

# PETCHEM PULSE

CHEMICAL SPOT PRICING QUARTERLY UPDATE

First Quarter, 2026

## Higher Prices, Higher Feedstocks, Silver Lining

### Petrochemical Prices 1Q26

(USD per ton)

Chemical	Price 1Q26	Q/Q%	Y/Y%
Propane (Aramco)	\$ 539	10.2%	(13.6%)
Butane (Aramco)	\$ 534	13.1%	(13.0%)
Naphtha	\$ 720	27.9%	9.1%
Benzene	\$ 835	25.2%	(5.0%)
Ethylene	\$ 838	17.5%	0.2%
Propylene	\$ 867	20.9%	4.5%
Styrene	\$ 1,049	30.6%	3.0%
Methanol (Methanex)	\$ 391	8.6%	(6.2%)
Methanol (China)	\$ 295	19.0%	(1.7%)
MTBE	\$ 767	18.9%	4.6%
Acetic Acid	\$ 444	9.4%	(2.4%)
Butyl-Acrylate (Butyl-A)	\$ 1,224	24.4%	(4.1%)
LDPE	\$ 1,014	4.6%	(9.9%)
LLDPE	\$ 826	1.5%	(11.4%)
HDPE	\$ 900	7.1%	2.0%
Polypropylene (PP)	\$ 925	12.8%	(1.2%)
Polystyrene (PS)	\$ 1,149	15.2%	(2.8%)
Polyvinyl Chloride (PVC)	\$ 763	12.9%	5.8%
Polycarbonate	\$ 1,745	14.4%	5.1%
Tio2 (Asia)	\$ 2,908	0.0%	(16.9%)
Tio2 (Europe)	\$ 3,495	(0.5%)	3.6%
Tio2 (America)	\$ 3,978	(0.5%)	(4.7%)
Ethylene Vinyl Acetate (EVA)	\$ 1,233	2.2%	1.5%
Spot MEG - China	\$ 493	5.3%	(9.2%)
MEG (SABIC)	\$ 620	(9.4%)	(19.5%)
Purified Terephthalic Acid (PTA)	\$ 720	17.5%	10.1%
Bisphenol A (BPA)	\$ 1,253	15.2%	0.9%
Vinyl Acetate Monomer (VAM)	\$ 892	15.1%	10.8%
Acrylic Acid	\$ 1,109	11.3%	0.9%
Urea	\$ 522	31.2%	30.5%
Ammonia	\$ 510	9.7%	35.3%
DAP	\$ 697	(4.1%)	11.5%

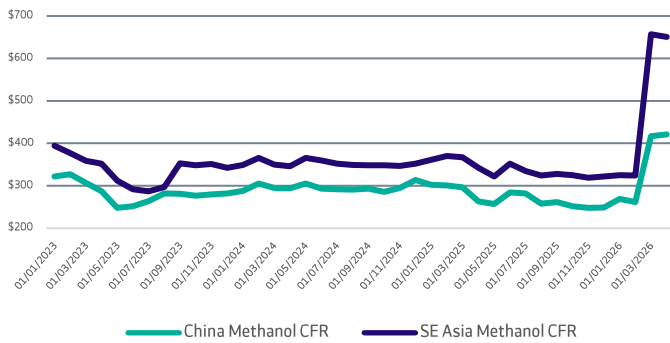
Source: Bloomberg, Argaam, Riyad Capital

**High Level:** Global petrochemical prices, having trended lower through late 2025, rebounded strongly in 1Q26 on Hormuz-driven disruption. Most notably, some product spreads (discussed below) have significantly improved, even exceeding outlier years such as 2022. We also note that chain-level asymmetries are emerging between propylene and ethylene producers, with structural longer-term implications that may be exacerbated under current conditions; we will discuss this in our forthcoming sector update. We are also increasingly focused on global ethylene capacity additions, with BNEF projecting 14.6 mln metric tons of net new capacity coming online in 2026 alone.

### Highlights:

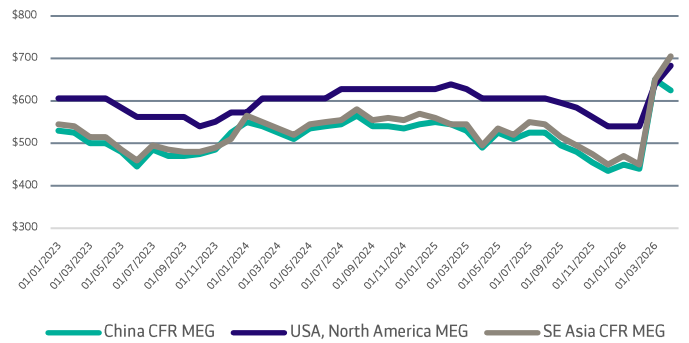
- Prices Move Double-Digits:** End-product chemical prices moved higher by more than +10% Q/Q on average. Despite this rebound, almost all prices remain ~10% or more below 1Q22 levels – our reference price-shock benchmark.
- Feedstocks Move with Oil:** Feedstock prices moved higher in 1Q26, with propane and butane both increasing Q/Q, by +10.2% and +13.1%, respectively. While we previously flagged propane price declines as supportive for select producers in our 4Q25 Petchem Pulse report, the magnitude of that benefit is only now becoming clear. Solid products using propane as feedstock, such as polypropylene (Exhibit 3), which increased +13% Q/Q, have actually experienced higher spreads on average, despite higher propane prices (+10.2%) Q/Q.
- Fertilizers:** Fertilizer price trends continued their momentum into 1Q2026 (Exhibit 4) with urea remaining strongly elevated amid Hormuz-driven supply tightness. In our prior work (sector update, May 6, 2026) we indicated our preference for urea over DAP, and we emphasize this here as well, given the global planting requirements for urea, SABIC's announcement regarding increased production (+54%), and granular urea remaining well over USD 850 per ton (Exhibit 4).
- Polymers:** Spot PP SEA prices have rebounded significantly in 1Q26 Q/Q, with select SEA PP grades exceeding USD 1,400 per ton (Exhibit 3). This recent price trend also coincides with the aforementioned increase in propane feedstock (+10.2% Q/Q). Most notably, simple PP-to-propane CP (Aramco) spreads have widened relative to prior periods including 2022 – surprising given 2022 was itself an outlier shock period. Beyond aggregate polymer pricing, we observe diverging conditions between propylene-chain and ethylene-chain producers as Hormuz disruption manifests asymmetrically across feedstock types; name-level implications to be treated in our forthcoming sector update. For this reason, the widening spread between some polypropylene grades and local LPG (propane) is particularly intriguing for propylene-skewed producers in our coverage.

**Exhibit 1: Methanol Spot Price 2023-2026 (USD per ton)**



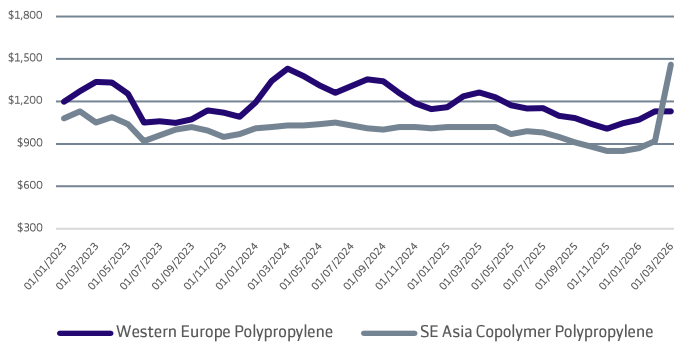
Source: Bloomberg, Riyad Capital

**Exhibit 2: MEG Spot Price 2023-2026 (USD per ton)**



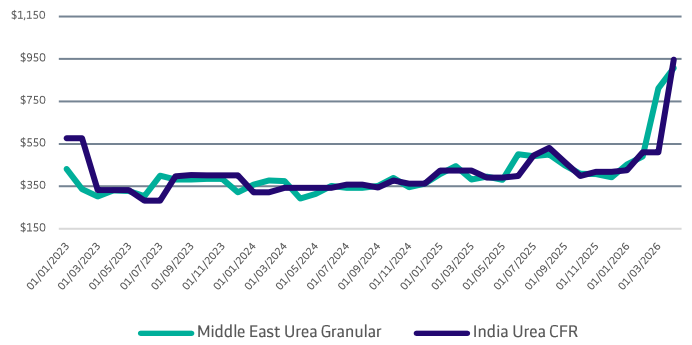
Source: Bloomberg, Riyad Capital

**Exhibit 3: PP Spot Price 2023-2026 (USD per ton)**



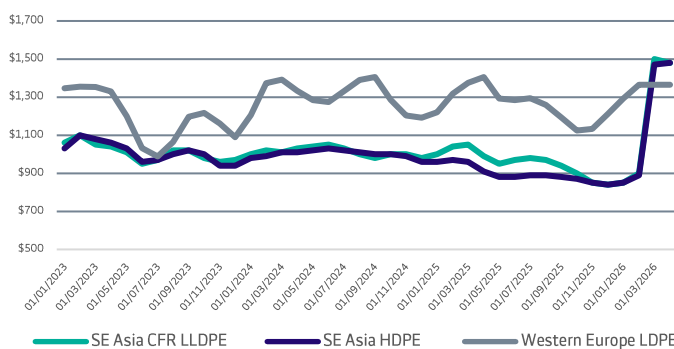
Source: Bloomberg, Riyad Capital

**Exhibit 4: Urea Spot Price 2023-2026 (USD per ton)**



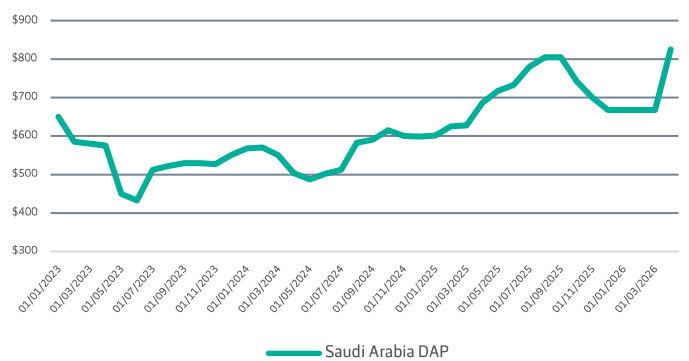
Source: Bloomberg, Riyad Capital

**Exhibit 5: PE Spot Price 2023-2026 (USD per ton)**



Source: Bloomberg, Riyad Capital

**Exhibit 6: DAP Spot Price 2023-2026 (USD per ton)**



Source: Bloomberg, Riyad Capital

## ■ Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

\*The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors  
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