five-year history covering supply-demand fundamentals, capacities and detailed expert insight for butadiene markets.

**Find out more**



#### Registered office

Lacon House, 84 Theobald's Road, London, WC1X 8NL  
Tel: +44 20 7780 4200  
Email: [Sales@argusmedia.com](mailto:Sales@argusmedia.com)

**ISSN: 2399-939X**

#### Copyright notice

Copyright © 2025 Argus Media group  
All rights reserved

All intellectual property rights in this publication and the information pub herein are the exclusive property of Argus and/or its licensors (including exchanges) and may only be used under license from Argus. Without limited the foregoing, by accessing this publication you agree that you will not copy or reproduce or use any part of its contents (including, but not limited to, single prices or any other individual items of data) in any form or for any purpose whatsoever except under valid licence from Argus. Further, your access to and use of data from exchanges may be subject to additional fees and/or execution of a separate agreement, whether directly with the exchanges or through Argus.

#### Trademark notice

ARGUS, the ARGUS logo, ARGUS MEDIA, ARGUS Butadiene Outlook, other ARGUS publication titles and ARGUS index names are trademarks of Argus Media Limited. Visit [www.argusmedia.com/Ft/trademarks](http://www.argusmedia.com/Ft/trademarks) for more information.

#### Disclaimer

The data and other information published herein (the "Data") are provided on an "as is" basis. Argus and its licensors (including exchanges) make no warranties, express or implied, as to the accuracy, adequacy, timeliness, or completeness of the Data or fitness for any particular purpose. Argus and its licensors (including exchanges) shall not be liable for any loss, claims or damage arising from any party's reliance on the Data and disclaim any and all liability related to or arising out of use of the Data to the full extent permissible by law.

All personal contact information is held and used in accordance with Argus Media's Privacy Policy  
<https://www.argusmedia.com/en/privacy-policy>

#### Publisher

Adrian Binks

#### Global compliance officer

Vladas Stankevicius

#### Chief commercial manager

Martin Gijssel

#### President, Expansion sectors

Christopher Flook

#### SVP Chemicals

Chuck Venezia

#### Customer support and sales

Technical queries  
[technicalsupport@argusmedia.com](mailto:technicalsupport@argusmedia.com)  
All other queries  
[support@argusmedia.com](mailto:support@argusmedia.com)

**London, UK** Tel: +44 20 7780 4200

**Houston, US** Tel: +1 713 968 0000

**Singapore** Tel: +65 6496 9966