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Argus Butadiene

Formerly Argus DeWitt Butadiene

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HIGHLIGHTS

- US crude C4 supply has further strained because of high water levels in the Houston Ship Channel.
- BD capacity at Brazil's Triunfo petrochemical complex shut down after recent flooding, impacting other derivatives production.
- BD prices in Asia-Pacific inch down.
- European BD spot demand holds firm as supply constraints linger and import demand lingers.

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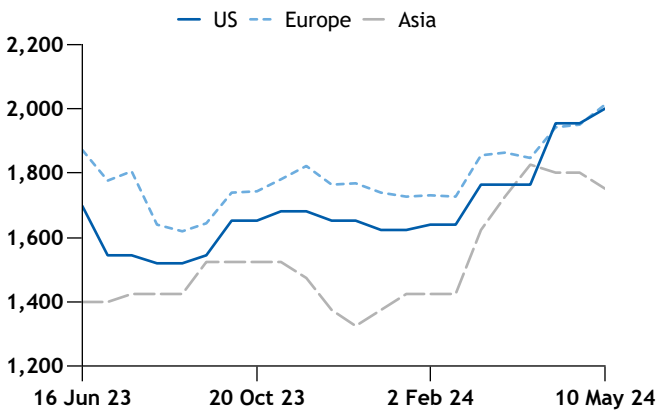
MARKET SNAPSHOT

Key prices	Timing	Price	±
Americas			
Butadiene contract fob ¢/lb		53.00-53.00	0.00
Butadiene prevailing contract fob ¢/lb	May	53.00	0.00
Europe			
Butadiene contract delivered €/t	May	985.00	0.00
Asia-Pacific			
Butadiene spot cfr NE Asia $/t		1,350.00-1,380.00	-75.00

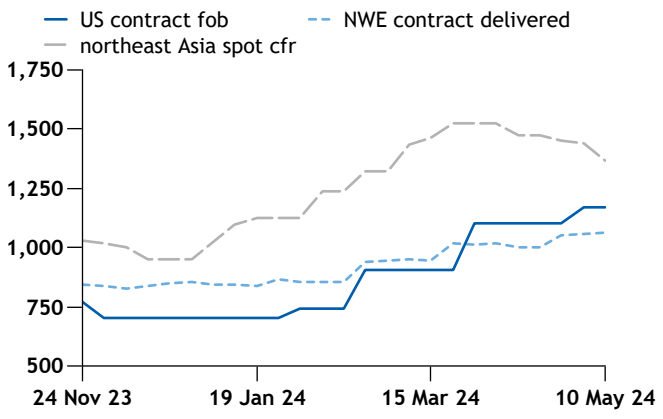
Global SBR	Timing	Price	$/t ±
US eSBR 1502	May	1,935-2,067	+44
Europe eSBR 1502	May	1,994-2,037	+65
Asia eSBR 1502		1,700-1,800	-50

Associated markets	Timing	Price	$/t ±
TSR20 SGX fob	Jun	1,623.00-1,635.00	+42.50
Naphtha 65 para NWE cif		666.50	-39.00
Naphtha Japan c+f		675.38	-39.50

Global SBR $/t



Butadiene: Americas, Europe and Asia $/t



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ENERGY AND FEEDSTOCKS

WTI crude futures rose by less than 1pc as traders weighed lower crude imports by China against an inventory draw-down the session before. June Nymex WTI rose by 27¢/bl to $79.26/bl while July Ice Brent rose by 30¢/bl to $83.88/bl. The July Brent-July WTI spread widened by 6¢/bl to $5.08/bl.

China cut crude imports by 7pc on the month in April, in response to lower margins and weaker demand from downstream sectors. China imported 10.88mn b/d crude in April, down from 11.66mn b/d in March, but 5pc higher than year-earlier levels, the latest customs data show.

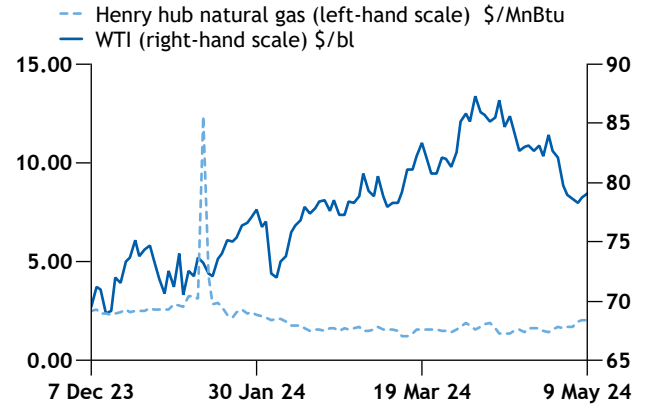
In the US, crude inventories fell by 1.4mn bl last week on rising exports and downstream demand, the EIA reported on 8 May. This was only the sixth weekly fall of 2024 so far.

US natural gas futures rallied on a government report showing a smaller-than-average build in gas inventories, a sign that lower production was cutting into high stockpiles. Nymex

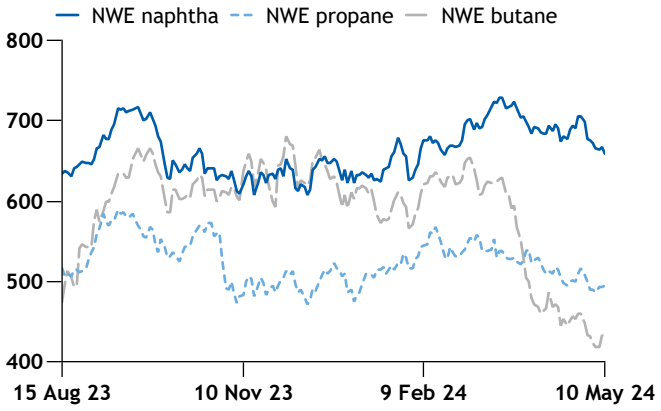
Market prices

	Timing	Price	±
Americas, 9 May			
Natural gas Houston Ship Channel All Index $/mmBtu		1.35	+0.02
Ethane Mont Belvieu spot fob ¢/USG		19.00	+1.12
Propane Mont Belvieu spot fob ¢/USG		67.88	-3.00
Butane Mont Belvieu spot fob ¢/USG		81.4	-1.81
Naphtha 40 N+A USGC delivered ¢/USG		184.18	-3.47
Gasoline 87 conv USGC ¢/USG		243.93	-3.47
Gasoline 93 conv USGC ¢/USG		276.43	-3.47
Nymex WTI $/bl		79.26	+0.31
WTI $/bl		79.26	+0.31
Europe, 9 May			
Propane cif ARA large cargo $/t		493.50	-16.75
Butane ARA/UK large cargo $/t		454.25	-26.25
Naphtha 65 para NWE cif $/t		666.50	-39.00
Ice Brent $/bl		83.89	-5.42
Asia-Pacific, 9 May			
Naphtha Japan c+f $/t		675.38	-39.50
Butane Argus Far East Index™ $/t		584.75	-37.50
Propane Argus Far East Index™ $/t		604.75	-9.00

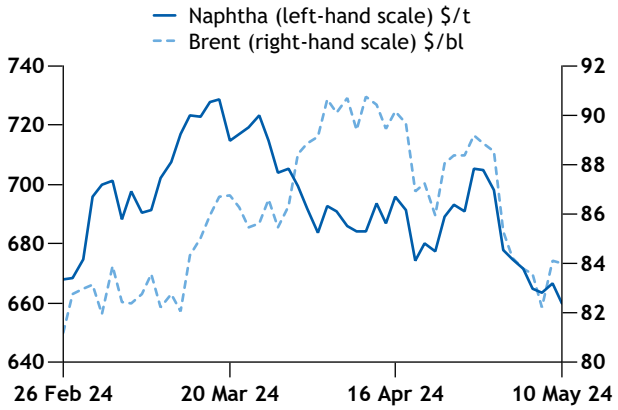
Henry Hub natural gas vs WTI



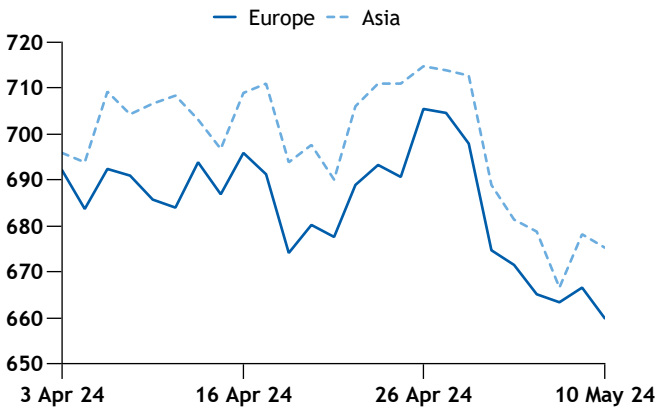
European cracker feedstock prices *$/t*



Naphtha vs Ice Brent *$/t*



Europe and Asia naphtha *$/t*



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ENERGY AND FEEDSTOCKS

gas for June delivery at the Henry Hub rose by 11.4¢/mmBtu, or 5.2pc, to settle at $2.301/mmBtu.

The weather outlook showed a slight loss in expected US cooling demand on lower temperatures near the end of the upcoming two-week period, according to Commodity Weather Group.

The forecaster was predicting above-normal temperatures in the Pacific northwest through 13 May, while temperatures in parts of the northeast were expected to be below seasonal norms. Above-normal temperatures were forecast for parts of the western, eastern and central US through 18 May. Warmer-than-normal weather will mostly be confined to the western US from 19-23 May the forecaster said.

AUTO UPDATE

Americas

Domestic light vehicle sales rose to a seasonally adjusted rate of 15.7mn in April, spurred higher by greater truck sales. Americans continue to spend in the face of persistent inflationary pressures that have kept borrowing costs high.

Sales of light trucks rose to a 12.7mn unit rate in April from a 12.5mn rate in March, while car sales were essentially flat at a 3mn unit rate sequentially. Domestic auto production increased to a seasonally adjusted rate of 150,000 in March from 141,600 in February.

The Illinois Department of Commerce provided electric vehicle (EV) maker Rivian with an $827mn incentive package to support the Normal, Illinois, EV plant. The company is maintaining production at 57,000 vehicles in 2024 to focus on reducing losses on each vehicle. The EV maker is also laying off 10pc of its staff as part of its cost savings plan.

Global auto manufacturer Stellantis will invest $270mn in Argentina to produce its first SUV model in the South American nation. The company said it plans to produce a new Peugeot 2008 model in the Palomar complex located in the Buenos Aires province.

The investment complements the $320mn already invested by the company at the Palomar facility and adds to the $400mn investment recently announced, to take effect between 2025 and 2030. Stellantis also announced early in March it would invest $6bn in Brazil through 2030 to expand its low-emission vehicles plan.

Europe

High production costs and weak demand hit major EU automakers' results in the first quarter of 2024, but carmakers were upbeat on sales for the rest of the year due to new product launches.

In the first quarter, Germany's Volkswagen (VW) and Mercedes-Benz experienced lower sales, while French automobile producer Renault's sales increased compared with the first quarter of last year. Italian-American auto company Stellantis had stable sales but had a contraction in revenues because of the foreign exchange headwinds and firm net pricing.

French electric vehicle (EV) registrations rose on the year in April, although falling from a month earlier, environmental transition ministry data show.

French EV sales jumped by about 45pc on the year to 25,275 units last month, while falling by 27pc on the month. This brought their market share out of total vehicle sales to 17pc in April, down by 2 percentage points on the month.

Sales of plug-in hybrid vehicles fell marginally on the year to 10,829 units. Their share out of total registrations fell by 1.7 points to 7.3pc. In contrast, diesel vehicle registrations fell by 16.4pc from April last year to 11,470 units. And overall new vehicle registrations in France were up by 10.8pc on the year at 149,067.

The outlook for sales of battery electric vehicles (BEVs) in the UK has edged down on slender private demand in April, data from the Society of Motor Manufacturers and Traders (SMMT) show.

The SMMT's latest outlook forecasts that BEV sales will edge down by 5.2pc this year, despite overall car sales forecast to rise by 4.2pc, up 0.5 percentage points on January's outlook. BEV sales are set to take a 19.8pc market share this year, well below the government's target of 22pc and the SMMT's forecast of 23.3pc at this time last year.

Sales were driven mostly by fleet sales, as private BEV sales in April fell by 21.9pc on the year, representing fewer than one in six BEV sales, down from 18.2pc in January-February, prompting the SMMT to reduce its forecasts.

Asia-Pacific

The Chinese government has unveiled more supportive policies to accelerate development of its new energy vehicle (NEV)

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AUTO UPDATE

industry, including further opening this rapidly growing market to foreign companies.

"China will remove all restrictions on foreign investment in the manufacturing sector," said the country's top planning body NDRC. "We welcome foreign automobile companies to deeply integrate into the Chinese NEV market and industrial chain to share China's development achievements from NEV."

Japan's domestic automobile production fell in March because of limited operations at manufacturer Daihatsu, marking three consecutive months of year-on-year falls. Auto production is expected to recover in April and May, according to the country's ministry of trade and industry, following an earthquake that hit north central Japan's Ishikawa prefecture in January.

Japanese car manufacturer Daihatsu resumed operations at Kyushu and Osaka on 6 May and 7 May respectively, marking the full reopening of its domestic plants.

Daihatsu produces around 400,000 units/yr and 6,000 units/yr at Kyushu in south Japan and Osaka in west Japan respectively, according to a company representative that spoke to *Argus*. Combined production at these two plants accounts for around half of its total domestic output. It suspended all its operations in December 2023 after it was accused of tampering with safety test results.

The company's March output fell by 65.8pc from a year earlier to 30,453 units, although it recovered from 6,692 units and none in February and January respectively.

ECONOMIC UPDATE

Americas

The Federal Open Market Committee (FOMC) held the federal funds target rate unchanged at a 23-year high of 5.25-5.5pc, for the sixth consecutive meeting. This followed 11 rate increases from March 2022 through July 2023 that amounted to the most aggressive hiking campaign in four decades.

Inflation has ticked up lately after falling from four-decade highs in mid-2022. The consumer price index inched back up to an annual 3.5pc in March after reaching a recent low of 3pc in June 2023.

US added 175,000 jobs in April, the Labor Department reported, fewer than the 238,000 analysts anticipated. That compared with an upwardly revised 315,000 jobs in March and a downwardly revised 236,000 jobs in February.

The unemployment rate ticked up to 3.9pc from 3.8pc. The unemployment rate has ranged from 3.7-3.9pc since August 2023, near the five-decade low of 3.4pc.

Inflation in Mexico will take longer to cool, and GDP will grow more slowly than initially forecast for this year and next, the country's central bank said in its survey of expectations. The median forecasts for GDP growth in 2024 slipped from the 2.4pc forecast in last month's survey to 2.25pc in the latest survey, with the estimate for 2025 growth holding at 1.8pc.

Europe

The eurozone's manufacturing sector continued to contract in April, and the UK's sector showed renewed weakness after a recent recovery.

The Hamburg Commercial Bank (HCOB) eurozone manufacturing purchasing managers' index (PMI) reading, compiled by S&P Global, fell again in April, to 45.7 from 46.1 in March and a four-month low. The bank said there were some positive developments as factory production fell at the smallest rate in a year, and business confidence improved again.

The eurozone's April reading was the 22nd consecutive monthly contraction. Greece, Spain and the Netherlands all registered growth in the survey, but Germany and Austria remained the worst performers, although their declines softened.

The UK's manufacturing sector showed renewed signs of weakness in April, with its index reading falling to 49.1 in April from 50.3 in March, which was a 20-month high. Output, new orders, employment and stocks of purchases all contracted, and supplier delivery times rose largely because of the ongoing Houthi militant attacks in the Red Sea.

PMI index readings above 50 signal an improvement or increase on the previous month, while readings below 50 indicate a deterioration or decrease on the previous month.

German manufacturing production edged down on the month in March, following increases earlier in the year. German manufacturing output — adjusted for seasonal and working-day effects — fell by 0.4pc in March from February, according to data from German statistics office Destatis.

Despite this "weak order situation", continued improvement in the business climate index compiled by German research institute IFO indicates the potential for a further recovery in industrial production this year, the ministry said. BMWK also ex-

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ECONOMIC UPDATE

pects incoming orders to trend upwards over the course of this year, supported by a recovery in domestic and foreign demand.

Asia-Pacific

Chinese president Xi Jinping denied there was any alleged overcapacity problem in the country's new energy industry when he met his French counterpart Emmanuel Macron and EU Commission president Ursula von der Leyen in Paris this week.

"China's new energy industry has acquired 'real ability' in market competition, and it is representing advanced production capacity," Xi said. "It has not only enriched global supply and alleviated global inflationary pressure but made great contributions in addressing the global climate change and promoting green transformation."

The so-called overcapacity problem does not exist either from the perspective of comparative advantage or in light of global demand, Xi added, calling on China and Europe to address differences on trade through "dialogue and consultation" and accommodate each other's "legitimate concerns".

The IEA last month noted in its Global EV Outlook 2024 that China is leading the global battery output growth, but it comes at the cost of "high levels of overcapacity."

China's GDP growth was higher than expected in the first quarter at 5.3pc in inflation-adjusted terms, against the IMF's 4.6pc projection. Real growth exceeded nominal growth owing to producer price deflation, much of it fueled by excess manufacturing capacity and lower oil prices, consultancy Oxford Economics says.

The downturn in China's real-estate sector is offsetting Beijing's fiscal stimulus measures, the IMF says. "To shore up the sector, China needs more demand," consultancy MacroPolo says. "The broad economic slowdown has led to a more than three percentage point decline in Chinese households' nominal income growth."

AMERICAS

Markets

US butadiene (BD) supply constrains are set to deepen in May and likely linger into June. All four major producers are enforcing some form of sales control on term volumes. The region has been coping with heavy rains and supply constraints in the face of recent demand.

In the Houston and Port Neches, Texas, areas, heavy rainfall this past week impaired marine movements on the Houston ship channel. Crude C4 supply has been tight in the last few months, and the weather events only aggravated the problems. One Texas-based supplier this morning declared a force majeure and anticipates issuing allocations in both May and June.

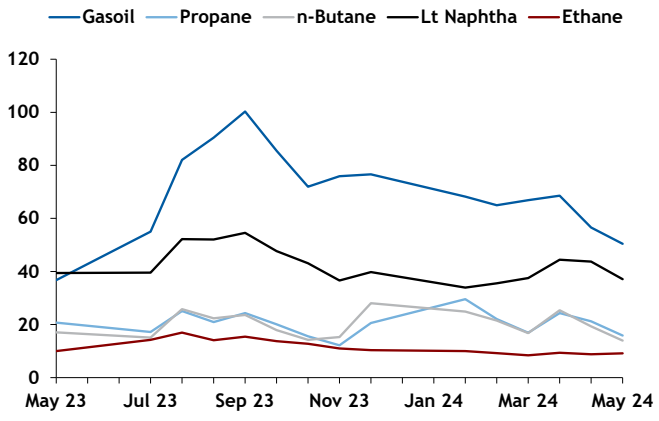
A second BD producer is in turnaround at its Texas plant, and their customers are on allocations for the month of May. For much of this year, a third producer, also in Texas, has implemented sales constraints for much of 2024 but is slowly improving each month.

A Louisiana BD producer has been on force majeure since at least early February.

In late May, the region is preparing for Canadian rail constraints. The Teamsters Canada Rail Conference could go on strike as soon as 22 May. This labor action could be far more impactful than recent strikes, since the two major Canadian railroads have not previously gone on strike simultaneously. In

Americas prices			¢/lb
	Timing	Price	±
Butadiene US contract fob		53.00-53.00	0.00
Butadiene US prevailing contract fob	May	53.00	0.00
Butadiene US spot fob		53.00-65.00	0.00
Butene-1 US domestic fob	Apr	77.00-82.00	+1.00
Isobutylene 99% pure US fob	Apr	63.00-68.00	-1.00
Raffinate-1 (45% iC4=) US formula		51.00-51.70	-7.70
Crude C4 spot USGC cif		979.00-1,070.00	-26.00

US ethylene vs cash costs ¢/lb



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AMERICAS

such a case, a joint strike will cause disruption to shipments across North America, potentially affecting trade flows crude C4, BD, polymers and styrene.

Finally, southern Brazil has been confronting bad weather. Braskem shut down operations at the Triunfo complex after heavy rainfall triggered flooding in Brazil's southern state of Rio Grande do Sul. The company operates eight industrial units that make 5mn metric tonnes (t)/yr of basic petrochemicals, polyethylene and polypropylene. No permanent damage has been done to the facilities, according to Braskem. The site includes a 209,000 t/yr BD unit.

A BD import from Europe is expected to offload in the US and Mexico sometime in June, carrying at least 10,000t. This volume will help, but the volume was fixed prior to the heavy rains in the Houston Ship Channel and Triunfo.

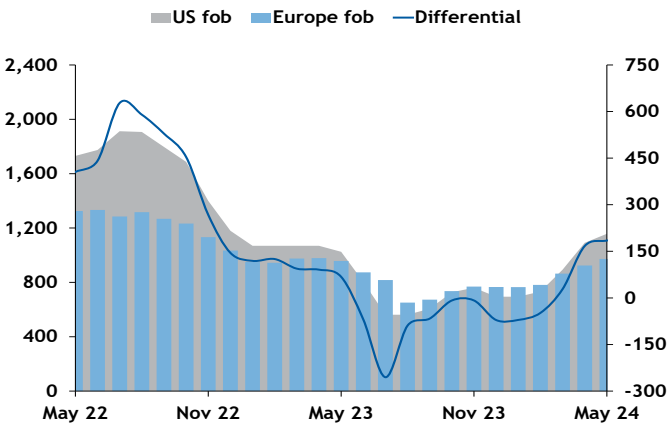
The May *Argus* prevailing BD CP settled at 53¢/lb ($1,168/t), rising by 3¢/lb from the April CP. The CP has jumped 21¢/lb so far this year from its 32¢/lb settlement in January.

Discussion took place around importing crude C4s, but domestic market participants are currently unwilling to pay the high cost to open the arbitrage.

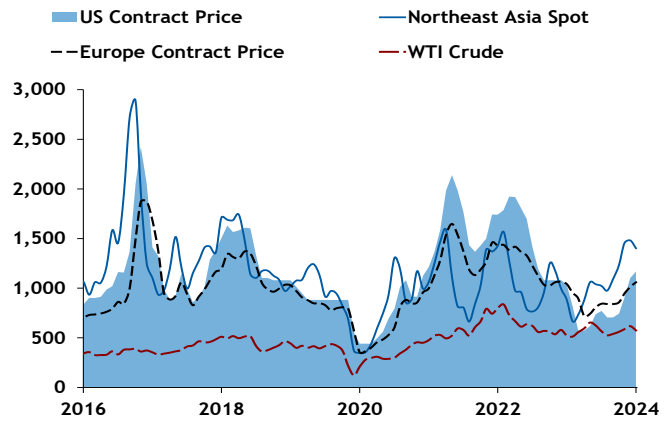
Further upstream, the US Energy Information Administration (EIA) anticipates a decline in US gas production by June as producers restrict output due to low prices, driving lower total annual output.

Henry Hub natural gas prices on a day-ahead basis increased month-over-month. The month to date May average rose to $1.850/mmBtu from the April average of $1.588/mmBtu. On 9 May, *Argus* assessed Henry Hub on a day-ahead basis at $2.050/mmBtu.

US vs Europe butadiene contract, fob basis *$/t*



Global butadiene price history, 2016-present *$/t*



EUROPE

Markets

Butadiene (BD) supply was further constrained as suppliers confront ongoing outages. One French producer that has dealt with repeated problems this year is expected to remain offline this month, according to sources. A separate BD producer will shut down its steam cracker in France for planned maintenance, which is set to begin on 13 May.

In terms of demand, BD spot inquiries held firm. A small domestic BD spot deal was reported at a 9pc premium to the MCP plus freight at rail-truck-car (RTC) for May loading. An export spot deal was done at $1,160/t for May loading, totaling 1,250/t, which represents an increase of $30/t from a prior spot export recorded in the last report.

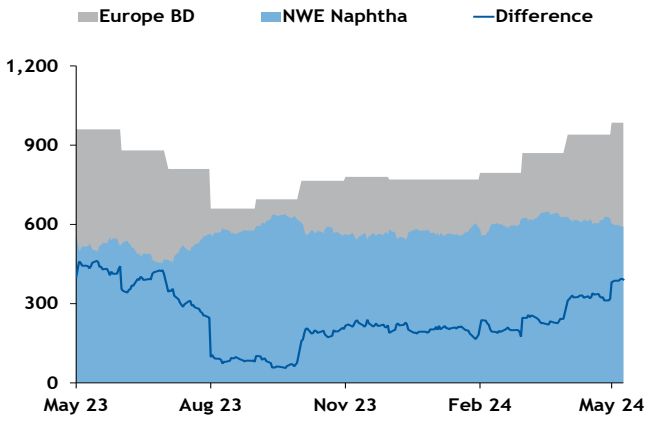
In April, Europe exported spot volume to northeast Asia, although prices there have been slowly declining. The *Argus* assessment for cfr northeast Asia peaked at $1,525/t from 22 March to 15 April. Since then, prices have shifted lower to $1,365/t this week.

This is why Europe in May shifted its eyes onto North America where spot prices have surged from a midpoint of 30¢/lb ($661/t) on 19 January to 59¢/lb on 26 April. Freight to North America is also discounted compared to Asia-Pacific. Heavy

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EUROPE

Europe butadiene MCP vs NWE naphtha €/t



rains in the Americas in recent weeks have further tightened supplies, so traders continue to track import interest.

Europe's MCP settled at €985/t ($1,052/t), up €45/t from €940/t the month prior. The MCP recorded four months of price increases, rising €215/t over the year from its €770/t settlement in January. In dollar terms, this represents a $230 jump in 2024 to date.

No crude C4 or raffinate-1 deals were reported since the last assessment. Raffinate-1 prices were discussed at about 1.35 x naphtha, or flat to our previous assessment. This week is a holiday period across much of Europe.

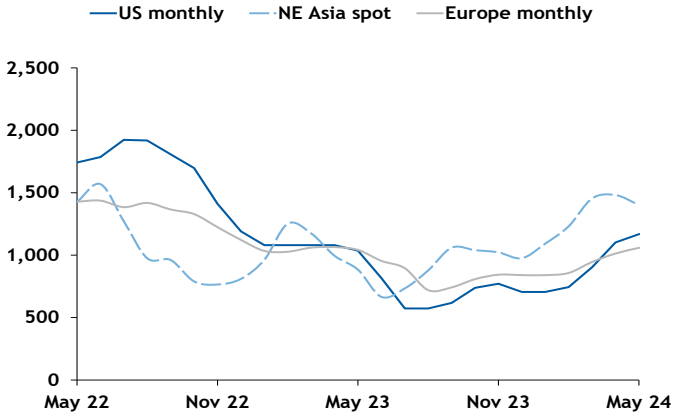
In feedstocks, European naphtha averaged $670.5/t month to date in May, down $19.6/t from the April average at $690.1/t. On 8 May, *Argus* assessed European naphtha at $663.5/t. Naphtha as a feedstock for the petrochemical sector has been weak in recent months.

European producers continue to favor ethane and other LPGs as a feedstock for cracking, compared with naphtha, which yields less crude C4s for market consumption.

Europe prices

	Timing	Price	±
Butadiene NWE contract delivered €/*t*	May	985.00-985.00	0.00
Butadiene NWE formula netback fob US $/*t*		821.00-1,086.00	0.00
Isobutylene NWE delivered €/*t*	Apr	1,090.00-1,125.00	-17.50
Raffinate-1 NWE incremental cfr $/*t*		886.00-914.00	-32.50
Naphtha factor $/*t*		1.33-1.37	0
Crude C4 NWE spot dlvd USGC $/*t*		679.00-720.00	-26.00
Naphtha factor $/*t*		1.02-1.08	0.00

Global butadiene prices $/t



In energy, Dutch TTF natural gas prices on a day-ahead basis edged up this month. The month to date May average is €30.39/MWh, marking an increase from the April average at €29.17/MWh, according to *Argus* data. On 9 May, *Argus* assessed TTF on a day-ahead basis at €30.65/MWh.

In logistics, passages through the Suez Canal are expected to remain limited amid Houthi attacks on commercial vessels. Incidents recorded by the EU's naval force (Eunavfor) totaled 18 in April, compared with 32 in March. But April did see the Houthi's first successful strike on a vessel in the Indian Ocean after the Houthis promised to expand their area of operations.

In industry, LyondellBasell has launched a strategic review of its European assets in its Olefins and Polyolefins and its Intermediates and Derivatives business units. Although the firm was keen to point to the potential for reinvestment, the review raises questions around the potential for sale or closure of some of its facilities. The firm's Olefins business includes four crackers in Europe with a combined ethylene capacity of 1.8mn t/yr.

Announcement

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ASIA-PACIFIC

Markets

Asia Pacific butadiene (BD) prices fell as tightness eased in the week ending 10 May.

BD supplies into northeast Asia lengthened, with the long-awaited molecules from southeast Asia entering the market.

A Japanese trading house sold a 2,000t southeast Asia-origin cargo for arrival in June to an end user in South Korea at mid-to-high $1,300s/t cfr.

Chinese producers will likely start negotiating June exports next week, according to market participants. Selling indications of Chinese-origin cargoes were placed at low-$1,400s/ t cfr northeast Asia. The highest buying idea identified in the market was placed at $1,350/t cfr, with a vast majority of consumers expressing theirs in the low-$1,300s/t cfr.

Thai producer PTT issued a tender to sell 2,000t of BD for loading in 18-22 June due to be concluded on 10 May. The result was yet to be made public as at time of writing.

Expectations of longer supplies from southeast Asia were dashed after a string of incidents hit the region towards the end of the week. Bangkok Synthetics in Thailand withdrew its tender to sell two cargoes of 2,000t butadiene for loading in 26-30 June and 4-8 July. The tender was withdrawn after its majority shareholder and supplier of crude C4, Siam Cement, had its terminal shut on 9 May. The terminal was shut following an explosion that hit its pyrolysis gas tank, resulting in one fatality and three injuries.

Siam Cement declared force majeure afterwards on lifting of feedstocks and loading of products, effective 10 May.

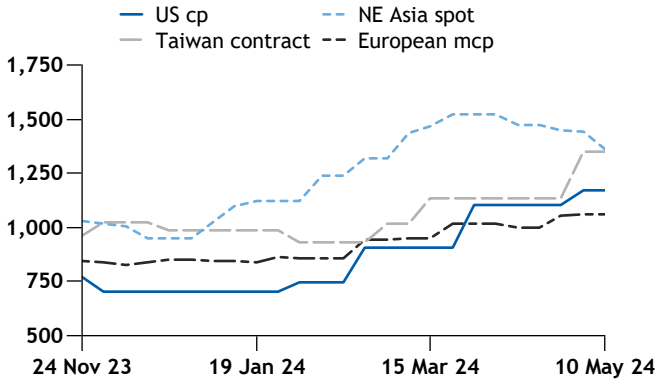
As of 10 May, crude C4 from Siam Cement was still flowing to Bangkok Synthetics.

JG Summit in the Philippines on 9 May shut its cracker because of technical issues. The cracker is expected to return to operations over the weekend, with BD-loading likely being deferred.

A South Korean origin cargo for arrival in May was sold to an end user in China last week at mid-$1,300s/t cfr level.

Asia-Pacific prices			$/t
	Timing	Price	±
Butadiene			
fob NE Asia spot	prompt	1,295.00-1,325.00	-55.00
fob NE Asia month average	Apr	1,401.25	+6.25
cfr NE Asia spot	prompt	1,350.00-1,380.00	-75.00
cfr NE Asia spot month average	Apr	1,481.25	+27.00
cfr southeast Asia spot	prompt	1,285.00-1,340.00	-75.00
cfr southeast Asia spot month average	Apr	1,436.25	+31.00
fob southeast Asia spot	prompt	1,200.00-1,265.00	-102.00
fob southeast Asia month average	Apr	1,383.75	+31.00
Taiwan contract month	Mar	1,347.00-1,349.00	0.00
Sinopec price Yn/t	prompt	11,800.00	0.00
Sinopec price import parity	prompt	1,418.00	+4.00
Raffinate-1			
Naphtha cfr Japan premium		180.00-220.00	0
fob Asia		840.00-881.00	-7
cfr China		1,060.00-1,061.00	+14

Butadiene prices: US, WE and Asia-Pacific $/t



Sinopec maintained its list price of butadiene at 8,800 yuan/t, or the import parity equivalence of $1,418/t, this week.

C4 DERIVATIVES

Americas

Heavy rainfall in Brazil has caused concern by consumers in both Latin America and North America who source volumes from there. High water in the Houston Ship Channel and Port Neches, Texas areas have also slowed down maritime movements.

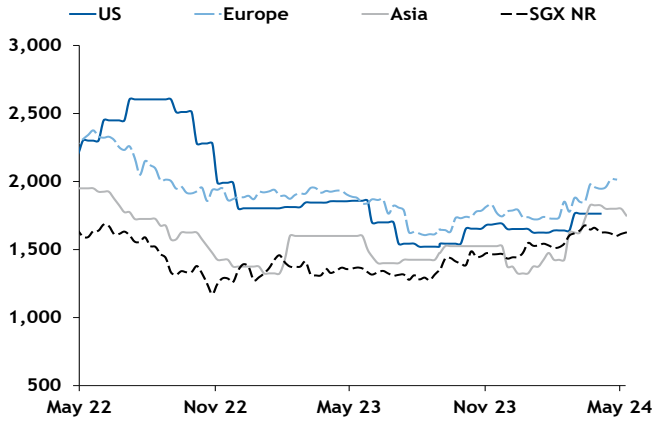
US-based tiremaker Goodyear reported 3.3pc lower volumes in the first quarter on weaker demand for replacement tires.

Sales volumes in the first three months of 2024 fell to 40.4mn units, down from 41.8mn units during the same period

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C4 DERIVATIVES

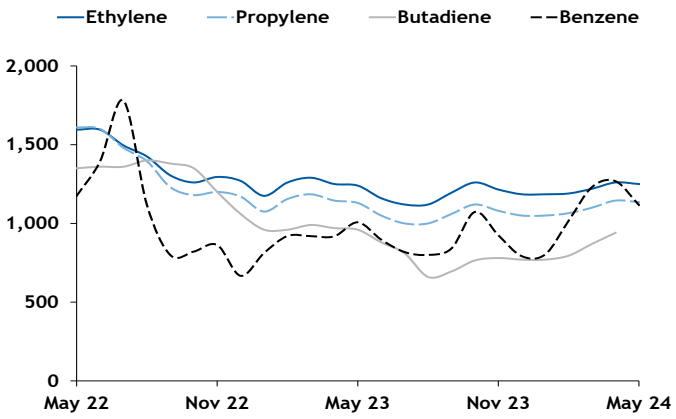
Global SBR 1502 and TSR20 NR prices $/t



Synthetic rubber general	¢/lb		€/t		$/t	
	Low	High	Low	High	Low	High
Americas						
eSBR 1502 US	87.75	93.75	1,796	1,919	1,935	2,067
eSBR 1712 US	87.45	93.85	1,790	1,921	1,928	2,069
Polybutadiene US	86.75	91.75	1,776	1,878	1,912	2,023
Europe						
eSBR 1502 NWE	90.43	92.38	1,851	1,891	1,994	2,037
eSBR 1712 NWE	86.76	89.20	1,776	1,826	1,913	1,967
Polybutadiene NWE	89.16	91.60	1,825	1,875	1,966	2,019
Asia-Pacific						
eSBR 1502 Asia	77.11	81.65	1,578	1,671	1,700	1,800
eSBR 1712 Asia	72.58	77.11	1,485	1,578	1,600	1,700
Polybutadiene Asia	72.58	77.11	1,485	1,578	1,600	1,700

Natural rubber	Low	High	Settle	±
TSR20 fob SGX futures $/t	1,623.00	1,635.00	1,626.00	+39.50

European base petrochemicals, free delv'd basis €/t



last year. Relatively strong global sales in the original equipment (OE) tire segment mitigated lower replacement tire sales volumes and a weak commercial truck industry, Goodyear said.

For the full year, Goodyear expects global consumer OE sales volumes to drive tire growth, particularly in the first half of the year, while the consumer replacement segment is expected to remain below industry levels.

Brazil-based styrenics producer Videolar-Innova (Innova) declared force majeure (FM) on operations at its Triunfo, Brazil, complex on 6 May following floods that impeded logistics in and around the state of Rio Grande do Sul. The complex includes a 199,000t ethylbenzene-based styrene monomer (SM) unit.

Innova owns and operates two derivative polystyrene production units in Manaus, Brazil. The Triunfo petrochemical site also produces general-purpose polystyrene, high-impact polystyrene and expandable polystyrene.

Mont Belvieu, Texas, isobutane surged to 142.75¢/lb/USG, a 20-month high, at the end of April as emerging demand for summer-grade gasoline tightened availability for higher octane blending components. US Gulf coast alkylate, which uses isobutane as a feedstock, rose to 321¢/USG, a seven-month high, in mid-April on seasonal gains in higher-octane blending components.

Europe

European replacement tire sales in the first quarter rose by nearly 2pc from a year earlier, as consumer tire demand outpaced declines in other segments, according to European Tyre and Rubber Manufacturers' Association (ETRMA) data. Total replacement tire sales rose to 62.5mn in the first quarter, up from 61.4mn a year earlier, ETRMA data shows.

Sales volumes of replacement consumer tires increased to 56.2mn units, up by 3pc from 54.6mn units in the same period last year. Within the consumer segment, sales of car winter and all seasons tires grew by 26pc and 18pc, respectively, while car summer tire volumes dropped by 4pc.

Truck and bus replacement tire sales in the first quarter fell to 2.7mn units, down by 8pc from the 3mn units sold a year earlier.

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C4 DERIVATIVES

Finland-based tiremaker Nokian Tyres' first quarter passenger car tire sales volumes increased by 9.7pc from a year earlier.

Passenger car tire sales rose by 8.7pc to €143.1mn ($153mn) in the first quarter, up from €133.1mn during the same period last year. The share of sales volumes was dominated by all-season and summer tires at 40pc and 33pc, respectively. Winter tires comprised the smallest share of passenger car tires at 27pc.

Heavy tire sales decreased by 18.5pc, falling from €68.2mn to €55.1mn year-over-year, as weakness in the company's main segments weighed down sales volumes.

Germany-based tiremaker Continental reported a 1.6pc decline in tire sales volumes in the first quarter yet the company expects volumes to pick up in the second quarter on stronger demand. Continental did not disclose tire unit volumes, but it noted that lower sales volumes were attributed to weaker tire demand in the original equipment (OE) and truck segments.

Asia-Pacific

Synthetic rubber prices dropped along with butadiene during the week ending 10 May.

Import offers of South Korean-origin emulsion styrene-butadiene rubber (eSBR) 1502 and polybutadiene rubber (PBR) into China decreased along with butadiene prices.

Offers of eSBR 1502 were placed at $1,800/t cif China, compared with last week's $1,850/t. PBR offers were placed at $1,850-1,900/t, with deals likely concluded at $1,600-1,700/t cif.

This ran counter to the movements in the futures markets. BR9000 closed at 13,190 yuan/t at the close of 9 May, from Yn13,135/t on 30 April. TSR20 natural rubber futures closed at $1,632/t on 8 May, compared with $1,600/t on 2 May after the market opened from the labour day holiday.

In the domestic Chinese markets, prices remained relatively stable. eSBR1502 ranged between Yn13,200-13,400/t, from last week's Yn13,100-13,400/t. eSBR1712 ranged between Yn12,400-12,500/t. PBR ranged between Yn13,200-13,400/t, stable from last week.

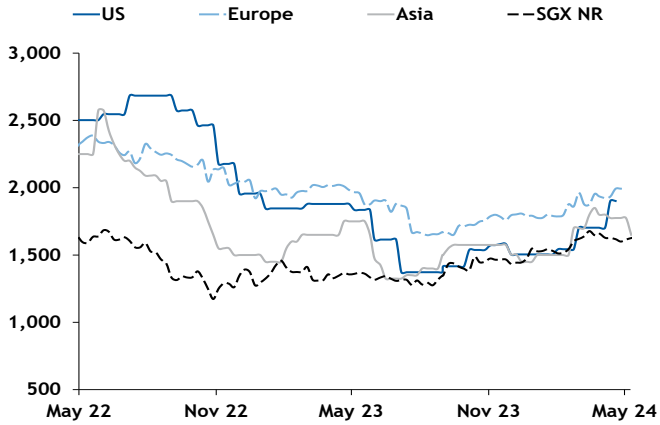
Natural rubber

TSR20 natural rubber (NR) futures on the SGX settled at $1,626/t on 10 May, a 1.6pc increase from 26 April. Prices have averaged $1,619/t for month to date in May, down from the April average of $1,626/t.

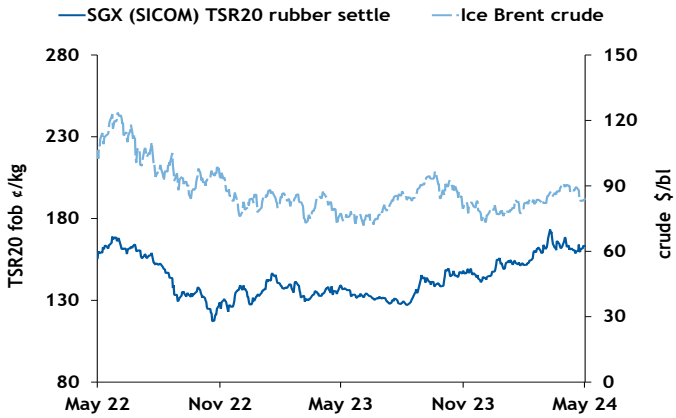
The European Commission is set to unveil an information system to help with the implementation of the EU deforestation regulation (EUDR) in November, but different implementation deadlines for larger and smaller firms may constitute trading barriers in the interim, the senior policy officer at industry association Bioenergy Europe, Daniel Reinemann, told the *Argus* Biomass Conference.

The EUDR will apply to imports of cattle, cocoa, coffee, oil palm, soya, rubber, wood and their derived products to the EU.

Global polybutadiene vs TSR20 NR prices *$/t*



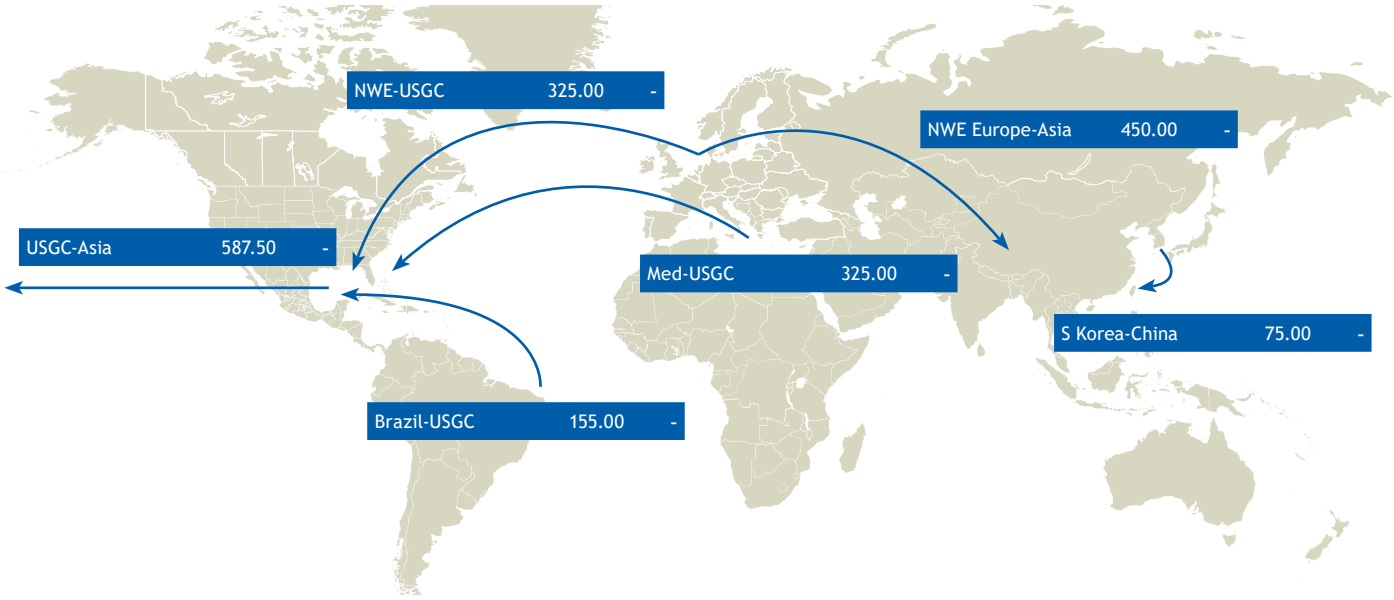
SGX natural rubber vs Ice Brent crude, first month



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C4 FREIGHT RATES

$/t



IMPORTS AND EXPORTS

North America C4 imports

Ship name	BD *'000t*	CC4 *'000t*	C4 RAF/IB	Load Port	Laycan	Destination
GasChem Atlantic	5.2			Brazil	H1 Jan	US
GasChem Arctic	4.0			Brazil	H1 Feb	Mexico
Thekla Schulte	3.5			US	H2 Feb	Mexico
GasChem Arctic	1.0			US	H2 Feb	Mexico
Antikithira	5.3			Brazil	End Feb	Mexico
GasChem Arctic	1.0			US	March	Mexico
Antikithira	4.5			US	H1 March	Mexico
GasChem Arctic	4.9			Brazil	H1 March	US
Etagas	1.0			Brazil	H2 March	US
Etagas	6.0			Brazil	H2 March	Mexico
GasChem Atlantic	4.9			Brazil	H1 May	Mexico
Total 2024	41.3	0.0	0.0			
Total 2023	188.7	3.4	1.7			
Total 2022	391.1	5.5	0.0			
Total 2021	331.9	5.3	0.0			
Total 2020	96	0.0	2			
Total 2019	150.2	95.5	13.4			
Total 2018	250.0	134.0	0.0			

* with butene-1
**with propylene

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IMPORTS AND EXPORTS

Europe, Mediterranean C4 exports

Ship name	BD '000t	CC4 '000t	C4 RAF/IB	Load port	Laycan	Destination
Stina Kosan			5.0	Europe	H1 Jan	Middle East
Happy Condor			5.0	Europe	H1 Jan	Middle East
Westminster		4.2		Turkey	H1 Jan	Europe
Epic Beata		4.2		Turkey	H1 Jan	Europe
Gaz United			5.0	Europe	End Jan	Middle East
Epic Sardinia		5.0		Turkey	H1 Feb	Europe
Chelsea		4.2		Turkey	H1 Feb	Europe
Stina Kosan			5.7	Europe	Feb	Middle East
Zoe Schulte			6.0	Europe	Feb	Middle East
BWEK Beauty		4.2		Turkey	H2 Feb	Europe
Westminster		4.2		Turkey	March	Europe
Epic Sardinia		5.0		Libya	H1 Mar	Europe
Epic Sardinia		5.0		Libya	H2 March	Europe
Balearic Gas	10.0			Europe	Early May	Asia-Pacific
Knebworth		4.0		Turkey	Mid May	Europe
Total 2024	10.0	40.0	26.7			
Total 2023	168.4	115.0	48.9			
Total 2022	182.6	79.8	13.0			
Total 2021	243.2	30.4	73.2			
Total 2020	356.0	24.0	51			
Total 2019	287.2	127.5	38.6			

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The Argus Fuels and Octane report provides weekly MTBE spot ranges for the US Gulf Coast, Rotterdam, Singapore and domestic China plus daily ranges for each region. The report also includes in-depth analysis of global octane market fundamentals, a large selection of blend calculations, US, Europe and Asia gasoline prices, and prices for feedstocks and associated markets.

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IMPORTS AND EXPORTS

Asia-Pacific C4 imports

Ship name	BD '000t	CC4 '000t	C4 RAF/IB	Load port	Laycan	Destination
Deltagas	7.3			US	Mid Feb	Asia
Ithaki	7.5			Brazil	H1 April	Asia
Etagas	7.5			US	H2 April	Asia
Balearic Gas	10.0			Europe	Early May	Asia-Pacific
Total 2024	32.3	0.0	0.0			
Total 2023	216.6	5.0	0.0			
Total 2022	63.9	7.2	15.0			
Total 2021	111.5	44.0	0.0			
Total 2020	501	12	9.0			
Total 2019	470.4	88.2	6.5			
Total 2018	331.5	43.5	0.0			

US butadiene exports

Ship name	BD '000t	CC4 '000t	RAF '000t	Load port	Laycan	Destination
Marie #1	4.0			US	End Jan	Mexico
Marie #2	3.3			US	End Jan	Mexico
Deltagas	7.3			US	Mid Feb	Asia
Thekla Schulte	3.5			US	H2 Feb	Mexico
GasChem Arctic	1.0			US	H2 Feb	Mexico
Antikithira	4.5			US	H1 March	Mexico
Epsilongas			2	US	H2 March	Saudi Arabia
Etagas	7.5			US	H2 April	Asia
Total 2024	31.1	0.0	2.5			
Total 2023	101.9	28.7	3.2			
Total 2022	73.5	40.7	1.7			
Total 2021	8.0	25.2	6.6			
Total 2020	68.3	0.0	0.0			
Total 2019	48.5	3.5	0.0			
Total 2018	48.0	0.0	0.0			

Asia-Pacific C4 exports

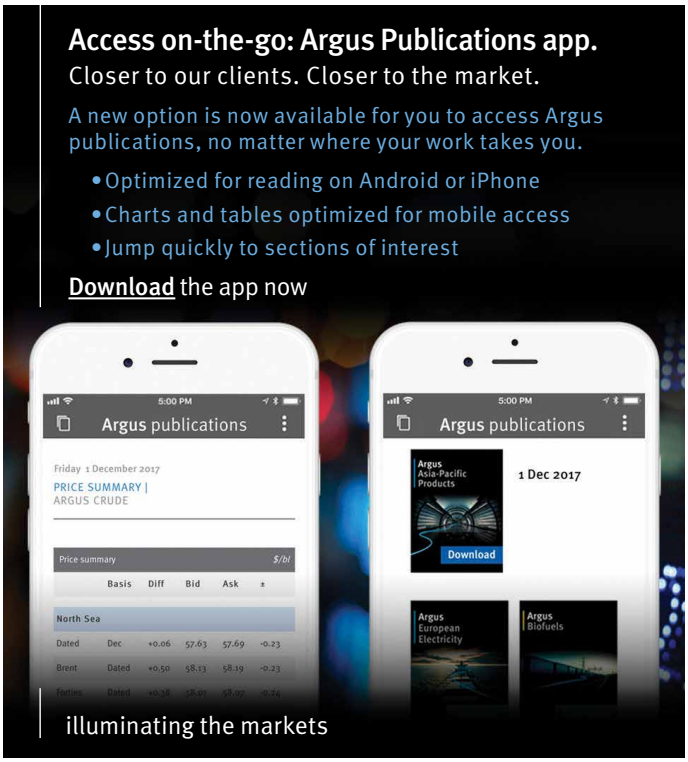
Ship Name	BD '000t	CC4 '000t	Load port	Laycan	Destination
Seapeak Camilla		3.0	Singapore	Feb	Middle East
Total 2024	0.0	3.0			
Marie	5.0		S. Korea	H1 Jan	US
Gas Exelero	2.1		Taiwan	H2 Mar	Europe
Total 2023	7.1	0.0			
Kalolimnos	7.6		S. Korea	Mid Jan	Mexico, USGC
Penelope M	5.5		S. Korea	mid Feb	USGC
Gaschem Arctic	5.0		S. Korea	Early Mar	USGC
Marie	5.0		S. Korea	Mid Mar	USGC
Clipper Hermes	4.5		Thailand	End Mar	USG
Fortunato	5.0		S. Korea	Early Apr	USG
DL Poppy		2.0	Asia	End Mar	Middle East
Sabrina	2.9		Indonesia	H1 April	India
Kamilla Kosan	5.0		S. Korea	mid Aug	US
Total 2022	40.5	2.0			
Coral Furcata	5.0		S. Korea	Ely June	USGC
Navigator Umbrio	5.0		China	H1 June	Mexico
Navigator Europa	5.0		S. Korea	mid-July	USG
Thekla Schulte	4.0		Thailand	H1 Aug	USG
Napa Spirit	6.0		S. Korea	H2 Aug	USG
Pacific Venus	6.0		S. Korea	End Aug	USGC, Mexico
JBU Schelde	6.0		S. Korea	End Aug	USG
Kamilla Kosan	6		S. Korea	H1 Sept	USG
Happy Bird	5		S. Korea	Mid Oct	USG
Total 2021	47.1	0.0			
L Kosan	5.0		S. Korea	Mid Mar	USGC
Sonoma Spirit	5.0		S. Korea	Mid Mar	USGC
Total 2020	10.0	0.0			
Navigator Centauri		6.0	Philippines	Jun	USGC
Total 2019	0.0	6.0			
Penelope M	5.0		S. Korea	1H May	USGC
PGC Eirini	5.0		Singapore	1H May	USGC
Norgas Shasta		6.0	S. Korea	End Aug	USGC
Total 2018	10.0	6.0			

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FREIGHT

Cargo bookings to North America	Mar 24	April 24	May 24
Ex-Europe			
Butadiene	0	0	0
Crude C4	0	0	0
C4 raffinate	0	0	0
Ex-Asia			
Butadiene	0	0	0
Crude C4	0	0	0
Ex-Rest of World			
Butadiene Brazil	12	0	5
Crude C4 Mexico	0	0	0
Crude C4 Turkey	0	0	0
Crude C4 Brazil	0	0	0
Butadiene Other	1	0	0
Totals			
Butadiene	13	0	5
Crude C4	0	0	0
C4 raffinate	0	0	0

Freight rates	Rate	$/t ±
C4 freight NWE - USGC	325.00	0.00
C4 freight Med - USGC	325.00	0.00
C4 freight Brazil - USGC	155.00	0.00
C4 freight USGC - Asia	587.50	0.00
C4 freight NWE Europe - Asia	450.00	0.00
C4 freight S Korea - Taiwan	75.00	0.00



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