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Argus Monthly Sulphur Outlook

Outlook

The month ahead

Pricing is expect to lift by $15-20/t Middle East fob across September to October, driven by earlier-than-expected demand from Indonesia, limited product availability from major exporters, and firm demand from fertilizer producers.

The next 3-6 months

We expect a peak to be reached and pricing to correctionally soften, with a lull in demand from the fertilizer application off season, and built-up stocks available for export tonnes.

12 months forward

We expect pricing to stabilise and soften based on increased capacity from China and the Middle East. Levels will be kept from dropping significantly by an uptick from China in January ahead of lunar new year, alongside tightness of supply from the FSU, and tariff uncertainty from the US.

Forecast sulphur prices

	Oct	Nov	Dec	1Q26	2Q26	3Q26
China cfr	201-351	196-346	197-337	161-325	173-327	138-296
Brazil cfr	336-347	333-344	328-339	297-326	305-334	265-299
North Africa cfr	334-352	329-347	323-341	291-329	304-335	262-300
Middle East fob	315-327	309-321	297-312	260-300	268-298	228-267
Black Sea fob	270-285	264-279	255-270	218-258	226-256	187-225
Vancouver fob	313-325	307-319	295-310	258-298	266-296	226-265
Indonesia cfr	338-348	334-344	328-338	293-327	311-322	272-305

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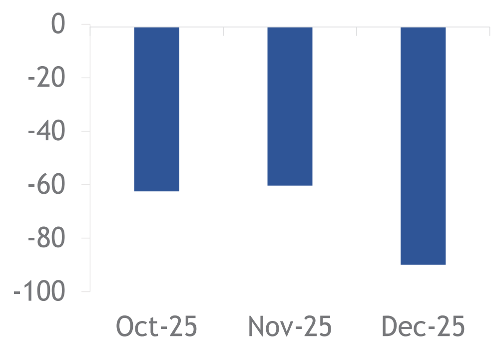
Key featured news

- A rise in domestic fertilizer demand for Russian MAP production has left limited tonnes available for export
- The early start-up of QMB's phase 3 burner in Indonesia has driven market competition and prompted higher-priced bids.
- The announcement of reciprocal Brazil-US tariffs has led Brazil to seek alternative tonnes and alter global trade flows.

Global sulphur balance *'000t*



Outlook summary

Global sulphur pricing has restarted a bull run coming into September, with expectations for continued firming throughout the rest of the month, with a peak in October, before correcting and stabilising into the end of the fourth quarter. The majority of market fundamentals are firm, with tight Russian availability, competition between Indonesia and China driving up cfr pricing on Middle Eastern tonnes, and Iranian sanctions paired with a lack of Turkmen tonnes leaving regular offtakers looking for more mainstream tonnes rapidly firming the market. But a downside is on the horizon, with some bearish influences towards the end of the fourth quarter and throughout 2026, including increased Middle Eastern capacity next year, a drop in Chinese fertilizer exports after the export deadline, and more muted demand from fertilizer producers in the fourth quarter from the application off-season.

Price comparison

	Sep avg	Oct	Nov	Dec	Market sentiment*
China cfr	155-320	201-351	196-346	197-337	▲
Brazil cfr	315-320	336-347	333-344	328-339	▲
North Africa cfr	265-308	334-352	329-347	323-341	▲
Middle East fob	303-308	315-327	309-321	297-312	▲
Black Sea fob	225-245	270-285	264-279	255-270	▲
Vancouver fob	282-293	313-325	307-319	295-310	▲
Indonesia cfr	317-319	338-348	334-344	328-338	▲

** short term*

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Russian refinery maintenances, ongoing maintenance at the Astrakhan gas processing plant, shutdowns impacting port logistics, and a lack of available product because of increased domestic fertilizer-based demand have led to a lack of lower-priced Russian tonnes, leaving regular offtakers such as Brazil, Egypt, Turkey and Morocco to enter the market and allow pricing to rise amid competition. This is amplified by Indonesia coming into the market earlier than expected due to the start-up of the QMB Phase 3 sulphur burner, and Chinese phosphate producers entering the spot market for smaller cargoes to meet demand for phosphate exports. The sanctions in Iran, and the subsequent lack of vessels out of Bandar Abbas port, combined with a lack of Turkmen product because of railing delays, is driving up pricing out of Iraq and forcing smaller offtakers into the market.

In North America, the lack of molten sulphur in Alberta, from moving more tonnes through prillers and exporting them to offshore markets rather than railing supply to the US, is pushing US pricing up. This is particularly so as there is more demand for Canadian-origin tonnes amid US sanction uncertainty, with Brazil likely switching trade routes in favour of more diverse supply sources.

We expect pricing to come to a peak of $327/t Middle East fob at the high end in October, with correctional softening after the rapid price hike expected through November and December and into 2026, as market participants either pull out of the escalating bidding competition, or pricing softens with a fall in demand. During the last price hike in the second quarter of the year, the majority of buyers became subdued, and elected to draw from stocks or reduce operating rates at the $300/t cfr mark, indicating the potential for an imminent ceiling across the next month.

The gradual increase in Middle Eastern capacity from 2026 will support some softening into the year. There is also an expected increase in Chinese domestic availability in mid-2026, which further lends to a softening market sentiment. The ability of Canada to draw on stocks gives some flexibility in pricing, and as more importers take tonnes out of Vancouver, pricing has room to soften as Canadian stocks are stable.

Overall we expect pricing to remain firm across the next month, before settling into a soft-to-stable range based on a slowdown in demand from the fertilizer offseason, and increased availability of tonnes as market participants settle into different trade routes. The shift in global trade flows because of geopolitical disruptions could bring more volatility to pricing across the next year, but currently we expect fluctuations based on seasonal demand, and new capacity coming on line in 2026 to keep a lid on any significant price rises.

Regional outlook

Asia-Pacific

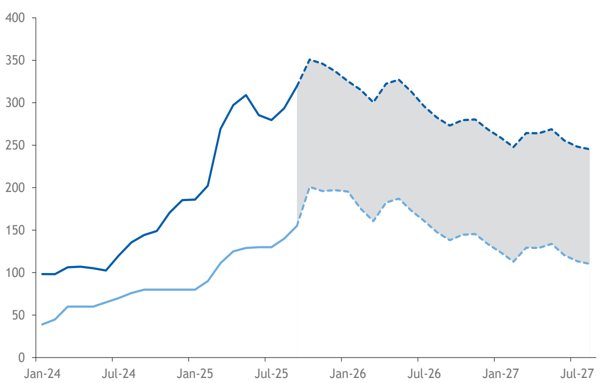
As pricing has risen to the $340s/t cfr in mid-September, Chinese buyers have accepted the rise, and are no longer resisting $345/t cfr at the high end, as demand is firm for raw materials for fertilizers after phosphate export volumes have increased. Buyers have been working on a hand-to-mouth spot basis to meet requirements for phosphate operations because of export quotas, but stocks are stable at 2.4mn t in mid-September, limiting demand across September and October for larger cargoes. We expect once pricing softens in the fourth quarter as a correction from the recent hike, demand to build stocks will increase as cfr pricing continues to ease through the first quarter of 2026. Stocks will rebuild for the spring fertilizer application season, although Chinese buying ahead of the lunar new year will keep prices from dropping significantly at the start of the year. We expect an increase in domestic sulphur availability to temper the upside to pricing, with China North Industries Group and China Coal Yulin bringing a refinery and coal-to olefins project on line respectively in mid-2026, expected to add 720,000 t/yr of sulphur capacity combined.

From a DAP perspective, there was an expectation that China could utilise its remaining Phase 1 quotas with the Bangladesh private-sector tender agreement from earlier in the year, but now more non-Chinese suppliers have been awarded, leaving surplus carryover of DAP tonnes, estimated to be at 300,000-400,000t. Additionally, 700,000t for second phase quotas were granted in early September, so despite the deadline of export loadings on 15 October, we expect exports to be able to continue after this and into the fourth quarter to move excess tonnes from stocks, limiting raw material demand towards the end of the year. In the near term, DAP exports are expected to be healthy (at around 500,000t per month) to supply the Ethiopia and Bangladesh tenders, and to service some Australian demand. There are currently high operating rates at Chinese phosphate producers, and a good amount of current raw material buying is for domestic preparation, after which DAP exports will begin to cease and sulphur spot demand will drop. Additionally, China's economy is facing a slowdown, particularly within start-ups in the manufacturing sector, where sulphur demand could be impacted.

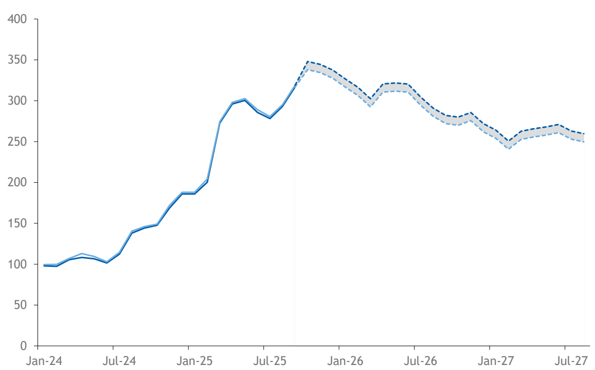
Rising sulphur prices to the $340s/t cfr India at the high end has meant buyers are once again retreating from the market, and waiting for prices to settle before re-entering for spot tonnes. Prices have been driven up by maintenance and lower production from refineries, alongside firm demand from the sugar industry and the start-up of PPL's Paradeep burner with 200,000 t/yr sulphur demand at full capacity. Some refineries are operating at lower rates because of a slowdown in crude imports following EU sanctions in July, and sulphur availability has also been constricted by logistical issues at non-mainstream Middle East ports which export to the west coast of India.

In the last round of price increases in the second quarter of 2025, Indian fertilizer producers stopped buying raw material around the high $290s/t Middle East fob, reduced operating rates at burners, and scheduled maintenances to ride out the period of elevated pricing. This will likely happen again as buyers wait for pricing to soften and margins to become workable for phosphate production. There is also lacklustre demand for finished products such as dyes and intermediates, bringing down imports for the industrial sector for the fourth quarter. We expect buying to resume once cfrs have settled, likely from the first quarter of 2026 and into the second as pricing corrects from the expected ceiling in October.

China cfr price forecast range $/t



Indonesia cfr price forecast range $/t



It is unlikely China will export DAP to India for the rest of the year and into the first half of next year, with exports to the region expected to resume late in the second quarter or early in the third. But this is not expected to significantly lift raw material sulphur demand, as the government have been encouraging DAP imports rather than domestic production by covering importers for their losses while international prices firm.

Following the earlier-than-expected start-up of QMB's second Phase 3 burner, Indonesia was pushed into the spot market at the same time as China, driving up pricing off the back of immediate demand. Other burners at nickel mine sites are on track to start up in the fourth quarter of the year, despite previous speculation of delays based on uncertainties over government-enforced royalties. Tsingshan ENC's burner is expected to come on line before the end of the year, in accordance with latest company financials, bringing 1.7mn t of demand at full capacity and supporting Indonesian imports through the fourth quarter and into 2026. There is potential for the burner to be slightly delayed, but we anticipate this will only be pushed from the fourth quarter of 2025 to the first quarter of 2026 if this is the case. Question markets remain over the PT Chenxi burner which was also expected to come online by the end of the year, but delays are possible. On top of this, regular demand from HPL, Huayou and Tsingshan for nickel matte, is expected to lift trade in the short term, and provide support for pricing across 2026.

There has been speculation that operating rates will be reduced at HPAL sites and associated burners, because metals producers deem sulphur prices unworkable, but we currently expect operations to go ahead as scheduled, with operating rates ramping up as the projects reach full capacity. However, there is caution within the market as the combination of weak nickel pricing and with sulphur expected to reach $348/t cfr Indonesia at the high end in October may delay start-ups or slow planned ramp-ups. At RKEF (rotary kiln-electric-furnace) sites, where sulphur is used as a raw material for nickel matte, maintenances may be brought forward and operating rates reduced as margins are tighter and nickel matte has no by- products to generate additional revenue, unlike HPAL. This may limit demand for sulphur in the fourth quarter, adding to the seasonal market downturn we expect in the first quarter of 2026.

In Vietnam, importers are out of the spot market and instead relying on current stocks, as they wait for pricing to drop to workable levels.

Africa

Across the first half of the year, Moroccan fertilizer producer OCP received 3.5mn t of sulphur, down by 19pc from a year prior. Since the start of the third quarter OCP has been out of the merchant acid market, with limited fresh buying interest for sulphuric acid expected until late in the fourth quarter for first-quarter delivery. Some suppliers have been asked to postpone the shipment of sulphuric acid cargoes to Jorf Lasfar for September loading, after a surge in spot buying from OCP back in June. The delaying and diverting of previously-booked cargoes could indicate OCP is planning on taking more sulphur again. Additionally the pricing gap between sulphuric acid and sulphur is significant enough that it is not economical for some consumers to run the burners at very high rates, and in this scenario production at burners may be cut, reducing raw material demand for sulphur. But we do not expect this scenario to materialise in Morocco given the size of OCP's phosphoric acid operations and the energy credit from the burners, and historically the price differential between sulphur and acid has not appeared to have impacted OCP's decision to switch between the two raw materials. The most likely scenario is a strategic choice to diversify raw material imports.

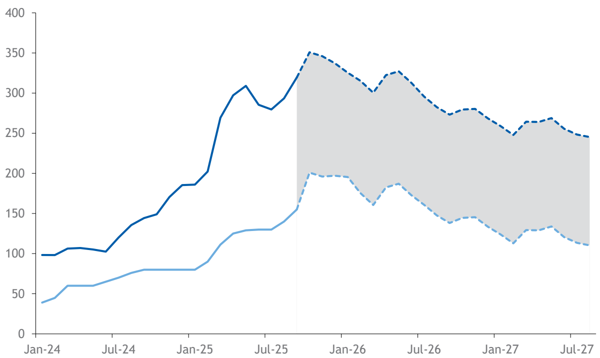
Currently expansions in Morocco mean sulphur burners are operating well, taking more tonnes of Russian and Middle Eastern origin, upping demand from relatively subdued 2Q and 3Q. Contract negotiations for the fourth quarter will begin soon, and are expected to settle at an increase from the last quarter based on rising cfr pricing from all offtakers.

Egypt contributed to lifting prices as it entered the spot market for Middle eastern tonnes. The lack of lower-priced FSU tonnes, with the combination of the depletion of Kazakhstan crushed lump product from Kashagan and tight Russian availability, meant buyers had no option but to take higher-priced product. But Egyptian buyers are currently subdued in the market while waiting out the price rise, and are expected to re-enter after Black Sea and Baltic fobs soften into the end of the year and start of 2026.

The Democratic Republic of Congo (DRC)'s cobalt ban is ongoing, with backhaul opportunities limited despite firm sulphur demand for mining operations in the region. We expect this to continue throughout September, and at the end of the month a new announcement is expected from the government. Limited regional demand changes are anticipated throughout the rest of the year.

From the fertilizer sector, South Africa is on track for a strong corn harvest, which will lift end-user sulphur demand for ammonium sulphate and MAP producers in the fourth quarter of the year. This has already materialised in Russia, where the tighter sulphur market has been driven by demand from domestic fertilizer production, and we expect this to keep availability curtailed throughout the rest of the quarter, supporting pricing in key markets.

North Africa price forecast range *$/t*



Middle East

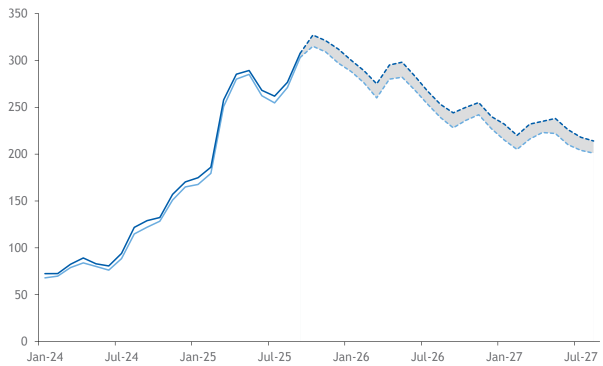
Firmer bids and offers from end users have pushed Middle Eastern fob pricing up to $315/t at the high end in September, and further lifting to $327/t fob high end is forecast as a ceiling in October.

There is less Turkmen product coming out of Iran because of delays on the railway network and a lack of vessels out of Bandar Abbas port. This is because ships are unwilling to call at Iranian ports because of the risk of sanction penalties, which is driving up pricing out of Iraq. Higher volumes of Iraqi product is being exported, which is usually sold at a premium to Turkmen tonnes. With the tightening of product availability, the discounted option is not there for regular offtakers of lower-priced tonnes such as in Egypt and Turkey. Egyptian buyers are being pushed to the market for tonnes. Additionally, the sanctions on Iranian and Russian crude have tightened, leading to a lack of product availability for Indian importers, particularly east coast fertilizer producers, as domestic refineries are producing less sulphur. This has also driven smaller end-users into the market for mainstream tonnes, adding to market competition and driving up global pricing, with market participants accepting firmer-priced tonnes for October delivery.

Middle East fob pricing is expected to soften and stabilise into 2026, with seasonal fluctuations bringing some uplift in the second and fourth quarters of the year, and capacity additions contributing to an overall softening trend. New supply is expected in Bahrain by the end of the year, with the start-up of Bapco's Sitra refinery expansion project bringing 300,000 t/yr of sulphur capacity to the region after numerous delays. The conclusion of maintenance on the South Pars gas field in Iran will add 150,000t sulphur capacity per month on average, and will relieve some short term pressure on availability for Middle Eastern tonnes.

Additionally, there are several projects due to start up in 2026, and while we expect a gradual ramp-up and low volumes during the initial phase, these add sulphur capacity and export availability to the short term balance. The projects include Qatar Energy's North Field expansion, bringing 3.1mn t/yr sulphur, Saudi Aramco's Jafurah 1 gas plant, bringing 230,000 t/yr of capacity, and the Tanajib gas plant, adding 1mn t/yr capacity. These should ease some tightness in the region if the lack of Iranian and Turkmen sulphur persists into 2026 and keeps a lid on firming across our forecast period.

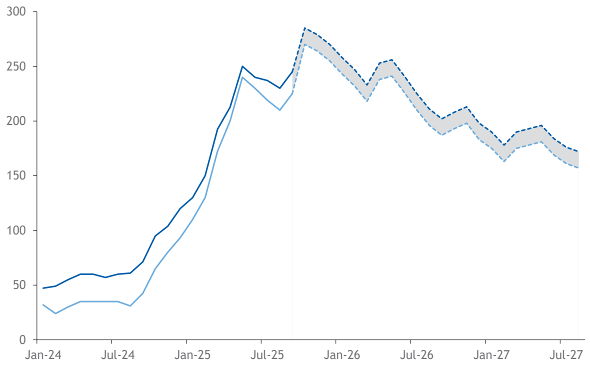
Middle East fob price forecast range *$/t*



Russia and central Asia

Sulphur prices in the Black Sea strengthened in September, with contracted tonnes to North Africa at $240/t fob, up by 14pc from August, and cargoes to Brazil reaching $250/t fob, a 9pc increase over the same period. These price gains reflect firmer bids and offers, supported by tighter supply conditions out of Russia and Kazakhstan. Black Sea shipments continue to face delays caused by rail capacity limitations, alongside the mandatory underwater hull inspections at Black Sea ports, which have added to logistical bottlenecks. Smaller vessels which normally carry Russian sulphur are in short supply as port stocks deplete, forcing regular buyers to turn to higher-cost Mediterranean producers. The Black Sea fob price is expected to rise, reaching a peak of $285/t on the high end in October. Following the peak, a moderate easing is expected from November onwards and through the rest of the year. The price softening will continue through early 2026, followed by a seasonal uptick and a slow decline through the remainder of 2026, as the market corrects in line with international price trends.

Black Sea fob forecast range *$/t*



Russian domestic sulphur production has fallen because of refinery maintenance, unplanned outages and a shutdown at a Black Sea oil export hub. Supply has been further constrained by prolonged maintenance at the Astrakhan gas processing plant and lower flows on Russian railways. Domestic fertilizer producers have been absorbing more sulphur, drawing on Russian production and additional tonnes from Turkmenistan and Kazakhstan. This trend is expected to continue because of healthy phosphoric acid output through the remainder of the year and into 2026.

Sulphur export availability has dropped because port stocks are eroding, and flows have been redirected from east to west. Freight costs in the Black Sea have climbed because of vessel shortages, limiting fob price increases but raising delivered values. Geopolitical risks also remain elevated, and renewed EU and US discussions around sanctions threaten to further restrict crude and sulphur flows.

Kazakhstan export supply is forecast lower in 2025 on a year earlier. Shipments fell by 3pc in January-July to 2.7mn t, and the decline is set to continue through the remainder of the second half. While output this year is forecast broadly stable on 2024 levels, the drop down in stocks will put a cap on exportable volumes across the year ahead as crushed lump sulphur exports from the Kashagan block ceased in August following the depletion of stocks. There are no projects in the short term impacting the view for sulphur capacity in the country.

In the Czech Republic, Orlen Unipetrol declared force majeure at its Litvínov petrochemicals site in mid-August, following a compressor failure which forced sharp crude throughput cuts of up to 40pc. The disruption, which hit the refinery's 70,000 t/yr sulphur capacity, is expected to ease, with operations resuming in September.

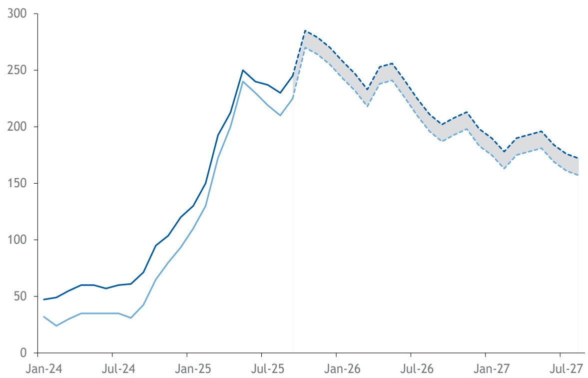
North America

In the US, refinery maintenance has tightened sulphur availability in the third quarter so far, but a previously suppressed downstream fertilizer affordability limited demand, balancing the market coming into the fourth quarter. But forthcoming refinery maintenance in the Midwest and Gulf coast could also restrict sulphur output early in the fourth quarter, combined with a pick-up in demand on the east coast, with increased consumption from Mosaic and Nutrien. Both fertilizer producers are quoting higher production numbers this year, despite the 10pc fertilizer phosphate decline in demand in 2025 compared with the year prior.

As Brazil begins to seek alternative tonnes with the threat of tariffs, trade flows out of the Gulf coast are expected to change, with Brazil historically the biggest export location, taking 35pc of tonnes in the first half of the year. More product is expected to go to Mexico, New Caledonia or west Africa, with sulphur exempt from US-Mexico tariffs. This could keep a lid on US Gulf pricing across the fourth quarter and into the start of next year as importers could be hesitant to accept US product with geopolitical uncertainty looming.

The fourth quarter Tampa settlement is expected to conclude at a premium, with pricing ideas heard at around a $40/t increase on third quarter levels although no settlement was reached at the time of writing. The expected tightness in the market from a lack of Canadian product, alongside suppliers trying to keep product onshore for domestic use and to build stocks amid tariff activity, will support the rise in the settlement, with limited downside as further tightness is expected from refinery maintenances along the Gulf coast.

Vancouver fob price forecast range *$/t*



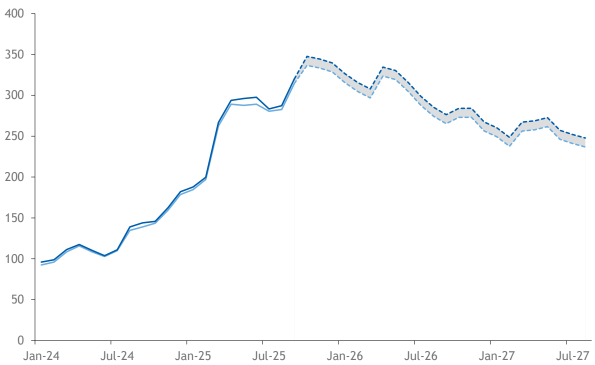
Exports out of Vancouver are rising, as Canadian product replaces Middle Eastern tonnes in some markets amid market competition, and tightness in availability in Russia. Buyers in Brazil in particular are enquiring for Vancouver cargoes amid the uncertainty in supply generated by reciprocal tariffs with the US. Canadian suppliers are expected to draw from inventories to support this elevated export demand. Taking from inventory stock is essential amid the tight molten market, with producers sending molten product to prillers for export at better prices in favour of selling molten domestically. This has meant sulphur inventories in Alberta are edging down, amplified by the recently-limited recovery from natural gas because of low pricing, and planned maintenance at oil sands facilities. Stocks are down 375,000t from July 2024 to 2025, and we expect inventories to fall further as favourable margins support more stock drawdown, supporting trade amid the price firming across September and October.

On the supply front, CSV Midstream was expected to start up its new Albright gas plant in Alberta in the third quarter, but this has been delayed once again because of technical issues. The upstream portion of the gas plant has been commissioned, but there are issues around testing the sulphur recovery plant. While no official timeline has been provided, we assume the project will slip into start-up in 2026. Once on line, this will add an estimated 135,000 t/yr sulphur capacity.

Latin America and Caribbean

In Brazil, emerging demand from fertilizer producers following a period of inactivity over the third quarter has contributed to the global price drive, amplified by the lack of lower-priced FSU product Brazil usually imports. Reduced Russian and Kazakh product availability means CMOC is awarding tenders at $315-320/t cfr, and cfr pricing is expected to peak at $347/t cfr in October, before softening as the fertilizer application season comes to a close in the fourth quarter.

Brazil cfr price forecast range *$/t*



US sanctions may limit Russian fertilizer supply to Brazil. Supply to the Brazilian market may become more restricted if the US government apply secondary tariffs or sanctions to Russian energy buyers. In the case of sanctions, Brazil would have to compete with other major sulphur consuming markets, such as India, China, and the US, against a more limited global supply which would increase costs for Brazilian buyers.

Brazil's reciprocal tariffs on the US will bring uncertainty for Brazilian sulphur consumers receiving US Gulf product. Brazil is in a relatively good output position, where tonnes from the Middle East, Russia and Canada are all viable options. Given the tightness in the Russian market and global competition for Middle Eastern product, it is becoming more likely Brazil will take increased volumes of Canadian tonnes. One 40,000t cargo has already shipped from Vancouver to Santos, Tiplam port, and other bids are already emerging for September loading. While Russian availability remains tight and market competition remains high, we expect Canadian and Middle Eastern tonnes to meet the majority of Brazilian fertilizer producer demand across the fourth quarter and into 2026, particularly with the expected start-up of Unigel's Camacari burner in the first quarter of the year, with 167,000 t/yr sulphur demand at full capacity driving more fertilizer-based demand from the region.

Mediterranean

Sulphur prices in the Mediterranean firmed through mid-September, with cfr values rising to $311/t, a 21pc gain from August, while fob values held at $279.5/t, up by 19pc on a mid-point basis. The escalation has been driven by tightening FSU availability and export of Kazakh crushed lump volumes from Kashagan stocks ceasing. The result of refinery maintenance in Russia, and an outage at a major Black Sea oil export hub, left traditional buyers seeking alternatives. Usual buyers of lower-cost Russian sulphur have shifted to prompt Mediterranean origin tonnes instead, boosting demand and driving up local prices. Unless a significant rebound in FSU exports materialises, the market is more likely to see firmer prices in the short term, with support from the global trend through to October. We expect to see prices reaching a ceiling in November, and edging down in a correction through to December.

Refinery activity across the region is also shaping near-term supply. Crude deliveries to Motor Oil Hellas' Corinth refinery in Greece surged to an 11-month high in August, following the restart of a crude distillation unit (CDU) that was severely damaged by fire in September 2024. The refinery has sulphur capacity of 54,000 t/yr, meaning its return to full capacity could provide some support. In Portugal, Galp's Sines refinery, with a sulphur capacity of 65,000 t/yr, is preparing for CDU maintenance in October–November, with full normalisation of operations not expected until 2026, adding some tightness to the forward balance.

In Italy, crude receipts at Genoa rose modestly in August but remain well below the combined capacity of the two refineries it supplies — Eni's 33,000 t/yr Sannazzaro and Iplom's 11,000 t/yr Busalla. The Sannazzaro refinery has been running below capacity for over 18 months, and Eni's chief executive Claudio Descalzi said in July the firm was planning the conversion of Sannazzaro into a biorefinery. If this conversion moves ahead, it will remove the 33,000 t/yr of sulphur capacity from the region.

Meanwhile in Turkey, buyers are less incentivised to enter the market as the shifting balance between rising sulphur prices and falling sulphuric acid values is squeezing burner margins, reducing their incentive to import sulphur.

Western Europe

The spot price for liquid sulphur imported to tanks at Rotterdam and Antwerp reached $470/t cfr at the high end in mid-September, compared with $476/t cfr in August. This price is poised for increases in the short term because of tight regional availability and firming global sentiment.

Benelux contract negotiations for the fourth quarter are expected to begin shortly, with sentiment pointing towards upward pressure as the regional market remains among the tightest globally. We are forecasting an increase on third-quarter levels to the highest average quarterly price for the year. With the trend towards a correction in the global market going into the first quarter of 2026, there is potential for a more stable outlook for pricing for Benelux in the new year. This will be tempered by the local market balance and the shifting structure of pricing in western Europe.

In Germany, lower sulphur output stemming from reduced refinery intake of sour crude and shrinking gas-based production. A six-week maintenance shutdown at the Grossenkneten gas field around August–September 2026 will further tighten the supply situation.

Water levels at the Kaub bottleneck on the Rhine stabilised above the 180cm threshold for full barge loading in mid-September, but the river already experienced prolonged restrictions in the first half of 2025, limiting barges to around 90pc of capacity. If levels fall back below this threshold, barge logistics would be constrained and could tighten supply.

A turnaround at Shell's 383,000 t/yr Pernis refinery from mid-September to the end of November is disrupting the outlook for supply in the Netherlands, reducing near-term availability from the site. The 40,000 t/yr Fos refinery near Marseille in France shut down unexpectedly on 6 September because of a technical fault on an unspecified unit. The operator continues to supply products, but the shutdown will probably last for some weeks and could affect output.

Outlook summary

Methodology

Argus' statistical price modelling framework is powered by a distributional regression model that uses linear and non-linear relationships to predict future pricing and the probability of price variance around these prices. The framework uses industry-leading machine learning practices to identify optimal drivers to produce probabilistic price forecast outcomes. Probabilistic forecasts can account for the distribution of future prices. For example, they can capture the likelihood of extreme events by modelling the heavy tails of a distribution. Our sulphur price model is specified by the following drivers. These include the lagged price of sulphur, global sulphur imports, and the price of wheat. There are also parameters driving seasonality, as well as intervention parameters for the pandemic and to capture the changing variance during turbulent periods.

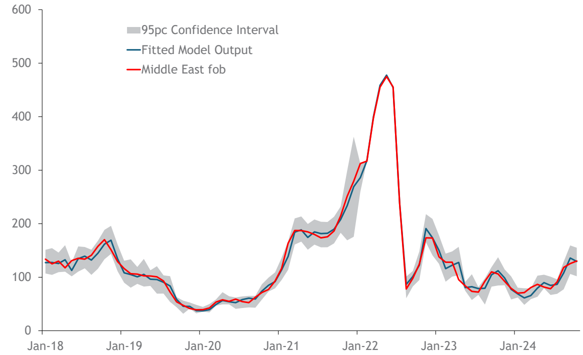
Approach to modelling

We use the statistical model as a guide to shape the direction of Argus forecasts. Our analysts are not bound by the modelled forecast and can use greater flexibility around capacity changes and geopolitical challenges, which are more difficult to model, to adjust their final forecast within the probabilistic distribution presented by the statistical model. The further forward in the forecast horizon, the greater the weight on the statistical model, until the analyst's forecast converges with the 50th percentile of the confidence interval – the most likely outcome based on historical relationships. Allowing divergence of the forecast is essential. Supply and/or demand shocks from events such as extreme weather conditions and unplanned maintenance are invisible to the model before they take place. We rely on our analysts to overrule the model and adjust the forecast to account for resulting market imbalances.

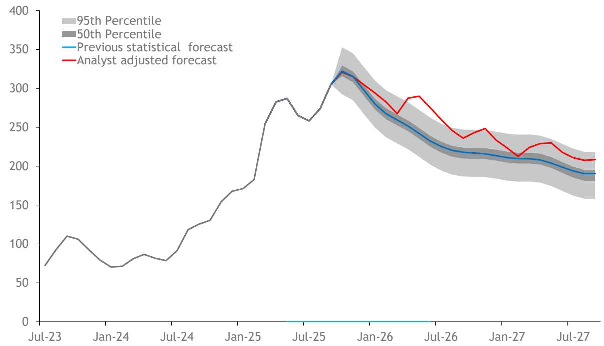
Analyst adjustments to statistical model

Following the ramp up in pricing through September, we expect a ceiling in October before bearish market fundamentals shape the softening from the fourth quarter. Our analyst forecast follows the trend of the statistical model, but demand from key end users, notably Indonesia and China, combined with the tightness in the Russian market, will keep pricing at above inferred levels into the first half of 2026. The model places significant weight on the lagged price of sulphur, which pulls down the statistical forecast in 2026 as pricing levels in early 2025 were unprecedented, with Middle East fob levels at a three-year high since July 2022.

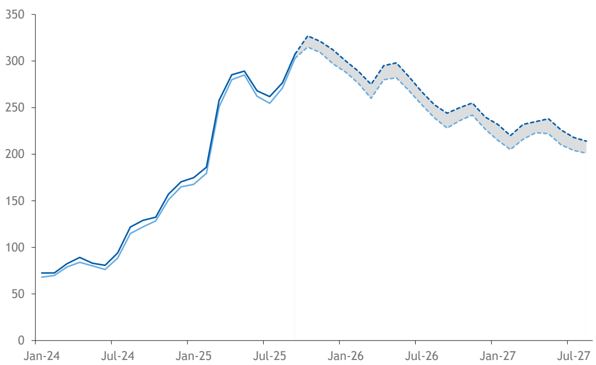
Statistical model fitted to historical data $/t



Comparison of statistical and Argus forecasts $/t



Middle East fob $/t



Price changes from previous report

Last month we expected a small uptick in pricing, given bullish fundamentals were starting to emerge in the market, with Chinese fertilizer demand, Indonesian nickel demand and a lack of Russian product availability. Pricing has ramped up to levels last seen in 2022, driven largely by the competition generated from offtakers entering the mainstream market due to lack of lower-priced alternative tonnes. We still expect softening in the fourth quarter of the year and into the first quarter of next year, but levels have lifted by around $5/t Middle East fob at the midpoint, to account for the rapid price hike this month. In September there was limited upside for the pricing sentiment, with slower phosphate production expected and ample supply from the FSU, but this has since changed with exporters continuing to move product ahead of the deadline, and South Africa-based MAP demand pushing Russian fertilizer producers to increase operations. Higher-priced sales concluded to Indonesia and North Africa prompted other buyers to bid at this level, but we continue to expect softening through the end of the fourth quarter and into 2026, with an uptick in the second quarter based on seasonal trends.

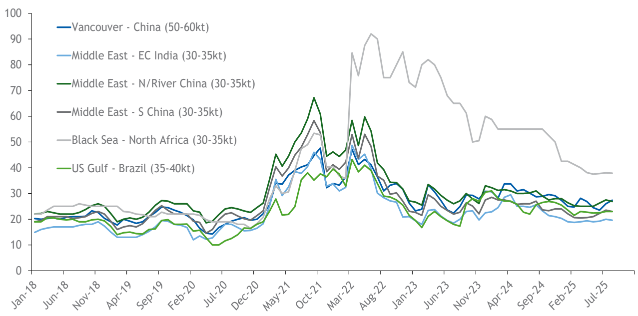
Freight

Freight costs on the US Gulf to Brazil route for a 35,000-40,000t vessel rose by almost 22pc in August to $28/t in September because of tightening barge logistics on the Mississippi river, where low-water restrictions are reducing tow sizes and draft capacity. The resulting congestion and higher inland costs are reducing supply chain efficiency and raising freight expenses. Exporters face longer loading times and limited barge availability, contributing to higher rates.

The port of Chornomorsk in Ukraine was temporarily closed to new vessel entries after the Belize-flagged *NS Pride* was struck near the port on 30 August, reportedly by a drone or sea mine. Although the vessel suffered only minor damage and proceeded safely to Sulina, authorities diverted all inbound ships to anchorage for security reasons. The closure has created immediate disruption to vessel schedules and reduced port accessibility, tightening vessel availability. Loading operations inside the port have continued, supported by private berths with independent power, but the incident has added fresh risk premiums to freight in the Black Sea region.

Rising tensions between the US and Venezuela in the southern Caribbean have heightened risks for crude and product shipments through the region's shipping lanes. The US naval strike and Venezuelan military manoeuvres have added security concerns that could slow traffic, increase insurance premiums and raise freight costs for cargoes in the area. Chevron's gradual resumption of Venezuelan crude exports to the US has already altered trade flows, pressuring Colombian grades while supporting Canadian heavy sour prices. Any escalation in military posturing could further disrupt logistics, tightening vessel availability and adding volatility to freight rates.

West of Suez $/t



New capacity

New capacity, 2024-25

Company	Project	Location	Date expected	± Capacity '000 t/yr	Notes
YPF	Mendoza	Argentina	2026	20	Construction underway, project was at 85pc completion as of September, start up forecast has been delayed to 2026 from 2025
Bapco	Sitra	Bahrain	4Q25	300	Refinery expansion project, following delays is now expected to come online by the end of 2025. Commisioning is under way
CSV Albright Sour Gas	Alberta	Canada	2026	135	New gas plant project. Further delays - following technical issues at the sulphur recovery plant we have pushed the start date from the third quarter of 2025 to 2026 in the absence of a new start date. The gas portion of the project has been commissioned and is ready for start up
China North Industries Group	Liaoning	China	2026	600	Construction under way
Chinacoal Yulin	Yulin	China	2026	120	Construction under way
CNOOC Daxie Petro-chemical	Zhejiang	China	4Q25	30	Construction complete but commissioning not started
Petrochina	Dazhou	China	2025	300	Commissioning complete
Shenhua Group	Baotou	China	4Q25	20	Construction under way
Sinopec	Changling	China	4Q25	60	Construction under way
Sinopec Zhenhai Phase II	Ningbo	China	1Q25	450	Comissioning complete
Asorc	Assiut	Egypt	4Q25	62	Ramp up was expected in 2Q24, but forecast has been extended to end 2025
Indian Oil	Panipat phase 1	India	3Q26	548	Construction under way and project is on target for 3Q26 start up
Indian Oil	Koyali/Gujurat	India	2026	138	Construction under way
Oil India	Numaligarh	India	1Q26	166	On track for start up early next year
Hindustan Petroleum	Barmer	India	1Q26	157	Commissioning is expected by the end of 2025 with crude expected to be taken in by October 2025. We assume slippage to start up to the first quarter of next year
South Refineries	Maysan	Iraq	2026	66	Groundwork and construction underway
South Refineries	Basrah	Iraq	2026	548	Confirmed construction under way
Pemex Dos Bocas Olmeca	Tabasco	Mexico	2026	300	The refinery is running but we remain cautious on the start up timeline for sulphur tonnes
Qatar Energy	North Field Expansion	Qatar	2026-27	3,106	Construction is under way and progressing with a gradual ramp up forecast
Saudi Aramco	Tanajib	Saudi Arabia	2026-27	1,000	Construction under way with 2025 start up targeted but we assume there will be slippage. Sulphur granulation is not planned, only block storage
Saudi Aramco	Jafurah 1	Saudi Arabia	2026	230	Construction under way. Sulphur granulation is not planned, only block storage
Exxonmobil	Jurong Island	Singapore	2025	100	Commissioning under way from the second quarter, we assume a gradual ramp up
Sanoat Energetika Guruhi (SEG)	Fergana	Uzbekistan	4Q25	380	Construction is under way

**key capacity additions*

Information on sulphur production capacity additions beyond 2025 can be found in the Argus Sulphur Analytics service. For more information, please click here.

download data on **Argus** direct

Production maintenance

Maintenance of sulphur producers

Country	Company	Period	Sulphur capacity, *t/yr*	Note
Austria	OMV	September 2025 onwards	66	Planned maintenance at the Schwechat site
Belgium	TotalEnergies	Early October onwards	225	Planned maintenance at Antwerp refinery
Canada	Shell	September onwards for 50 days	850	Planned turnaround at Scotford refinery
China	Sinopec	1 September-1 November	150	Planned maintenance at Zenhai
China	Sinopec	1 October 2025-1 January 2026	160	Planned maintenance at Guangzhou
China	PetroChina	October-December	360	Planned maintenance at Kunming refinery
Czech Republic	Chemopetrol Group	13 August-September	70	Unplanned maintenance at Litvinov refinery due to accident
France	ExxonMobil	First quarter of 2026	102	Partial maintenance at Port Jerome refinery
Germany	Beb Erdgas	August 2026-September 2026	200	Planned maintenance at Grossenkneten gas processing plant
Germany	Klesch Group	10 September-8 October	20	Planned maintenance at Heide refinery
Greece	Hellenic Petroleum	31 December 2025-14 February 2026	88	Gradual planned maintenance at Aspropyrgos refinery
India	Bharat Petroleum	Ongoing, until third week of September	252	Planned maintenance at Bina refinery
India	IOC	Ongoing, until third week of September	18	Planned maintenance at Koyali refinery
Italy	Iplom	October onwards for 5-6 weeks	11	Planned maintenance at Busalla refinery
Italy	Eni	31 May-31 December	44	Planned maintenance at Taranto refinery
Japan	Eneos	Late September-early December	197	Partial maintenance at Mizushima refinery
Japan	Eneos	9 August-mid November	37	Planned maintenance at Kawasaki refinery
Japan	Cosmo oil	27 August, ongoing	51	Planned maintenance at Sakai refinery
Kuwait	KNPC	3 December-27 December	146	Planned maintenance at Mina Abdullah
Netherlands	Shell	Mid September onwards for 2-3 months	383	Planned maintenance at Pernis refinery
Portugal	Galp	October-November	65	Planned maintenance at Sines refinery
Romania	OMV Petrom	20 December 2025-18 February 2026	56	Planned maintenance ar the Petrobrazi refinery
Russia	Surgutneftegaz	31 July-29 September	82	Planned maintenance at Kirishi refinery
Russia	Lukoil	August onwards, ongoing	101	Unplanned maintenace due to drone strike at Volgograd refinery
Russia	Gazprom	Mid August, ongoing	4800	Unplanned maintenance at Astrakhan gas processing plant
Saudi Arabia	Saudi Aramco	November onwards	44	Partial maintenance at Petroabigh refinery
South Korea	S oil	15 October-29 November	580	Planned maintenance at Onsan
Spain	Repsol	15 August onwards for 3 months	50	Planned maintenance at Cartagena refinery
Taiwan	Chinese petroleum	September - November	91	Planned turnaround at Talin
Taiwan	Formosa	1 September - 21 October	400	Planned maintenance at Mailiao
UK	Essar	2 September onwards for 3 weeks	77	Maintenance due to accident at Stanlow refinery
US	Marathon Petroleum	March-september	28	Planned turnaround at Canton refinery in Ohio
US	Total	August onwards for 2 months	214	Turnaround at Port Arthur refinery in Texas due to operational issues in second quarter
US	Citgo Petroleum	2026 onwards	170	Planned turnaround at the Lake Charles, Louisiana
US	Citgo Petroleum	2026 onwards	134	Planned turnaround at Lemont, Illinois refinery

Sulphur demand

Sulphur burner project tracker

Company	Project	Location	Date expected	Sulphur Demand, '000t/yr*	Notes
PVS Chemicals	Ghent	Belgium	2026	10	Industrial captive use, construction under way
Unigel	Camacari	Brazil	1Q26	167	Construction underway, end 2025 start up targeted, we assume slippage to 2026
Hubei Yihua	Yichang	China	2025	400	Phase 1 2024 Phase 2 2025, commissioning under way
Fujian tianfu Xiahua	Fujian	China	2025	200	Industrial captive use
Guangxi Zhiyuan	Guangxi	China	2025	133	Industrial captive use
Hubei Liuguo	Dangyang	China	2026	267	Phosphoric acid- MAP,construction underway
Lomon - Phase 1	Hubei	China	2026	133	Construction under way. Producing phosphoric acid for LFPs
Yihua Chuxing	Hubei	China	3Q25	267	Commissioning under way
Dongying Chemical	Fujian	China	1Q25	133	Captive use for brine treatment
Sichuan Lomon	Sichuan	China	1Q25	167	Captive use in phosphoric acid production for LFPs
Guangxi Hengyi	Guangxi	China	3Q25	243	Commissioning under way. Producing sulphuric acid for caprolactam
Ezhong	Hubei	China	3Q25	133	Commissioning under way. Producing phosphoric acid for LFPs
Wintrue Phase 3	Hubei	China	2025	200	Captive use in phosphoric acid production for LFPs
Shandong Luxi	Shandong	China	2026	267	Construction under way
Hubei Sanning	Hubei	China	2026	600	Construction under way. Producing phosphoric acid for LFPs
New Xiangyun Phase I	Hubei	China	2025	267	Commissioning under way, phosphoric acid production
Haifeng Hetai	Sichuan	China	2026	200	Financing and construction under way, TiO2 sector
Yara	Siilijnarvi	Finland	2026	300	Delayed and expected to start in 1H26, construction under way
Rama Phosphates	Dhule	India	1Q26	30	Commissioning under way
PPL	Paradeep	India	3Q25	187	Commissioning under way, standalone burner for captive use
GSFC	Vadodara	India	4Q25	67	Commissioning underway
Tsingshan/PT Blue Sparking	Weda Bay	Indonesia	2026	667	Construction underway, captive use for HPAL(Nickel)
PT Chenxi	IMIP	Indonesia	2026	1,000	Construction underway, captive use for HPAL(Nickel), delays expected from end 2025 to next year, timeline to be confirmed
PT QMB New Energy Phase III	Morowali	Indonesia	1Q25	220	Commissioning underway following start up, ramp up phase
Tsingshan/Excelsior Nickel Cobalt (ENC)	IMIP	Indonesia	4Q25	667	On track to start later in the year, for nickel HPAL but potential for delays into 1Q26
PT Halmahera Persada Lygend	Halmahera	Indonesia	2022-25	1,200	Ongoing ramp up
PT QMB New Energy Phase III	Morowali	Indonesia	3Q25	333	Commissioning underway,For nickel HPAL
PT Sulawesi Nickel Cobalt (SLNC)	IMIP	Indonesia	2H26	833	Construction underway, captive use for HPAL(Nickel)
Stepnogorsk Sulphuric Acid Plant LLP	Stepnogorsk	Kazakhstan	2026	120	Construction underway
OCP	Jorf - S2	Morocco	2026	550	Construction underway
OCP	Jorf Phosphate Hub	Morocco	2026-28	1,260	Construction underway
PhosAgro	Balakovo 3	Russia	2025	117	Construction and commissioning underway
GCT	Mdhila	Tunisia	2026	233	Construction complete, commisioning underway
Eti Maden	Emet Kutahya	Turkey	3Q25	125	Project is for captive use for Boric acid production, commssioning under way
Ferkensco Group	Samarqandkimyo	Uzbekistan	2Q26	261	Construction under way

*Estimated based on sulphuric acid capacity

Macroeconomic overview

The IMF's latest World Economic Outlook forecasts that the global economy will grow by 3pc in 2025 and 3.1pc in 2026, more than it was expecting just three months ago. The revisions come with the caveat that "risks to the global economy remain firmly to the downside", chief economist Pierre-Olivier Gourinchas says. He also notes the possibility that President Donald Trump's tariffs could be reset to higher levels, or that the trade deals he concluded may unravel.

The effective US tariff rate is 17pc as of mid-July — lower than the 24pc rate if Trump had made good on his plans in April to impose high rates, the IMF estimates. Since then, the US has struck deals with the UK — keeping the US tariff rate at 10pc — and followed a similar model with the EU, Japan and South Korea, now all subject to a 15pc tariff.

Turning to the US economy, GDP grew at an annual rate of 3pc in the second quarter of 2025, rebounding from a 0.5pc decline in the first quarter. The increase was driven primarily by higher consumer spending and lower imports, as advanced estimates released by the US Bureau of Economic Analysis said. Regarding employment, total non-farm payroll employment in the US climbed by 73,000 in July, the lowest level since April. The unemployment rate held steady at 4.2pc, with job gains in healthcare and social assistance having compensated for declines in federal government employment and non-farm payrolls, according to the US Bureau of Labor Statistics.

In China, the country's manufacturing PMI dropped to 49.3 in July from 49.7 in June, indicating continued contraction caused by a seasonal slowdown and extreme weather conditions, according to the National Bureau of Statistics (NBS). China's gross domestic product (GDP) growth hit 5.3pc in the first half year of 2025, despite a slowdown in the second quarter. The growth was partially driven by stronger-than-expected exports. The country's export value totalled $325bn in June, up by 2.9pc on the month and 5.6pc on the year, Chinese customs data show. The month-on-month increase was partially driven by a rush to send cargoes to the US so that they would arrive before 9 August, the US's deadline for an additional 24pc tariff on Chinese goods.

The eurozone economy expanded at the lowest possible rate in the second quarter of this year, according to preliminary figures from the EU's statistical office Eurostat. Seasonally-adjusted gross domestic product (GDP) increased by 0.1pc in the single-currency bloc and by 0.2pc in the EU as a whole. These mark a slowdown from revised respective growth of 0.6pc and 0.5pc in the first quarter, Eurostat said. The highest growth was in Spain. Germany's economy contracted for a second time in three quarters. Italy's GDP turned negative, as did that of Ireland, after remarkable growth in the first quarter of this year.

Argentina's economy continues to expand, growing by 6.2pc in the six months through June compared with a decline of 3pc during the same period a year earlier, according to preliminary data from the statistics agency, Indec. The economy expanded by 6.4pc in June, with double-digit growth in financial services and the wholesale and retail sector. Manufacturing was up by 7.8pc from a year earlier. The mining sector was up by 11pc, while manufacturing was up by 7.8pc from a year earlier. June was the ninth consecutive month of economic expansion since President Javier Milei's administration began a radical adjustment shortly after taking office in December 2023.

The Milei administration has stopped economic decline and rampant inflation by reducing the size of the state and dramatically curbing public expenditures, including subsidies on power and natural gas. Subsidies of public services were down by 26.6pc in the 12 months ended in July. Subsidies have dropped from 2.1pc of GDP in 2023 to 0.4pc today, according to the government. Inflation for the first six months of the year was 17.3pc, compared with 87pc during the same seven months in 2024, according to Indec. The government's top economic concern now is the exchange rate, with the peso falling by 12pc against the US dollar in July.

Mexico's association of finance executives IMEF nudged its 2025 GDP growth forecast higher in its August survey, with trade tensions easing after a major US tariff hike was postponed. IMEF increased its full-year GDP growth estimate to 0.4pc from 0.1pc held over the past three months, but emphasised that growth will remain "very weak" for the rest of the year. The uptick followed the US decision to pause for 90 days its plans to raise the flat tariff rate on Mexico to 35pc from 25pc, originally scheduled for 1 August. IMEF now expects the central bank to make additional cuts to its target interest rate from the current 7.75pc to reach 7.25pc by year-end, compared with the 7.5pc projected in the July survey. It also projects the peso to finish 2025 at Ps19.70/$1, stronger than the Ps20.10/$1 forecast in July.

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