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Butadiene Price Forecast Methodology



The ICIS Butadiene Asia and Europe price forecasts are of monthly average prices. The forecasts are updated on a monthly review cycle but can be updated more frequently in case of major market developments. Price forecasts cover the current month and the following 17 months, i.e. 18 months in total.

The forecast pages provide:

1. Monthly forecast of the spot CFR Northeast Asia Butadiene price, extending the historical gross prices reported in the ICIS Butadiene Asia price report.
2. Monthly forecast of the monthly FD Northwest Europe Contract Butadiene reference price, extending the historical gross prices reported in the ICIS Butadiene Europe price report.

Elements considered in the Butadiene price forecasts include:

1. Supply-demand data for Butadiene and direct derivatives including regional imports, exports, plant shutdowns and new capacities.
2. Downstream derivative demand forecasts.
3. Brent crude and naphtha price forecasts in Europe and Asia.
4. Cracker margins and utilisation rates, including by feedstock.
5. Spot price movements across all regions.

ICIS also shows historical and forecast feedstock naphtha pricing, and the historical and forecasted spread between butadiene pricing and naphtha per month.

Prices are forecast in the currency they are assessed in. For spreads analysis, where feedstock currency may differ from product currency, exchange rates from www.xe.com are used for historical data series. For forecast series, ICIS uses the exchange rate from the date of analysis.