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The fear factor

Strong refining margins ought to spur Chinese firms to raise runs, yet early indications are that they are cutting output — which begs the question, why?

Oil demand losses caused by the electrification of China's vehicle fleet in 2021-25 were widely predicted. Less well anticipated was the pace at which Chinese firms would diversify into petrochemicals, finding new uses for refineries and offsetting demand losses. Analysts with state-controlled Sinopec, among the most bearish on China's oil market, forecast gasoline and diesel demand losses of 9pc and 11.4pc, respectively, this year. Still, any bet on oil consumption dropping in response to shrinking Chinese gasoline use would have been a costly error.

Modelling short-term changes in oil demand — a metric skewed towards changes in refinery runs — is even harder than predicting long-term, structural shifts, yet potentially more lucrative. Chinese oil demand has almost certainly peaked, yet China remains a massive crude importer, capable of influencing global prices by changing its buying patterns. For companies that sell oil to China, predicting when the country will enter restocking or destocking cycles is more useful than knowing that headline oil demand may have stopped growing.

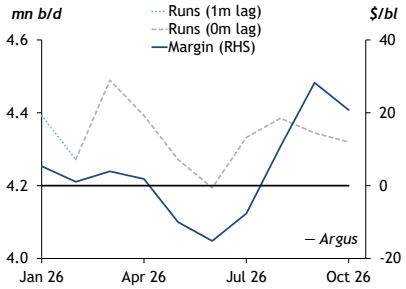
It is, however, becoming far harder to predict those short-term changes in demand, and that is because the planning horizon for Chinese firms themselves has become shorter. The war may have changed not only when Sinopec makes its refining decisions, but also how it evaluates crude costs and refined products sales risks. Until February, Sinopec's run rates tracked hedged crude refining economics relatively closely — consistent with throughputs being planned alongside crude purchasing decisions made 2-3 months earlier. Since then, runs have followed current, unhedged margins more closely and crude buying itself has become far prompter. Sinopec now holds weekly meetings to review refinery throughput and clean products export scheduling.

Margins still only account for part of the observed variation in run rates. In theory, the government's retail fuel pricing system — a cost-plus mechanism derived from the same financial contracts against which most crude imports settle — mitigates refiners' financial risks. But not only does the government try to shield consumers from steep price increases, any attempts to pass through cost increases this year have just accelerated China's shift to electric vehicles. Access to lucrative export markets is even less knowable. At the start of October, Beijing banned and relaxed export controls in the space of a week. At the end of the month, it unveiled a hefty new products export quota. Whether oil companies will be able to use that and demand more crude, or find overseas sales peremptorily blocked and demand less, remains an open question.

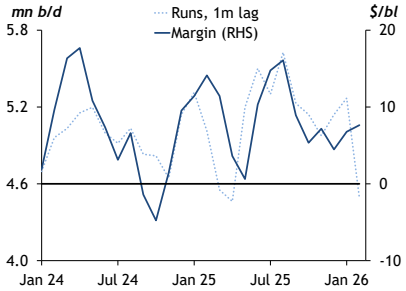
So margins matter, but fear factors are overriding the margin signal. For Chinese state-controlled firms, one solution may be to outsource margin risk to the private sector — tolling deals where they sell crude to Shandong in exchange for guaranteed offtake of products. For international firms, leasing some of the now-vacant tanks formerly housing Iranian crude might allow sellers to meet prompt demand. China remains too large a buyer to ignore, but as its planning horizon shortens, the rewards for anticipating its crude appetite are increasingly matched by the risks of getting the timing wrong.

EDITORIAL: China's once long-term planning horizons are getting shorter

Sinopec refinery runs vs margins



Sinopec refinery runs vs margins



CONTENTS

China oil demand falls in September 2
Crude buying slows in October 3
Shandong runs come under pressure 4
Feedstock shortages spur run cuts 5
Diesel exports to drop on low stocks 6
Run cuts weigh on petchem supplies 7
Diesel tight despite demand slump 8
New refining drought continues 9
China's GDP growth picks up pace 10
Beijing scores political win in Brazil 11
Market data and pricing 12-21

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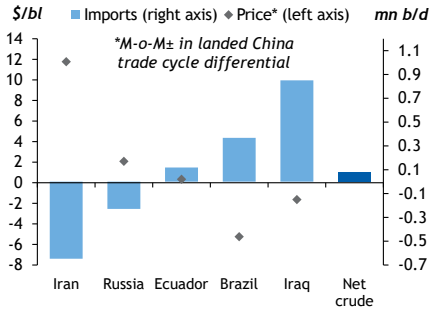
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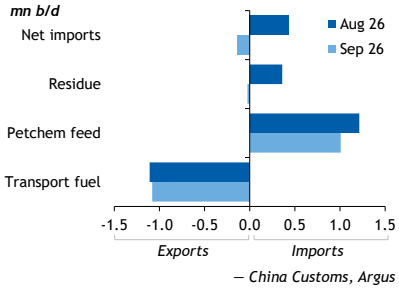
DEMAND

Apparent demand dropped despite strong refined products exports, as domestic consumption stayed fragile

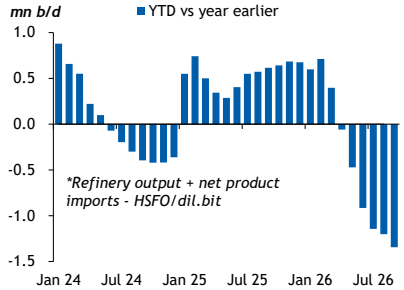
Crude imports Sep vs Aug



China products trade



Finished products supply



Oil demand falls in September

China's oil demand fell in September, as a summer rebound ground to a halt. Tightening crude supplies pressured refinery runs and margins, while weak consumer demand and rising electric vehicle usage ate into transport fuel use.

Apparent oil demand — finished products supply plus net imports — fell by 3.1pc from August to 14.4mn b/d in September, marking the first month-on-month decline since June and extending the year-to-date drop in demand to 1.34mn b/d.

Crude throughputs fell by 8.5pc on the year to 13.97mn b/d in September, constrained by tight crude supply and rising feedstock costs. China's gasoline crack spreads have been negative since early September, while diesel cracks shrank to $10.68/bl on 30 September from a post-Iran war high of $26/bl on 26 August.

Crude prices rose in September but the increase was only partly passed through to retail fuel prices. China's top economic regulator, the NDRC, sets retail price ceilings for gasoline and diesel — these rose by about $11/bl in September, just half of the $22/bl rise implied by the pricing mechanism. Nevertheless, demand fell.

High prices helped push down domestic diesel demand by around 270,000 b/d on the year in January-September, according to *Argus* estimates. Despite this, drivers report diesel shortages at service stations, as run cuts and surging exports are squeezing supply.

Gasoline demand fell to an even greater degree, dropping by 9pc, or 300,000 b/d, in January-September. The year-on-year decline accelerated to 400,000 b/d in September. Gasoline is more vulnerable than diesel to displacement by alternative fuels — China's new energy vehicle penetration rate reached a record high of 67pc in September, according to data from the China Passenger Car Association. Government regulation threatens to erode consumption further. New rules requiring invoices be issued for all retail fuel sales could raise costs and drive some smaller suppliers out of the market, hastening demand destruction.

Naphtha consumption has likely fallen this year because of petrochemical oversupply, removing what has been a key source of support for Chinese oil demand in recent years. Official data suggest China's economy gained strength in July-September, thanks in large part to explosive growth in exports. But higher energy costs are hitting manufacturers' margins and consumer spending is weak.

Continued strength in exports helped sustain run rates, even as domestic demand stayed fragile. China was a net exporter of all oil products — transport fuels, LPG, naphtha and fuel oil — in September, for the first time since February 2023. Fuel oil exports, including bunker supplies, surged by over 330,000 b/d month on month, and diesel exports hit a 3.5-year high of 450,000 b/d.

Clean products exports are on course to remain high in October, although down by 11pc from September at 980,000 b/d, including bonded jet fuel exports, *Argus* estimates. Uncertainty over government export policy remains a key driver of refiners' decision on run rates and crude buying.

Of little import

Chinese imports of sanctioned Iranian and Russian crude fell sharply in September, as independent refiners struggled to secure supplies. Port stocks of Iranian crude in Shandong have dried up, while the US blockade on Iran has prevented most fresh deliveries from reaching China. Imports of Iranian crude — typically transhipped off Malaysia or Indonesia — fell to 700,000 b/d in September, down by around 650,000 b/d from August and the lowest since January 2023. Russian deliveries slipped by 230,000 b/d from August to 2.47mn b/d, albeit well above year-earlier levels. China imported 9.05mn b/d of crude in September, up by a slight 79,000 b/d from August but 2.4mn b/d lower than a year earlier, customs data show.

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CRUDE

China slows crude buying in October

State-controlled Chinese firms slowed crude buying and even turned sellers in October

Chinese crude buying slowed in October, as high prices sapped demand and the tempo of attacks on Middle Eastern oil infrastructure intensified.

The near-total loss of access to Iranian crude in October has forced China's independent refiners to switch to buying unsanctioned crude, primarily from state-controlled Sinopec and CNOOC, but also TotalEnergies. Shandong independents bought nearly 7mn bl of unsanctioned crude in October — most of which was west African — up from 4.5mn bl in September and next to none in the preceding months. Rather than increasing their own refinery runs, state-controlled firms may now aim to supply crude to their Shandong peers and buy refined products from them — outsourcing an increasing portion of their refining margin risk to the private sector.

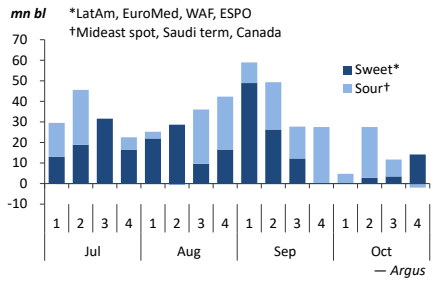
Atlantic basin marker North Sea Dated shot higher in early October, in response to a surge in freight rates. Dated is still high, at over $125/bl. This summer's shift in Mideast Gulf producers' crude marketing strategies — and in Chinese crude buying tactics — from term to spot trading created tanker chartering demand that was far harder to plan for and far costlier to schedule at late notice. Freight markets have cooled but remain elevated. This makes it much more costly to send crude east from the Atlantic basin and forces sellers to discount cargoes to offset freight.

Spot differentials for west African Hungo and Djeno fell by $13-15/bl on a delivered-China basis but retained $15-18/bl premiums to Brent futures by the end of October. Delivered-China differentials for Brazilian Tupi have retreated steadily over the month, without eliciting significant interest from firms such as Sinopec, typically one of the world's biggest importers of Brazilian crude.

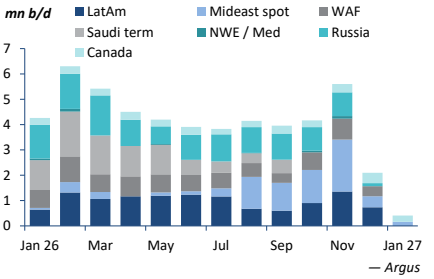
State-controlled firms bought large amounts of November-delivery crude in early September (*see graph: China crude purchases*). Despite that, they intend to cut runs in November. Uncertainty over government clean products export policy, the prospect of seasonally weaker domestic demand and the lack of any means to hedge domestic products sales make state-controlled firms highly cautious — raising runs and having exports blocked while domestic demand contracts would represent a considerable financial risk.

State-controlled firms slowed purchases of Brazilian crude, reduced their spot purchases from the Mideast Gulf and at points turned crude sellers in October. Sinopec trading arm Unipec sold 3mn bl to Shandong refiners and Malaysia's Petronas in October. It also sold 4.5mn bl of December-loading Oman and Murban through pricing agency Platts' cash Dubai market this month. Chinese independent refiners bought 5mn bl of Iraqi crude (*see graph: Del. NE Asia Mideast spot trades*).

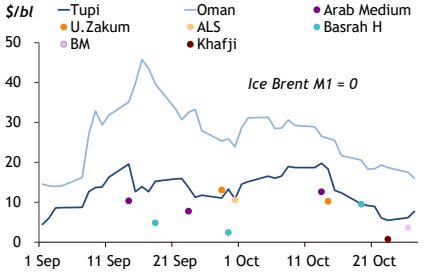
China, pace of crude buying



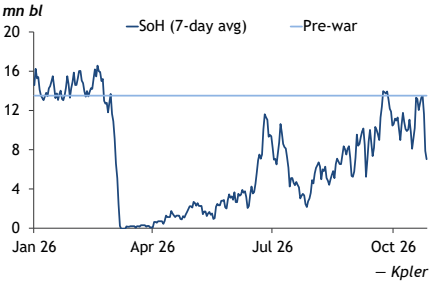
China crude purchases



Del. NE Asia Mideast spot trades



Strait of Hormuz egress



Risky business

The time horizon for state-controlled firms' crude purchase and refinery throughput scheduling has become prompt. They may revise planned crude runs higher, as Beijing awarded them a larger-than-expected fourth batch of products export quotas on 28 October. On the other hand, the November-December arrival Brazilian and west African cargoes they have sold to Shandong include cargoes intended for their own systems. The independents now take on the risk of paying for cargoes that their larger peers bought on a floating-price basis in a rising market. Independents also bear the risk of converting that crude into refined products in a market environment where high prices are accelerating downstream demand losses. State-controlled Chinese firms can redirect crude to their own systems should independent buyers default. For firms without storage or refining assets in China, selling crude to Shandong firms remains a risky proposition.

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CRUDE

Shandong run rates under pressure

Some Shandong firms could run out of feedstock next month, if they are unable to secure fresh crude supplies

Shandong independent refiners may be forced to cut operating rates in November-December as crude stocks run low. Imports of their favoured Iranian crude have neared zero since September, while higher costs are discouraging larger purchases of alternative Russian and unsanctioned grades.

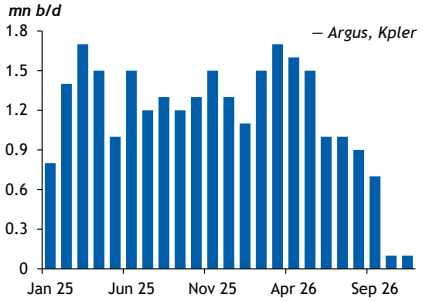
Small Shandong refiners have historically purchased Iranian oil from tanks at Shandong ports, after cargoes were transferred in ship-to-ship operations off Malaysia or Indonesia. More than 20mn bl of unsold Iranian oil was held at Shandong ports under long-term leases earlier this year, as trading firms built up stocks in anticipation of geopolitical unrest, market sources say. But those supplies had been cleared by August. Refinery crude tanks in Dongying, the hub of China's independent refining sector, were less than 35pc full at the end of October, compared with around 50pc in January-August, data from oil analytics firm Vortexa show.

"Shandong refiners are rushing to take delivered cargoes into their systems within a few days of delivery to port," a refinery official says. One refiner paid a premium of more than $23/bl to December Ice Brent for a cargo of Iranian Light arriving in October, rather than wait for cheaper December-arrival Brazilian Tupi. Other refiners are cutting runs as much as they can, in a bid to stave off costly full plant shutdowns. Even so, some expect to run out of stocks next month if they are not able to secure fresh feedstock supplies, traders say.

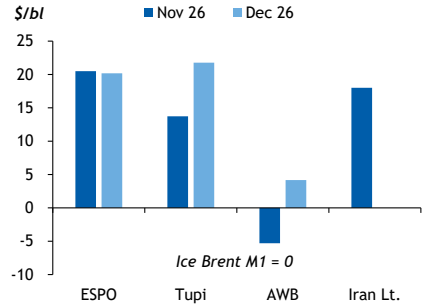
Private-sector refiners in Shandong have bought 35mn bl of more expensive unsanctioned crude from Iraq, Qatar, the UAE, west Africa and Canada for arrival in the second half of 2026, but only 30pc of this has arrived, *Argus* tracking shows. Heze-based refiner Dongming raised runs this month after receiving supplies of Mideast Gulf crude, but not all refiners are willing to pay up for alternative grades. Weak margins and financial pressures are discouraging some from restocking. Binzhou refiner Wudi Xinyue resold a cargo of November-arrival Russian ESPO Blend last month, and cut runs at its 48,000 b/d refinery to 40pc of nameplate capacity. Private-sector firms Qirun and Hongrun also resold cargoes in the third quarter.

Securing feedstock for November is only getting more difficult as the end of the month approaches. West African and Mideast Gulf crudes are now trading for December delivery, while most December-arrival Tupi and January-arrival Canadian TMX crude has already cleared. And long-haul purchases such as these carry the risk of being undercut by potential future drops in freight costs or a weakening of Brent backwardation. Meanwhile, the near-halt in Iranian imports is encouraging Russian suppliers to keep spot offers firm. ESPO Blend is trading at a $5/bl premium to Tupi, compared with an around $10/bl discount to Tupi in January.

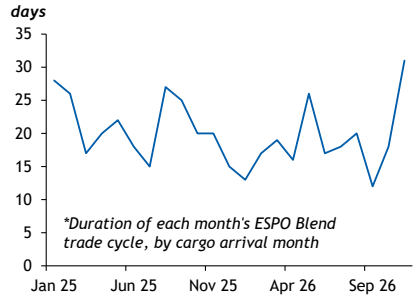
China's Iranian crude imports



Del. China trade cycle differential



ESPO Blend trade cycle duration



ESPOnential distribution

A limited amount of Iranian supply is still reaching the market. Iranian Light and Iranian Heavy cargoes were offered at premiums of more than $20/bl to Brent this month, after escaping the US blockade and the strait of Hormuz on smaller tankers, sources say. Shandong firms have nevertheless prepared for a prolonged absence of Iranian oil. Some may try to buy more domestic crude from state-controlled CNOOC, but supplies are limited. Local governments are likely to compel operators to keep plants open to protect jobs and support the local economy, which could force firms into paying up for ESPO Blend.

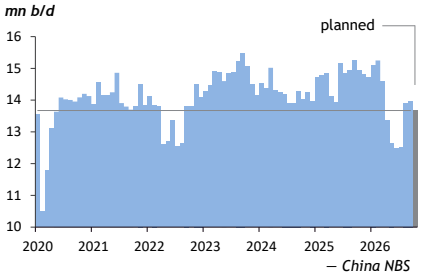
Still, some refineries seem to be weathering the storm. The 116,000 b/d Wonfull refinery continues to sell blended gasoline and diesel. The 44,000 b/d Kelida plant continues to run, despite being slated for closure by the central government in 2022. And state-run Sinochem's former Shandong refineries have resumed normal operations since coming under private ownership this year.

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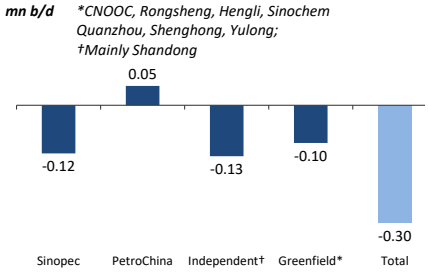
THROUGHPUTS

Weak domestic margins and slow crude buying will limit the scope for runs to increase next month

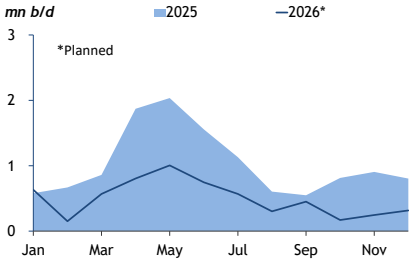
China crude runs



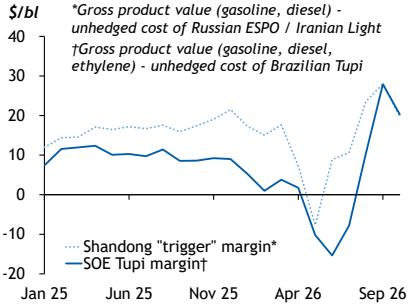
Crude runs Oct vs Sep



China CDU capacity off line



Refining margins



Refiners trim runs as crude shortages grow

China appears to be trimming refinery runs in October, despite tight domestic diesel markets and lucrative export margins.

China's crude throughputs fell by 210,000 b/d from September to 13.76mn b/d in October, *Argus* surveys indicate. State-controlled firms presently plan to cut runs by another 200,000 b/d in November. Tight crude supplies and rising import costs prompted China's private-sector mega-refiners — 800,000 b/d Rongsheng, 400,000 b/d Yulong, 320,000 b/d Shenghong and 400,000 b/d Hengli — to cut runs by a combined 100,000 b/d in October. Hengli and Rongsheng have been cutting runs at their facilities since August. Yulong is still running hard, but also trimmed runs in October. Only Shenghong raised output. Deep run cuts at steam cracking and paraxylene units have bolstered petrochemical margins but China's mega-refineries are running down their crude stocks even as they cut runs, highlighting the deficit in crude procurement. Chinese refiners drew crude stocks at a rate of 550,000 b/d in October, data from oil analytics firm Vortexa indicate.

State-controlled PetroChina increased crude runs by 70,000 b/d to 3.86mn b/d in October. Its Karamay and Huabei refineries have reopened after maintenance, and the oil giant needs to increase supplies of winter diesel to northeast China.

State-controlled Sinopec held its crude runs steady at 4.32mn b/d in October, as a shutdown at its Maoming refinery in south China offset higher runs at its east China Yangzi refinery following maintenance. Sinopec remains highly cautious on the demand outlook for oil products, and has bought relatively little December-arriving crude. It is instead seeking to meet its domestic supply obligations and export commitments by replenishing its inventories with refined products bought from independent refiners in Shandong. This strategy is supporting liquidity in Shandong's Bohai bay spot market, where 100,000 b/d of gasoline and diesel changed hands in October, up from 60,000 b/d in September.

State-controlled refiners typically only schedule higher crude runs if margins are favourable and if they have sufficient crude inventory at hand. Domestic margins are weakening and high prices have crimped crude buying, suggesting that neither PetroChina nor Sinopec will increase output significantly over the remainder of this year. Instead, a substantial portion of their recently purchased crude is likely to be absorbed into storage rather than immediately converted into higher refinery runs.

State-controlled refiners drew down nearly 40mn bl of crude inventories over August-September, according to *Argus* estimates. Their stockdraws have slowed, in part because they have been able to secure relatively cheap supplies from the Middle East. Even so, purchases of Atlantic basin crude have dropped significantly, limiting their scope to increase runs.

Seasonal seesaw

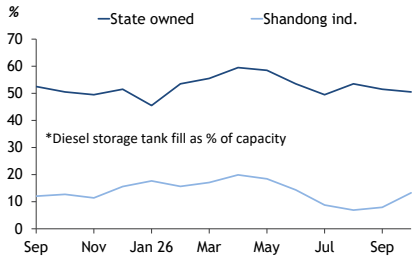
Landed crude costs averaged more than $110/bl in October and will probably rise further in November-December, as freight rates and crude prices remain elevated. State-controlled refiners have a slight advantage because they receive products export quotas, but China's domestic fuel pricing mechanism and local consumer cost-sensitivity still limit their ability to recoup the soaring crude costs. Refining margins are high now but will drop when seasonal weakness seeps into domestic gasoline and diesel markets. Under these conditions, refiners tend to conclude that the increased risk of losses from raising throughputs outweighs the potential for stronger profits. Shandong independents pared runs slightly in October as their receipts of Iranian crude dried up. They are now running down crude inventories to meet November products sales commitments agreed earlier.

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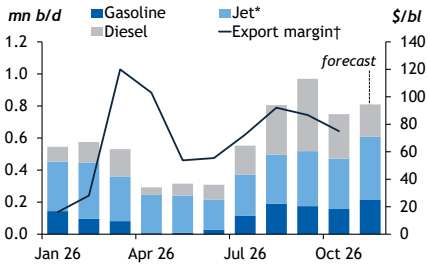
PRODUCTS

High gasoline and jet fuel stocks will spur strong exports next month, but diesel exports will drop despite lucrative margins

China diesel stocks



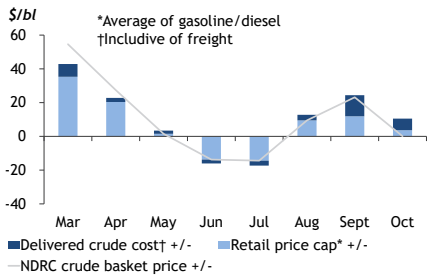
China transport fuel exports



*Cargo only;
†W.avg SG/Dubai crack hedge

— Argus, China Customs

China retail fuel prices vs crude cost



China to raise gasoline, jet exports on large new quota

Chinese oil firms may raise gasoline and jet fuel exports in November, after receiving a larger-than-expected additional export quota. But diesel exports are likely to fall because of tight domestic supply.

China's commerce ministry issued a 44.9mn bl fourth batch of general trade clean products export quotas on 28 October. This bumper bonus allocation followed appeals from exporters after a smaller-than-expected third batch earlier in the month, and takes this year's total general trade quota to 228.6mn bl. This is 6pc below last year but sufficient to support 960,000 b/d of cargo exports in November-December. Clean products cargo exports require general trade quotas, while jet fuel supplied to international flights is covered by processing trade quotas.

China's total clean products exports are now expected to rise to 1mn b/d in November, of which 810,000 b/d will be cargo exports. Gasoline and jet fuel cargo exports are due to rise by 60,000 b/d and 80,000 b/d, respectively, from October to 220,000 b/d and 390,000 b/d in November, while diesel exports are set to fall by 80,000 b/d to 200,000 b/d, because of extremely tight domestic supply.

Chinese fuel exports were managed solely by the quota system prior to the start of the US-Iran war, but Beijing has since introduced two additional layers of control — allowances and licences. China's top economic planning agency, the NDRC, lifted its blanket ban on exports in July, but subsequently introduced monthly export allowances that are conditional on refiners keeping their fuel stocks at or above pre-war levels. Export licences used to be pretty much guaranteed if exporters held the necessary quotas, but the commerce ministry stopped issuing licences in early October as it was uncertain on the NDRC's export policy for the month. This prompted some refiners to cancel October-loading cargoes.

This new system — where the NDRC, commerce ministry and finance ministry all have a say in export policy — demonstrates what political scientists Kenneth Lieberthal and Michel Oksenberg in 1988 coined "fragmented authoritarianism". Policy becomes the result of bargaining among agencies with overlapping authority but different priorities, with the final decision dependent on which policy objective is most pressing at the time, Lieberthal and Oksenberg said.

Oil firms asked the commerce ministry for the bonus fourth batch of quotas and applied to the NDRC for November licences broadly in line with October's exports. But now they have these, tight supply will put the brakes on diesel shipments. Low output and high overseas sales in recent months have drained China's diesel stocks — diesel exports were almost 30pc higher on the year in January-October, at 180,000 b/d, while gasoline exports fell by 90,000 b/d to 100,000 b/d. "We plan to cut diesel exports to a fifth of October volumes next month, while doubling our jet fuel exports to 40,000 b/d," a refinery official says. Diesel export margins averaged $36/bl in January-October, well above the $10/bl average for gasoline.

Ceiling the deal

In contrast, margins for domestic diesel sales are weak, as the price ceiling set by the NDRC is limiting refiners' ability to pass on higher crude costs to consumers. Crude and freight costs have risen by about $117/bl since March, but the NDRC's ceiling has increased by just $54/bl — although tight supply means some sellers are securing sales above the NDRC-regulated price. Suppliers in north and east China began marketing winter-specification diesel well ahead of the typical mid-November transition, as they can sell it for a higher price under the NDRC system. Warmer temperatures mean winter-grade diesel is not needed in south China, so sellers are trying to recoup their costs by charging truck drivers parking fees of around $29/bl. Some firms are requiring buyers seeking diesel to buy similar volumes of gasoline.

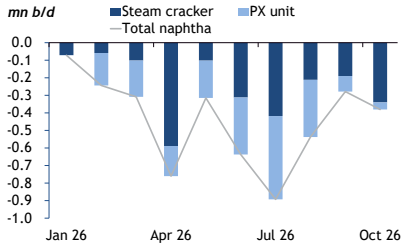
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PRODUCTS

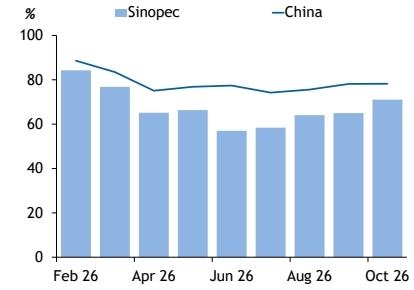
Petrochemicals stocks slide as refiners cut runs

A fifth of China's total oil demand losses this year so far can be attributed to lower naphtha consumption

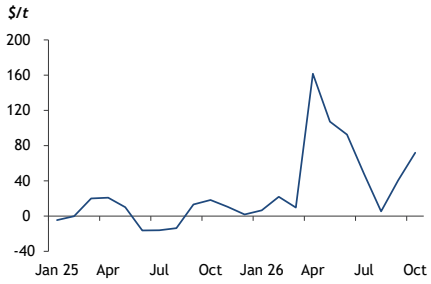
Naphtha demand change vs 2025



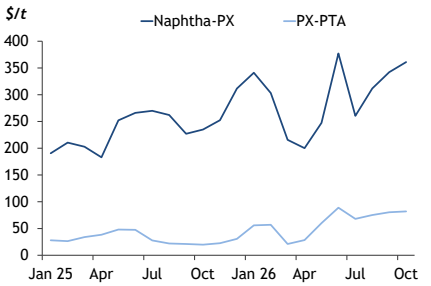
China steam cracker run rates



China cracker cash margins



Gasoline vs aromatics margins



Run cuts at petrochemicals units have slashed demand for naphtha while also shrinking China's stocks of the petrochemical products that form the backbone of its vast manufacturing sector.

The need for naphtha to fuel China's burgeoning petrochemicals sector has driven Chinese oil demand growth for several years, compensating for transport sector oil demand losses. Chinese naphtha demand is hard to measure as much of it never leaves a refining system. Figures from China's National Bureau of Statistics (NBS) capture only about a half of the country's total naphtha production. Based on NBS data alone, Chinese naphtha demand appears to have risen slightly this year from 2025. But naphtha consumption fell by 440,000 b/d on the year to 3.94mn b/d in January-October, according to *Argus* estimates based on China's output of paraxylene (PX) and ethylene — two naphtha-derived petrochemical precursors. That marks a stark reversal from the same period of 2025, when naphtha consumption rose by 25,000 b/d. These naphtha consumption losses account for 21pc of China's total oil demand loss this year so far.

Historically, around half of the naphtha produced by Chinese refineries and three-quarters of China's light naphtha imports were fed into steam crackers to produce olefins. But Chinese steam crackers are increasingly being adapted to process US ethane, which is cheaper than naphtha and offers better margins. As a result, China's ethylene output has risen this year even though the sector's naphtha consumption has shrunk by 240,000 b/d.

But cracking ethane rather than naphtha has left China short of cracking coproducts such as propylene. This has strengthened cracker cash margins, which rose by 77pc from September and quadrupled from a year earlier to an average of $72/t this month. Ethylene and propylene prices rose by 4pc and 8pc, respectively, in October from September, outpacing a 2pc increase in naphtha prices.

PET peeve

The half of China's naphtha supply that is not fed into steam crackers is sent to the gasoline pool or into PX production. PX producers have cut unit operating rates by 12 percentage points since the start of the Iran war — a far steeper pace of decline than that of steam cracker run rates. Heavy naphtha demand from PX units dropped by 200,000 b/d on the year in January-October. This has tightened supply of PX and caused PX prices to rise far faster than prices for PX-derivatives such as polyethylene terephthalate (PET). Demand for the synthetic textiles made from PET has fallen this year. PET prices are around 49pc higher on the year, while PX prices are up by 64pc. But delivered-China PX prices have still fallen below delivered-Japan PX prices, illustrating the relative weakness of Chinese demand for imported PX.

Some integrated refiners are shifting yields away from naphtha and towards diesel production, to capture lucrative diesel export margins. Diesel exports hit a 3.5-year high in September and export margins are averaging more than $80/bl.

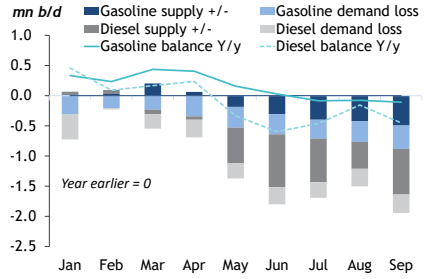
Petrochemical run cuts mean China's stocks of polyethylene, polypropylene, PX, purified terephthalic acid and PET — used in packaging, textiles, car parts and consumer goods — are now low. That is in turn pushing up producer price inflation. Government-backed infrastructure projects are lending modest support to olefins demand, with Yn5 trillion ($746bn) earmarked for rebuilding 700,000km of pipelines in 2026-30. But several naphtha-fed projects have been pushed back due to weak margins and feedstock concerns. Saudi-Chinese joint ventures Fujian Petrochemical and Hapco have been postponed, affecting 3.45mn t/yr of planned capacity. Sinopec Zhenhai's 1.5mn t/yr cracker has also been pushed from 2025 to 2029.

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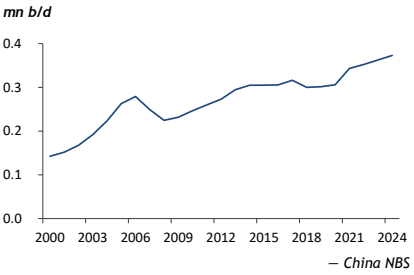
PRODUCTS

Demand from hard-to-electrify industries and state support are insulating diesel from the demand destruction affecting gasoline

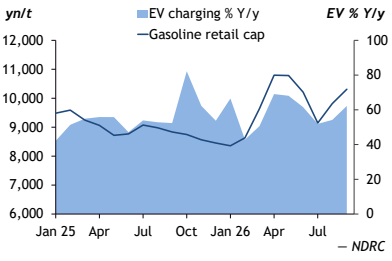
China gasoline and diesel balance



Agricultural sector diesel demand



Gasoline price vs EV charging



Diesel tightens despite slump in demand

China's diesel market is tightening, despite an unprecedented drop in demand this year. Deep cuts to refinery runs and captive demand from farms and fisheries are creating pockets of shortages, even as gasoline markets remain amply supplied.

China's crude throughputs fell by 6.7pc to 13.75mn b/d in January-September, cutting supplies of both gasoline and diesel. End-users have scaled back consumption of both fuels, but the impact has been more pronounced for gasoline. Demand for gasoline fell by 300,000 b/d on the year in January-September, compared with a 270,000 b/d drop in diesel demand, *Argus* estimates.

Unusually, diesel markets are showing signs of tightness even as demand falls. Diesel availability is directly tied to refinery run rates — unlike with gasoline, diesel supplies cannot be augmented by blending. China's increasingly bureaucratic export regime requires refiners to maintain a minimum level of inventories before they can access export markets, tying up some supplies that would otherwise be available in the market. The resulting tightness has now spread downstream to filling stations. China requires wholesale fuel prices to remain at least Yn300/t ($5.70/bl) below retail price ceilings, which is putting severe pressure on wholesalers' margins.

Sellers are scrambling for ways to compensate. Some are requiring trading firms that buy diesel to also purchase gasoline, while others have bundled diesel with unrelated products such as tea or alcohol. Trading has also shifted towards lower-temperature grades such as -10°C pour point diesel, which have higher retail price ceilings. Some transactions are being settled in cash, without invoices. Still, some independent and even state-owned service stations are finding it uneconomic to sell the fuel, leading to shortages at the retail level.

Diesel demand from the hard-to-electrify agriculture, forestry, animal husbandry and fishing industries has continued to grow, rising steadily over the past five years to 400,000 b/d in 2024, according to China's National Bureau of Statistics. Consumption in areas the government sees as strategically important, such as the autumn harvest, continue to receive some policy support. "Compared with gasoline, diesel is more like a strategic commodity," a refinery official says. State-controlled PetroChina and Sinopec have worked with the agriculture ministry and other government bodies to offer discounts on diesel used in agricultural machinery during the autumn harvest, according to state broadcaster CCTV. Such support has partly insulated diesel from the level of demand destruction affecting gasoline, contributing to a comparatively tighter market.

ICE over

Gasoline enjoys no such official support. Rising retail prices, albeit capped by the government's price mechanism, are encouraging more consumers to choose new energy vehicles (NEVs) — comprising battery electric, plug-in hybrid and fuel-cell vehicles. Changes in gasoline prices have shown a clear correlation with growth in China's public charging volumes since domestic gasoline retail price ceilings were raised in March. Retail sales of fossil fuel-powered internal combustion engine (ICE) vehicles fell by 49pc from a year earlier in September. China's ICE fleet is likely to shrink this year, according to *Argus* calculations, further accelerating the decline in gasoline demand. Buyers that switch to NEVs tend to be making a multi-year commitment to their vehicles, locking in lower gasoline demand.

Electrification is also eating into road fuel demand for diesel. Sales of new energy heavy-duty trucks in China reached 33,100 units in September, up by 37.3pc from a year earlier, according to Beijing-based consultancy CV World. But this is just a small fraction of China's total NEV sales, which reached 1.8mn units in the same month.

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PRODUCTS

Hapco delay extends China's new refining drought

Hapco could be one of the last greenfield refineries to start up in China, as falling demand discourages new investment

China is on course to open no new refining capacity for a second year in a row, as start-up of the 300,000 b/d Hapco refinery has been pushed back until spring 2027.

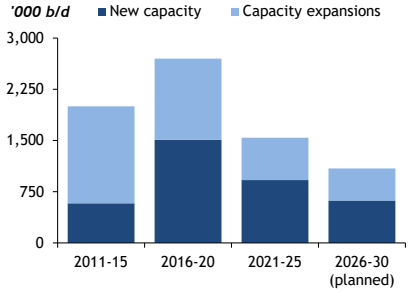
Hapco is being built in Panjin, Liaoning by Saudi state-controlled Aramco and Chinese state-controlled Norinco. It has been delayed several times already and is now unlikely to begin operations until next year, owing to tougher safety checks following a spate of accidents at chemicals plants and cold winter weather impeding the final stages of construction, sources close to the project say.

Hapco will be the first greenfield refinery to come on line in China since the 400,000 b/d Yulong refinery in Shandong in 2024, which started operating at 50pc of capacity in September of that year, and brought a second 200,000 b/d crude unit on line in March 2025. Expansions at existing refineries have also been minimal over the past couple of years, with only two such projects reaching completion since the beginning of 2025 — state-controlled Sinopec expanded its Zhenhai refinery in Zhejiang province by 220,000 b/d to 760,000 b/d in June 2025, while state-owned CNOOC added a new 120,000 b/d crude unit at its Daxie refinery in Zhejiang in September last year, for a net addition of 80,000 b/d.

State-controlled PetroChina may restart a 200,000 b/d crude unit at its 400,000 b/d Dalian Petrochemical facility in December, just 18 months after it was shut down as part of a central government drive to move polluting industries outside city areas. PetroChina planned to relocate the refinery to a less populated site on Xizhong island, but could now restart some capacity at the old site due to a provincial government directive aimed at protecting jobs and supporting the local economy, industry sources say. But a lack of demand for higher refined products output may mean the reopened unit operates below full capacity.

The relative dearth of new refinery capacity this year is in stark contrast to the boom in China's refining sector earlier this decade. Chinese refinery operators started up around 2.5mn b/d of new primary capacity over 2019-24. Big projects in recent years — notably the private-sector 800,000 b/d ZPC and 400,000 b/d Hengli facilities — have focused on petrochemicals rather than transport fuel production.

China refinery additions



Last hurrah

Hapco could be one of the last greenfield refineries to start up in China, as falling domestic demand for oil products is discouraging new investment. The only other new project on the cards is the 320,000 b/d Gulei refinery in Fujian province, a joint venture between Sinopec, Aramco and local government-owned Fujian Petrochemical. The petrochemicals-focused project will rely on Saudi crude for a large share of its feedstock and is due to come on line by the end of 2030, Aramco said last year. That timeline still appears to hold, despite the drop in China's oil demand and uncertainty over Mideast Gulf crude supplies because of the US-Iran war, market sources say.

Two Shandong independent refiners, Dongming and Fuhai, have proposed building new refining and petrochemicals complexes, of 200,000 b/d and 300,000 b/d, respectively. But both of these schemes will entail closures of an equivalent amount of smaller capacity, in line with government consolidation efforts.

China's total refining capacity is currently at around 18.9mn b/d, or 19.3mn b/d if including Dalian Petrochemical, according to the latest estimates from PetroChina's research arm, Etri. China's top economic regulator, the NDRC, pledged in 2021 to cap the country's refining capacity at 20mn b/d by 2025, including consolidating smaller plants into larger complexes. The sector is operating at well below full capacity, with crude throughputs at 13.82mn b/d, or 72pc utilisation, in September, according to *Argus* surveys.

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POLICY

GDP growth picks up pace

The rising cost of oil is a risk to China's GDP that is largely beyond Beijing's control

China's economic growth outstripped expectations in the third quarter, putting the government on track to meet its GDP targets for this year even as rising oil prices and a heavy dependence on exports remain major risks to growth.

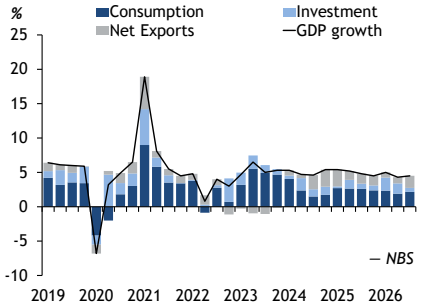
Chinese GDP grew by 4.5pc on the year in July-September, up from a more-than three-year low of 4.3pc in April-June, National Bureau of Statistics data show. The economy grew by 4.6pc in January-September, in line with the government's full-year target of 4.5-5pc. Growth was driven by strong technology exports, which offset the impact of higher oil costs and weak domestic demand.

China's exports hit a record monthly high of $447bn in September, up by 36.3pc from a year earlier in dollar terms, due to higher shipments of semiconductors, computers and electric vehicles. This pushed up China's trade surplus to $938bn in January-September, putting it on course to top last year's record of $1.2 trillion.

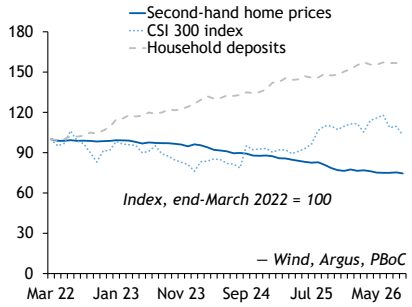
But surging exports and increased reliance on overseas markets for growth are key vulnerabilities for Beijing, despite recent trade deals. The EU and China reached an agreement this month to moderate Chinese shipments of electric vehicles to the bloc, potentially averting a new trade war. And Chinese-US relations remain stable following talks between the two countries' presidents last month.

The risk of rising oil costs is, however, largely beyond Beijing's control. The impact of disruptions to Mideast Gulf crude flows is now rippling through China's economy, with diesel shortages emerging in the domestic market and higher energy prices pushing up manufacturing costs. Producer prices rose by 5pc on the year in September, the fastest increase since mid-2022. Consumer prices rose by a more modest 0.9pc, in part because manufacturers are struggling to pass on their higher costs to consumers. Gasoline prices are set by the government, so have seen 22pc growth since late February. But increases in gasoline prices were largely offset by reductions in prices for products less dependent on energy, such as pork.

China GDP growth and contribution



China economic trends



Trim the sales

The IMF this month cut its 2026 growth forecast for China to 4.5pc from 4.6pc, and again called for Chinese policy makers to rebalance the economy towards domestic consumption. Reducing reliance on foreign demand would require stronger household spending and private investment, but while industrial output rose by 5.3pc on the year in January-September, retail sales grew by just 1.1pc, fixed-asset investment fell by 7.2pc, and private investment fell by 10.4pc. Beijing is using policy-based financing to support investment, including an Yn800bn ($120bn) instrument for infrastructure and other strategic projects. But neither household spending nor private investment have responded significantly to Beijing's prior support measures.

A stronger stock market would help. The share of property in household and national wealth is falling — real estate investment dropped by 20.6pc in January-September. This leaves equities as the only other asset that could take its place, US investment firm Himalaya Capital chairman Li Lu told a Columbia Business School event in New York on 5 October.

Beijing began pushing long-term institutional money into stocks in September 2024 and set out more detailed measures in January 2025. Social security, pension and insurance funds have bought more than Yn600bn of shares in China-based companies on a net basis this year so far. But households have not followed, as mortgage holders react to the property bust by saving more and paying down loans. Household deposits have risen by 59pc since March 2022 but are still mostly held in banks — China's stock market gained about 3pc over that time, providing little incentive to invest in equities. China's stock market dropped by 20pc over June-October, pressured by weak consumption.

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GEOPOLITICS

China scores political win in Brazil

Beijing will see Lula's retention of power as a welcome restraint on the recent rightward shift in Latin American politics

The surprise victory of left-wing incumbent Luiz Inacio Lula da Silva in Brazil's presidential election on 25 October has given China a rare diplomatic boost in the region, but also makes any revival in crude trade between the countries less likely.

Lula secured around 52pc of the votes in last week's runoff election, reversing his defeat in the first round to senator Flavio Bolsonaro, the son of Lula's predecessor, Jair Bolsonaro, who is a strong ally of US president Donald Trump.

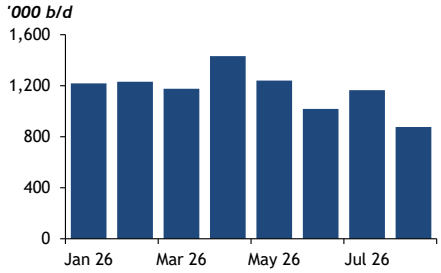
Lula has far warmer relations with Beijing than Bolsonaro. Brazil was a founding member of the China-led Brics group of emerging economies that formed during Lula's first stint as president in 2003-11, and the current Lula government has overseen a big expansion of Chinese investment in Brazil's energy and resources sectors. Officials in Lula's government have pushed back against recent US efforts to develop Brazil's rare earth reserves, as part of a wider US initiative to reduce China's chokehold on rare earth supplies. And Lula has shepherded a huge surge in soybean exports to China, at the expense of tariff-hit US shipments.

A Bolsonaro victory probably would not have upended Brazil's ties with China, given China is Brazil's largest trade partner and there are strong economic incentives to maintain relations with Beijing, US advisory firm Teneo analyst Nicholas Watson says. A win for the opposition may have even boosted crude exports to China — Bolsonaro had hinted he was open to revoking a 12pc crude export tax imposed by Lula in the wake of the US-Iran war. A cut in that tax for EU buyers since May has rerouted some Brazilian crude flows to Europe and away from China.

China's imports of Brazilian crude have slowed this year, in reaction to the export tax and the recent surge in long-haul freight costs (*see graph: China's crude imports from Brazil*). But the decline has been nothing like as drastic as the collapse in Venezuelan crude exports to China since the US overturned the government of Nicolas Maduro in January, in a heavy blow to Beijing's regional influence.

The US now has de facto oversight of Venezuela's mainly heavy sour crude production, diverting exports to the US Gulf coast at the expense of China. Independent refiners in China's Shandong province had been the main buyers of Venezuela's Merey crude, taking around 430,000 b/d in 2025. Imports have slumped to 160,000 b/d this year and are partly being replaced by Iraqi's Basrah Heavy and bitumen-rich Canadian crudes. China's independents have also lost access to stable supplies of Iranian crude, so are keen to resume buying Merey. This would likely require clearance from Beijing, which may be reluctant to cede influence over these oil supplies to the US. And a long history of oil-for-loan deals between China and Venezuela has left Beijing with outstanding debts of an estimated $10bn-12bn and no clear path to their recovery.

China's crude imports from Brazil



Red shift

Lula's retention of power will be welcomed in Beijing, as it stems a rightward shift in Latin American politics. Conservatives have won elections in Argentina, Chile, Ecuador and elsewhere in recent years, strengthening US presence in the region and eroding some of China's influence, even as Chinese investment has increased.

Trump's so-called Donroe doctrine — a solipsistic updating of former president James Monroe's policy of limiting foreign influence in Latin America — helped push the Hong Kong-based operator of the Panama Canal terminal to divest its stake to US investment giant Blackrock last year, prompting Beijing to retaliate by blocking some Panamanian imports and detaining Panama-flagged ships. Cuba, the only remaining Communist state outside east Asia, is subject to a punishing US-led fuel blockade that Beijing describes as a campaign of illicit and unilateral sanctions.

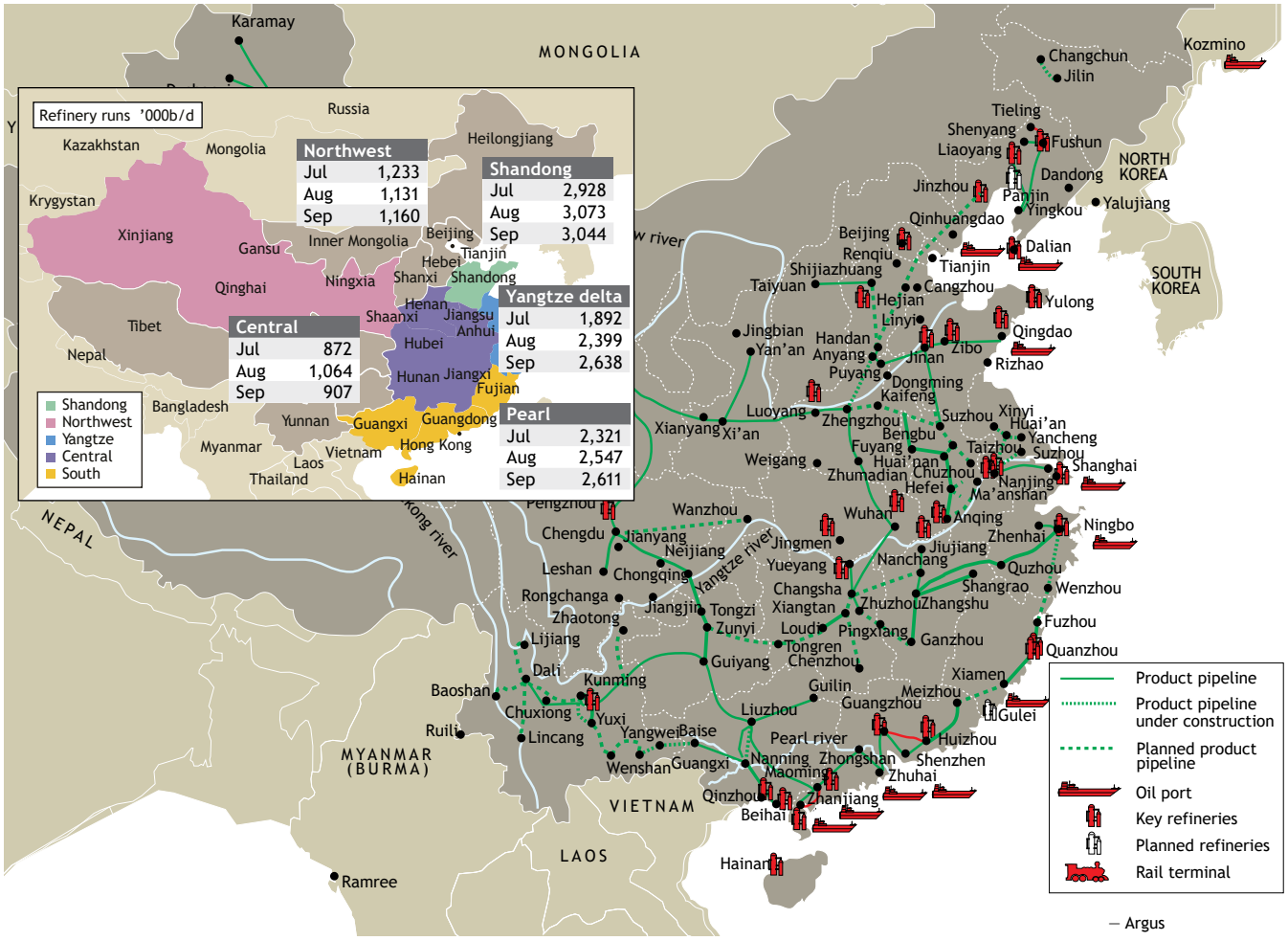
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PRODUCTS

Refinery production						'000 b/d
	Refinery runs	Gasoline	Jet-kerosine	Diesel	Fuel oil	LPG
Oct 25	14,937	3,668	1,312	4,255	666	1,752
Nov	14,801	3,511	1,225	4,287	712	1,664
Dec	14,707	3,436	1,140	4,262	706	1,740
Jan 26	15,105	3,734	1,325	3,961	680	1,736
Feb	15,249	3,770	1,337	3,999	686	1,753
Mar	14,523	3,622	1,276	3,971	696	1,651
Apr	13,298	3,274	955	3,752	639	1,604
May	12,651	3,023	1,027	3,193	603	1,545
Jun	12,468	3,027	1,056	3,202	594	1,494
Jul	12,507	3,069	1,200	3,297	592	1,380
Aug	13,911	3,212	1,492	3,742	637	1,491
Sep	13,986	3,227	1,374	3,909	713	1,606

— *China NBS*

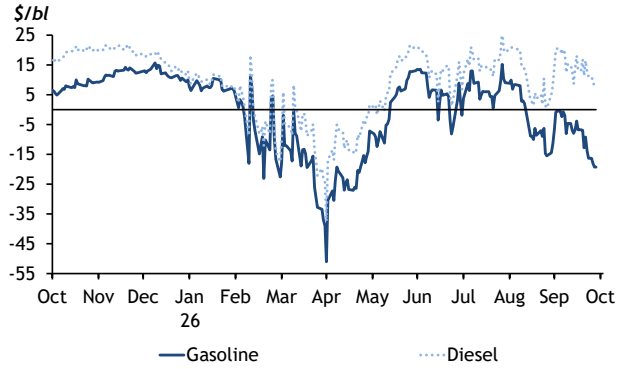
China downstream infrastructure



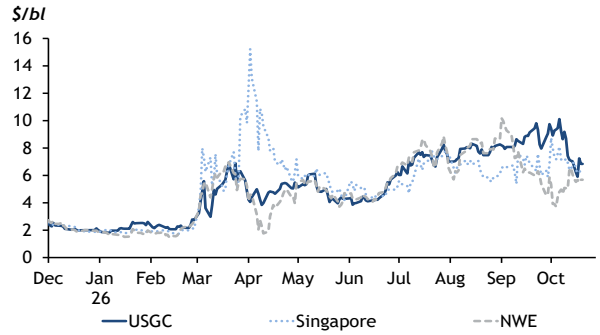
— *Argus*

PRODUCT PRICES

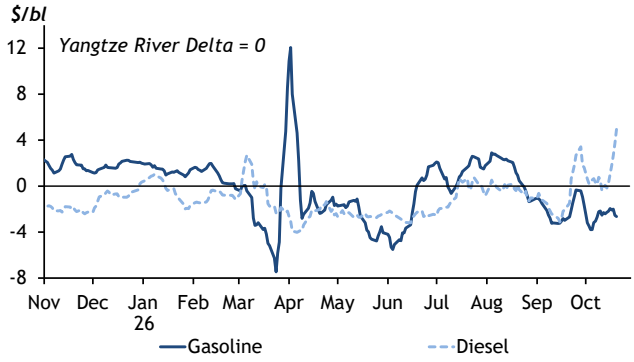
China, Bohai bay crack spread



Regional refining margins



China domestic arbitrage



Chinese gasoline/diesel prices				$/bl, exc. Tax
	09 Sep	23 Sep	7 Oct	21 Oct
Argus China Diesel (Bohai)	132.5	141.9	na	152.2
Argus China Diesel (YRD)	133.1	145.8	na	154.9
Bohai-YRD freight (diesel)	3.0	2.6	na	1.9
Bohai-YRD arbitrage, diesel	2.4	-1.3	na	-0.8
Argus China Gasoline (Bohai)	120.9	125.1	na	126.5
Argus China Gasoline (YRD)	121.8	129.5	na	128.0
Bohai-YRD freight (gasoline)	2.6	2.3	na	1.7
Bohai-YRD arbitrage, gasoline	1.7	-2.1	na	0.2

Prices are a volume-weighted average of deals done for fuels meeting the China 6 national standard in the Bohai / Yangtze river delta (YRD) markets, net of tax

Chinese retail price caps				Yn/t
	90 Ron gasoline^		50ppm diesel^	
	28 Oct	28 Sep	28 Oct	28 Sep
Northeast: Heilongjiang	10,690	10,690	9,620	9,620
Jilin	10,690	10,690	9,620	9,620
Liaoning	10,690	10,690	9,620	9,620
North: Beijing‡	10,725	10,725	9,655	9,655
Tianjin	10,690	10,690	9,620	9,620
Hebei	10,690	10,690	9,620	9,620
Shanxi	10,760	10,760	9,675	9,675
Hohhot	10,705	10,705	9,635	9,635
East: Shanghai	10,705	10,705	9,625	9,625
Jiangsu	10,745	10,745	9,660	9,660
Zhejiang	10,745	10,745	9,675	9,675
Shandong	10,700	10,700	9,630	9,630
Central: Hubei	10,715	10,715	9,645	9,645
Hunan	10,755	10,755	9,705	9,705
Henan	10,710	10,710	9,640	9,640
Anhui	10,740	10,740	9,670	9,670
Jiangxi	10,745	10,745	9,680	9,680
South: Guangdong	10,770	10,770	9,690	9,690
Fujian	10,765	10,765	9,685	9,685
Hainan	10,835	10,835	9,755	9,755
Guangxi	10,835	10,835	9,755	9,755
Southwest: Chongqing	10,905	10,905	9,830	9,830
Chengdu, Sichuan*	10,910	10,910	9,855	9,855
Chongqing, Sichuan*	10,905	10,905	9,830	9,830
Guiyang, Guizhou*	10,870	10,870	9,780	9,780
Kunming, Yunnan*	10,900	10,900	9,810	9,810
Northwest: Xinjiang	10,470	10,470	9,515	9,515
Xi'an, Shaanxi*	10,675	10,675	9,630	9,630
Xining, Qinghai*	10,655	10,655	9,665	9,665
Gansu	10,675	10,675	9,640	9,640
Ningxia	10,695	10,695	9,620	9,620

**Prices are for the listed city, not the province. NDRC guidelines stipulate that the highest wholesale prices must be at least Yn400/t below maximum retail prices. ‡Beijing has stricter vehicle emissions standards. Prices listed are for China 4. ^Prices apply to fuel compatible with China 4 vehicle emissions standards.* — *NDRC*

Shandong independent/official price comparison						$/bl
		14 Aug	28 Aug	11 Sep	24 Sep	15 Oct
Gasoline, 90 Ron						
Lijin*	Ex-refinery prices	148.09	158.86	180.84	175.31	173.48
	± NDRC wholesale cap	-20.35	-16.62	0.26	-11.98	-15.08
	% of wholesale cap	87.92	90.53	100.15	93.60	92.00
Dongming†	Ex-refinery prices	150.90	161.67	181.54	178.31	179.69
	± NDRC wholesale cap	-17.55	-13.81	0.97	-8.99	-8.87
	% of wholesale cap	89.58	92.13	100.54	95.20	95.30
Diesel, 500ppm						
Lijin*	Ex-refinery prices	145.68	157.42	177.84	184.61	187.06
	± NDRC wholesale cap	-24.55	-20.43	-5.52	-6.19	-5.02
	% of wholesale cap	85.58	88.52	96.99	96.76	97.38
Dongming†	Ex-refinery prices	147.07	159.62	172.86	188.60	192.89
	± NDRC wholesale cap	-23.15	-18.23	-10.49	-2.20	0.80
	% of wholesale cap	86.40	89.75	94.28	98.85	100.42
Crude price						
Shengli**	Ex-field prices	102.21	102.47	122.17	122.01	137.47

*Independent differential to NDRC price caps assumes a Yn400/t wholesale discount to retail cap. *The 70,000 b/d Lijin refinery runs a blend of imported straight-run fuel oil and domestic crude, producing China 6 standard gasoline and diesel since January 2018. †The 160,000 b/d Dongming refinery produces China 5 and 6 standard gasoline, but mainly China 5 road diesel. **Sinopec produces 540,000 b/d of heavy, sour Shengli crude in Shandong. Since November 2015, it has set prices retrospectively.*

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PRODUCT MARKETS

Independent refiner crude import quotas				'000 b/d
Refinery	**Province**	**CDU cap.**	**2025 YTD**	**2026***
Hengli	Liaoning	400	400	40
Rongsheng	Zhejiang	800	800	15
ChemChina	Shandong	466	464	0
Huajin	Liaoning	120	166	0
Dongming	Shandong	150	150	15
Panjin North Asphalt	Liaoning	140	0	0
Hongrun	Shandong	114	106	11
Wanda Tianhong	Shandong	100	88	6
Wonfull	Shandong	116	0	0
Qingyuan	Shandong	164	0	0
Xinhai	Hebei	120	74	0
Yanchang	Shaanxi	348	72	0
Lijin	Shandong	70	70	7
Hengyuan	Shandong	70	0	0
Tenglong Aromatic	Fujian	127	80	0
Jingbo	Shandong	70	66	6
Haiyou	Shandong	70	0	0
Jincheng	Shandong	118	60	6
Dongfang Hualong	Shandong	60	60	5
Qingyishan	Shandong	60	0	0
Dongying Lianhe	Shandong	118	56	0
Yatong	Shandong	70	55	0
Luqing	Shandong	164	52	5
Kenli	Shandong	60	50	0
Shenchi	Shandong	52	50	2
Wudi Xinyue	Shandong	48	48	5
Hubei Jinao	Hubei	100	46	3
Jiangsu Xinhai	Jiangsu	60	46	5
Henan Fengli	Henan	52	44	1
Qirun	Shandong	44	44	4
Shengxing	Shandong	44	44	4
Haike Ruilin	Shandong	46	42	0
Chengda New Energy	Shandong	60	0	0
Zibo Xintai	Shandong	44	40	0
Wantong	Shandong	130	39	2
Zhonghai Jingxi	Shandong	46	0	0
Rizhao Lanqiao	Shandong	70	36	0
Hualian	Shandong	80	34	0
Fuyu	Shandong	44	0	0
Qicheng	Shandong	70	32	0
Kelida	Shandong	44	0	0
Yuhuang	Shandong	60	0	0
Haike Chemical	Shandong	44	0	0
Zhanjiang Dongxing	Guangdong	100	0	0
PetroChina International	na	na	12	0
Dalian Jinyuan	Liaoning	44	16	0
Sinochem Energy	Shandong	na	0	0
Khorgos PetroChina Int,	Xinjiang	na	6	0
Sinopec International	na	na	0	0
Huayue Group	Shandong	na	5	0
Guangxi PetroChina Int.	Guangxi	na	0	0
Alashankou PetroChina Int.	Xinjiang	na	4	0
CNOOC Beijing Trading	Beijing	na	4	0
Erlian City Gaolu	Inner Mongolia	na	4	0
CPC Fuel oil	na	na	0	0
China United Energy Trading	na	na	0	0
Heilongjiang Lianhe	Heilongjiang	na	0	0
Fujian Lianhe	Fujian	na	2	4
Zhenhua	na	na	0	0
Baota	Ningxia	150	0	0
Shenghong	Jiangsu	320	320	2
Guanghui	Xinjiang	na	6	0
Yulong	Shandong	400	350	0
CNOOC Daxie	Zhejiang	160	60	0
Total		**5,847**	**4,205**	**148**

**Early batch issued 26 November 2025*

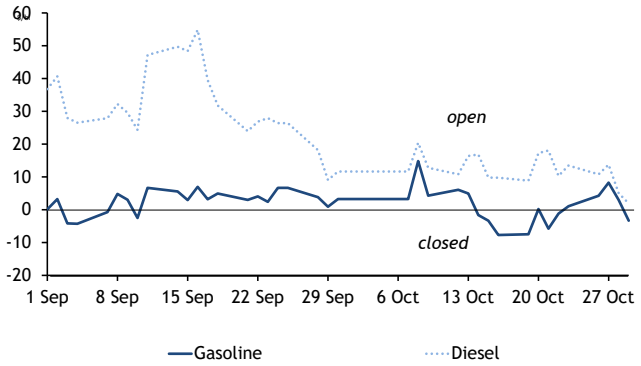
Product prices* (week ending)				
	2 Oct	**9 Oct**	**16 Oct**	**23 Oct**
China		*Yuan/t*		
HSFO (cracked) fob south China barges (STS)	6,297	6,135	6,236	6,398
		$/t		
VLSFO 0.5% 380 Zhoushan Bunker dob	889.50	884.25	903.60	917.90
HSFO 180 c+f south China (month 1)	707.61	745.44	808.54	808.36
HSFO 180 c+f south China (month 2)	661.31	697.84	754.94	754.11
HSFO 180 c+f south China (month 3)	629.86	657.24	705.24	716.46
South Korea/Japan		*$/t*		
HSFO 180 fob South Korea	707.60	745.45	808.50	808.35
Naphtha c+f Japan	896.05	942.35	993.55	1,007.18
Singapore		*$/bl*		
Gasoil 0.5%	159.53	156.23	157.58	165.68
Gasoil 0.005%	173.78	169.57	169.56	175.68
Gasoil 0.005% diff to MOPS	2.88	1.87	0.50	-0.33
Gasoil 0.001%	174.23	170.02	170.01	176.13
Gasoil 0.001% diff to MOPS	3.33	2.32	0.95	0.12
Gasoline 92R	145.03	146.06	136.54	134.11
Naphtha	95.42	99.57	106.41	107.98
Jet-kerosine	173.27	174.09	173.35	177.05
HSFO 180 ($/t)	696.60	734.45	797.50	797.35

*$1 = Yn 6.67808 23 Oct *Average weekly prices*

Product prices						$/bl
	May 26	**Jun**	**Jul**	**Aug**	**Sep**	**Oct***
Singapore						
Gasoil 0.005%	152.63	124.27	141.91	155.88	177.06	172.59
Gasoil 0.005% diff to MOPS	2.66	0.90	3.30	4.62	3.39	0.99
Gasoil 0.001%	155.62	125.98	142.62	156.33	177.51	173.03
Gasoil 0.001% diff to MOPS	5.65	2.61	4.01	5.07	3.84	1.44
Gasoline 92R	129.70	107.70	106.82	110.88	136.15	140.30

** month to date*

Product arbitrage: China to Singapore



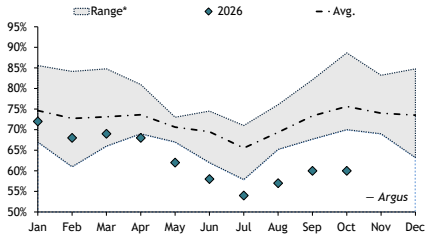
Singapore cargo - (lowest cost source of supply in the Chinese market + 35,000t clean freight to Singapore)

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PRODUCTS

Shandong independent run rates



*2018-25, excluding '20, '22, covering 1.5mn b/d CDU cap.

Shandong refinery restarts offset run cuts

Shandong crude throughputs held steady month on month, as some refiners cut run rates owing to low crude stocks, while others raised runs to meet earlier products sales or because of unit restarts following maintenance.

The weighted average crude unit utilisation rate of 15 independent refiners in Shandong — with a combined processing capacity of around 1.5mn b/d — remained stable from September at 60pc in October, although this was 11 percentage points lower than a year earlier.

Smaller independent refiners remain short on feedstock, prompting many to trim runs in an attempt to avoid full plant shutdowns. Jincheng cut throughputs at its 118,000 b/d Zibo refinery by about 20 percentage points to 40pc of capacity.

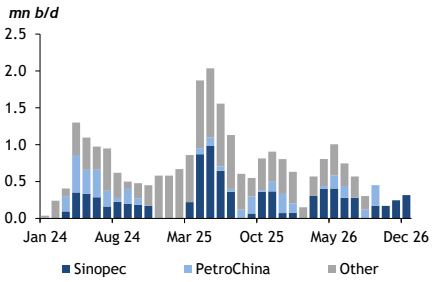
But Wanda's 100,000 b/d Tianhong refinery raised operating rates by around 35 percentage points to about 75pc, because it had presold oil products for November-December delivery, traders say. Dongming also increased run rates at its 150,000 b/d Heze refinery, after securing fresh crude supplies. And the 70,000 b/d Lijin refinery in Dongying ramped up runs further following a planned one-month full turnaround in August.

The 52,000 b/d Shenchi refinery and Hongrun's 120,000 b/d Changyi refinery continued to run at full capacity and around 45pc utilisation, respectively, this month. Kenli, which regularly buys Russian crude, continued to operate its 60,000 b/d plant in Dongying city at around 85pc of capacity.

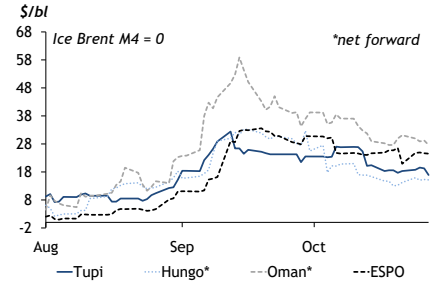
But more refiners are expected to run low on crude stocks in November-December, if the halt in Iranian oil exports persists. This could weigh throughputs at a time when runs usually rise because of an easing in seasonal maintenance.

CRUDE

China CDU shutdowns



Crude delivered China



Mideast prices continue rising but Atlantic crudes drop

Benchmark crude prices diverged this month, with Mideast Gulf prices rising owing to increased risk to shipments through the strait of Hormuz, while Atlantic basin prices dropped because of ample supply and muted demand. European crude appetite was curtailed by refinery maintenance and weak refining margins, at the same time as west African, Latin American and Caspian crude supplies increased.

Atlantic basin benchmark North Sea Dated fell by $6.16/bl to $119.41/bl from 24 September-27 October, while Mideast Gulf medium sour Dubai increased by $2.90/bl to $117.73/bl.

Seaborne Russian crude exports to China climbed by 14pc on the month to 1.68mn b/d (6.8mn t) in September, the highest since January, preliminary data from analytics firms Vortexa and Kpler show. Crude shipments to China through the Arctic Northern Sea Route increased by nearly 28pc to 188,000 b/d last month, including around 46,000 b/d of light sweet Vostok Oil crude.

Total waterborne exports out of Canada's 890,000 b/d Trans Mountain pipeline system averaged 423,000 b/d in September, according to Kpler and analytics platform Vessel Tracker. This was a 16pc drop from August and 14pc lower than the three-month average. But exports to China inched up by 0.3pc to 289,000 b/d, with China remaining the largest destination for Trans Mountain cargoes in September.

Opec+ members' combined September crude production was the highest monthly total since the start of the US-Iran war, driven by a surge in exports through the strait of Hormuz. Output by the alliance's 17 members with targets rose by 2.47mn b/d on the month to 30.24mn b/d in September. But September's production remained 3.16mn b/d below the group's pre-Iran war output in February and 4.21mn b/d below members' collective September target of 34.45mn b/d.

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CRUDE MARKETS

Crude Prices							*$/bl*
Benchmark	**Basis**	**May 26**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct***
North Sea Dated		107.31	85.17	83.39	90.72	116.89	126.08
Ice Brent M1		104.78	84.60	83.41	88.00	101.92	106.71
Ice Brent M2		100.66	83.58	81.71	86.11	97.19	103.23
Ice Brent M3		96.78	82.36	80.17	84.01	93.75	100.22
IFAD Murban		101.48	80.01	79.07	90.94	115.72	110.70
Dubai swap M1		97.20	77.37	76.21	82.17	97.62	105.39
Dubai swap M2		93.82	77.02	75.37	79.16	92.07	101.82
Dubai swap M3		90.96	76.79	75.00	77.35	88.61	99.28
DME Oman M1		102.00	79.09	76.36	87.84	114.07	110.04
WTI Cushing		99.08	81.91	79.44	82.66	96.62	96.85
Brent-Dubai EFS	Dubai	11.06	7.12	8.04	9.18	9.85	4.89
China/Asia Pacific	**Basis**	**May 26**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct***
Djeno des Shandong	Ice Brent	8.78	2.12	-1.06	5.88	24.54	16.74
ESPO Blend des Shandong	Ice Brent	3.97	0.20	-3.00	1.35	20.00	20.13
Johan Sverdrup des Shandong	Ice Brent	13.27	4.11	1.18	7.70	21.39	18.53
Oman des Shandong	Ice Brent	1.24	-1.33	-4.06	-1.41	14.86	19.07
Tupi des Shandong	Ice Brent	13.76	4.66	1.67	8.20	21.89	19.03
ESPO Blend fob Kozmino	Dubai swap M2	-1.68	-4.98	-8.07	-6.00	0.14	7.90
WTI CFR South Korea	Dubai swap M2	19.79	15.71	12.47	17.48	28.36	32.30
North Sea	**Basis**	**May 26**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct***
Urals CIF NWE	North Sea Dtd	na	na	na	na	na	-16.65
Forties fob NWE	North Sea Dtd	2.36	0.12	0.10	2.09	10.92	14.90
Johan Sverdrup fob NWE	North Sea Dtd	2.39	2.77	2.39	1.01	13.97	4.96
Mideast Gulf	**Basis**	**May 26**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct***
Basrah Medium fob Iraq	OFP	-24.00	-24.00	-14.44	-25.40	-26.57	-34.50
Basrah Heavy fob Iraq	OFP	-23.35	-23.35	-17.09	-28.20	-28.80	-37.00
Upper Zakum fob UAE	Dubai swap M2	0.82	-1.88	-4.75	-6.34	1.60	-17.46
Murban fob UAE	Dubai swap M2	8.25	4.19	3.78	12.29	23.32	8.85
West Africa	**Basis**	**May 26**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct***
Bonny Light fob Nigeria	North Sea Dtd	4.30	3.30	0.05	3.71	5.44	2.56
Cabinda fob Angola	North Sea Dtd	0.48	-2.39	-7.82	-2.55	1.09	-4.82
Girassol fob Angola	North Sea Dtd	0.42	-0.69	-3.62	0.75	3.57	-6.38
Djeno fob Congo	North Sea Dtd	-4.44	-8.10	-13.55	-8.11	-5.26	-23.96
Doba fob Chad	North Sea Dtd	-0.05	-2.03	-4.04	-3.60	-2.34	-15.73
Americas	**Basis**	**May 26**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct***
WCS fip Houston	Nymex CMA	-5.59	-3.44	-5.67	-8.12	-11.10	-18.25
WTI fob Houston	Ice Brent	2.22	-1.02	-1.89	-1.96	1.74	-4.69
Castilla Blend fob Colombia	Ice Brent	-10.08	-11.93	-9.95	-11.93	-14.93	-23.65
Medanito fob Argentina	Ice Brent	3.65	-0.80	-5.24	-2.23	1.36	-5.89

** month to date*

Calendar month average

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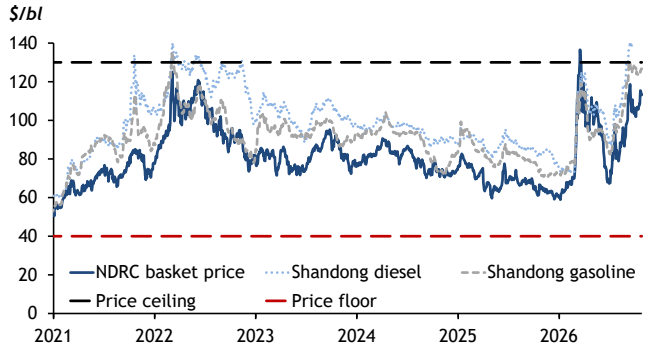
CRUDE MARKETS

Spot crude: Des Shandong				$/bl
Date	**Grade**	**Delivery**	**± Ice Brent**	**Outright**
9 Sep	Djeno	Nov 26	17.30	110.05
23 Sep	Djeno	Nov 26	30.60	123.81
7 Oct	Djeno	na	na	na
21 Oct	Djeno	Dec 26	14.90	117.96
9 Sep	ESPO Blend	Nov 26	12.50	105.25
23 Sep	ESPO Blend	Nov 26	30.00	123.21
7 Oct	ESPO Blend	na	na	na
21 Oct	ESPO Blend	Nov 26	20.00	126.28
9 Sep	Tupi	Nov 26	21.30	114.05
23 Sep	Tupi	Dec 26	24.30	115.19
7 Oct	Tupi	na	na	na
21 Oct	Tupi	Dec 26	16.10	119.16
9 Sep	Johan Sverdrup	Nov 26	20.80	113.55
23 Sep	Johan Sverdrup	Dec 26	23.80	114.69
7 Oct	Johan Sverdrup	na	na	na
21 Oct	Johan Sverdrup	Dec 26	15.60	118.66
9 Sep	Oman	Sep 26	6.50	106.21
23 Sep	Oman	Oct 26	22.00	117.89
7 Oct	Oman	na	na	na
21 Oct	Oman	Nov 26	18.00	124.28
9 Sep	Urals	Nov 26	6.00	98.75
23 Sep	Urals	Nov 26	23.00	116.21
7 Oct	Urals	na	na	na
21 Oct	Urals	Nov 26	20.00	126.28
9 Sep	TMX high TAN	Dec 26	0.00	89.98
23 Sep	TMX high TAN	Dec 26	10.00	100.89
7 Oct	TMX high TAN	na	na	na
21 Oct	TMX high TAN	Jan 27	6.00	106.57

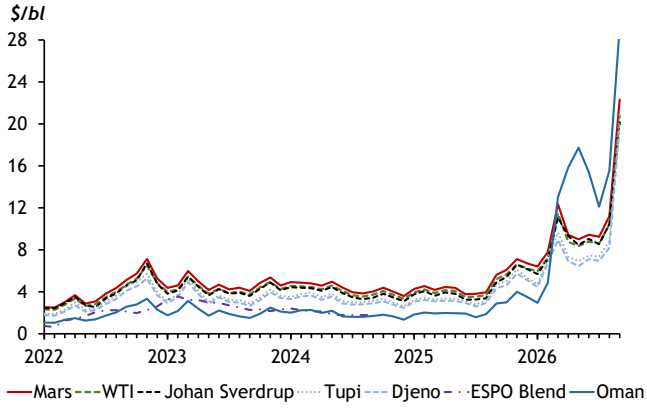
Formula pricing					$/bl
	Jul 26	**Aug**	**Sep**	**Oct**	**Nov**
Saudi Arabia fob Ras Tanura to Asia-Pacific: average Oman/Dubai					
Arab Super Light	+11.15	+0.15	-0.35	-0.35	-3.35
Arab Light	+9.50	-1.50	-2.00	-2.00	-5.00
Arab Medium	+7.75	-3.25	-2.00	-1.00	-6.00
Arab Heavy	+6.40	-4.60	-3.35	-2.35	-7.35
Iran: fob Kharg Island: average Oman/Dubai					
Iranian Light	+7.15	-4.35	-4.70	-4.55	na
Iranian Heavy	+5.30	-6.50	-6.90	-5.75	na
Iraq to Asia-Pacific: average Oman/Dubai					
Basrah Medium	+0.30	-6.50	-4.00	nc	-2.80
Basrah Heavy	-1.80	-8.80	-7.30	-3.30	-5.80
Kuwait: average Oman/Dubai					
Kuwait	+5.25	-5.00	-3.75	-2.75	-6.75
Yemen: North Sea Dated					
Masila	na	na	na	na	na
Nigeria: North Sea Dated					
Bonny Light	+3.06	+0.32	+2.06	+4.77	na

Official selling prices						$/bl
	Apr 26	**May**	**Jun**	**Jul**	**Aug**	**Sep**
Middle East						
Oman						
Oman MOG	68.15	124.05	104.73	102.00	79.09	76.36
Asia-Pacific						
Indonesia						
Minas	119.52	107.64	85.77	83.28	90.95	115.97
Duri	117.76	108.15	87.37	86.76	94.38	117.18
Malaysia						
Tapis	123.68	122.26	98.17	92.17	96.62	120.42
Opec basket	**108.79**	**114.55**	**89.75**	**82.99**	**86.44**	**110.59**
Japanese Crude Cocktail	101.89	114.60	117.22	114.37	na	na

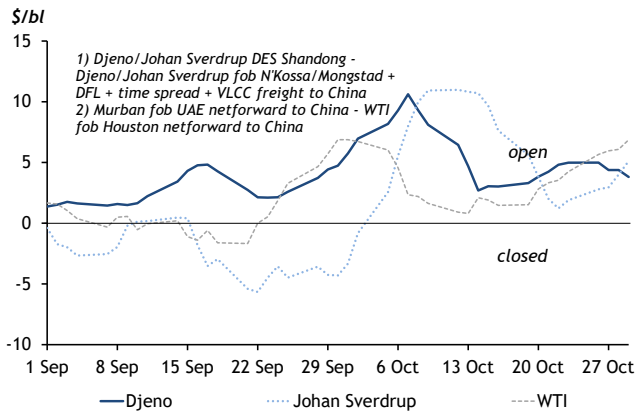
NDRC crude basket vs spot prices



China freight rates



Crude arbitrage: Atlantic basin to China



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REFINERY THROUGHPUTS

Refinery throughputs, Oct 26 (plan)

	Province	Owner	Capacity†		Crude sources	Shut-downs	Oct 26 (plan)			± Sep
			mn t/yr	*'000 b/d*		*'000 b/d*	*'000t*	*'000 b/d*	*% util.*	*'000 b/d*
Northeast*			**82.2**	**1,640**	**Local, some Russian rail**	**0**	**6,135**	**1,442**	**88**	**+0**
Dalian (PetroChina)	Liaoning	PC	0.0	0	Daqing, Russian rail, West Africa	0	0	0	-	+0
Daqing petrochemical	Heilongjiang	PC	9.5	190	Local (Daqing), some Russian rail	0	726	171	90	+0
Daqing refining & chemical	Heilongjiang	PC	5.5	110	Local (Daqing), some Russian rail	0	462	109	99	+0
Fushun	Liaoning	PC	11.5	230	Local (Daqing 85%, Fushun 15%)	0	772	182	79	+0
Harbin	Heilongjiang	PC	5.0	100	Daqing, Russian rail 20%	0	352	83	83	+0
Jilin petrochemical	Jilin	PC	10.0	200	Local (Daqing, Jilin), Russian rail 20%	0	837	197	99	+0
Jinxi	Liaoning	PC	6.5	130	Domestic, Imports 10%	0	491	116	89	+0
Jinzhou	Liaoning	PC	9.0	180	Domestic, Imports 30% (Chad, Russia etc)	0	535	126	70	+0
Liaohe, Panjin	Liaoning	PC	5.2	100	Local (Liaohe)	0	362	82	82	+0
Liaoyang	Liaoning	PC	10.0	200	Local (Liaohe, Daqing) Russian rail 20%	0	807	190	95	+0
Wepec Dalian	Liaoning	W	10.0	200	Mideast sour imports only	0	790	186	93	+0
Northwest*			**49.5**	**995**	**Xinjiang, local, Kazakh rail/pipeline**	**0**	**3,599**	**853**	**86**	**+31**
Changqing, Xianyang	Shaanxi	PC	5.0	100	Local (Changqing)	0	391	92	92	+0
Dushanzi	Xinjiang	PC	9.9	200	Xinjiang, Kazakh (40pc)	0	773	184	92	+2
Karamay	Xinjiang	PC	5.0	100	Xinjiang	0	437	104	104	+25
Lanzhou	Gansu	PC	10.5	211	Xinjiang, local	0	828	196	93	+2
Tahe	Xinjiang	S	4.7	94	Local (Tahe)	0	323	75	80	+1
Urumqi	Xinjiang	PC	9.4	190	Xinjiang, Kazakh	0	606	145	76	+0
Xian	Shaanxi	S	2.5	50	Local (Yanchang)	0	0	0	-	+0
Yumen	Gansu	PC	2.5	50	Xinjiang, local	0	241	57	114	+1
North*			**55.7**	**1,099**	**50:50 seaborne imports:domestic**	**0**	**3,379**	**785**	**71**	**+141**
Beijing Yanshan	Beijing	S	13.5	270	Daqing, some imports	0	573	135	50	+8
Cangzhou	Hebei	S	3.6	71	Domestic 50%, Imports (Oman etc) 50%	0	251	58	82	+0
Dagang	Tianjin	PC	5.1	98	Local (Dagang)	0	391	89	91	+0
Huabei, Renqiu	Hebei	PC	10.2	200	Local (Huabei)	0	662	153	77	+133
Shijiazhuang	Hebei	S	8.1	160	Local (Huabei), Russian rail 30%	0	482	113	71	+0
Tianjin	Tianjin	S	15.2	300	Local (Dagang) 50%, Imports (sweet) 50%	0	1,020	237	79	+0
East*			**136.7**	**2,710**	**2/3 imports**	**0**	**8,791**	**2,053**	**76**	**+66**
Jinan	Shandong	S	8.3	160	Local (Shengli)	0	458	103	64	+0
Qilu, Zibo	Shandong	S	12.7	250	Local 50%, Imports (ME, Waf) 50%	0	872	203	81	-5
Qingdao	Shandong	S	10.0	200	Imports only (Mideast sour crude)	0	744	175	88	+0
Qingdao Petrochemical	Shandong	S	5.0	100	Imports only (Mideast sour crude)	0	340	80	80	+0
Yangtze river delta			100.7	2,000	2/3 imports	0	6,377	1,492	75	+71
Gaoqiao, Shanghai	Shanghai	S	13.1	260	Imports (sweets) 50%, local	0	935	219	84	+0
Jinling, Nanjing	Jiangsu	S	19.1	380	Imports 50%	0	1,124	263	69	+0
Shanghai (Jinshan)	Shanghai	S	16.1	320	Imports (light & medium) 75%	0	889	208	65	+0
Yangzi, Nanjing	Jiangsu	S	14.1	280	Imports (sours) 60%, Shengli	0	719	168	60	+56
Zhenhai, Ningbo	Zhejiang	S	38.3	760	Imports; over 2/3 sour	0	2,711	634	83	+15
Central*			**51.6**	**1,022**	**40-50% imports (Angola etc)**	**170**	**3,074**	**720**	**71**	**-27**
Anqing	Anhui	S	9.1	180	Imported sours, Shengli, Daqing	170	0	0	-	-27
Changling, Yueyang	Hunan	S	0.0	0	Shengli 60-70%, imports	0	0	3	-	+1
Jingmen	Hubei	S	5.7	112	Domestic 50%, imports 50%	0	465	108	96	-1
Jiujiang	Jiangxi	S	10.0	200	Shengli (60-70%), imports	0	620	146	73	+0
Luoyang	Henan	S	8.1	160	Imports (Oman/Russia) 50%+, domestic	0	713	166	104	+2
Wuhan	Hubei	S	8.6	170	Domestic, imports	0	562	131	77	+0
Hunan Petrochemical	Hunan	S	10.1	200	Shengli, Daqing, imports	0	713	166	83	-2
South*			**73.3**	**1,474**	**100% imports**	**0**	**4,184**	**995.0**	**68**	**-100**
Fujian, Quanzhou	Fujian	S	14.0	280	Imports (Yemen, Oman etc)	0	773	182	65	+5
Hainan	Hainan	S	8.0	160	Imports (Mideast, Angola)	0	0	0	-	+0
Qinzhou	Guangxi	PC	9.6	200	Imports (Light, sweet Angolan/Australian)	0	815	201	101	-6
Pearl river delta			41.7	834	100% imports	0	2,596	612	73	-99
Guangzhou	Guangdong	S	13.2	264	Imports (Angola, Oman etc)	0	830	196	74	+0
Maoming	Guangdong	S	23.5	470	Imports (Mideast sour crude)	0	1,397	329	70	-99
Zhanjiang Dongxing	Guangdong	S	5.0	100	Imports (Libya, Angola etc)	0	369	87	87	+0
Southwest			**23**	**460**			**2,123**	**500**	**109**	**-6**
Anning	Yunnan	PC	13.0	260	Imports (Mideast Guilf)	0	1,104	260	100	-6
Pengzhou	Sichuan	PC	9.7	200	Imports /Light, sweet Kazakhstan)	0	1,019	240	120	+0
Total Sinopec*			**321.4**	**6,383**		**170**	**17,882**	**4,458**	**70**	**-54**
Total PetroChina*			**186.5**	**3,729**		**0**	**14,127**	**3,827**	**103**	**180**
Total above 47 refineries			**449.0**	**9,400**		**170**	**29,161**	**6,848**	**73**	**111**
Total China*†◊			**801.9**	**16,037**		**170**	**58,063**	**13,673**	**85**	**-314**
PetroChina + S'pec % of total China				**63**				**61**		
Above 47 refineries % of total China				**59**				**50**		

**China total and company totals include plants not listed. Regional totals are for listed plants only. PC total includes refineries under CNPC and Wepec. †China total refinery capacity includes 46 major PC/S-owned plants identified as well as 730,000 b/d of, smaller plants operated by the two oil giants. ◊ Additionally, it includes CNOOC's Huizhou refinery in Guangdong and 10 of the country's largest teakettle refineries totalling 1.36mn b/d.*
PC=PetroChina W=Wepec S=Sinopec

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REFINERY THROUGHPUTS

Refinery throughputs, Aug 26

	Aug 26			Jul 26			Jan-Aug			± 2025	
	'000t	'000 b/d	%util.	'000t	'000 b/d	%util.	'000t	'000 b/d	%util.	'000 b/d	%
Northeast*	**6,069**	**1,427**	**87**	**6,070**	**1,426**	**87**	**46,865**	**1,405**	**86**	**-67**	**-4**
Dalian (PetroChina)	0	0	-	0	0	-	0	0	-	-145	-
Daqing petrochemical	710	167	88	702	165	87	5,460	164	86	+18	+16
Daqing refining & chemical	462	109	99	462	109	99	3,596	108	98	+1	+9
Fushun	772	182	79	772	182	79	5,755	173	75	-6	-14
Harbin	361	85	85	357	84	84	2,786	84	84	+5	+13
Jilin petrochemical	837	197	99	837	197	99	6,553	197	98	+6	+11
Jinxi	469	111	85	464	109	84	3,616	109	84	+30	+13
Jinzhou	503	119	66	497	117	65	3,789	114	63	-1	+10
Liaohe, Panjin	367	83	83	367	83	83	3,014	87	87	-6	+12
Liaoyang	790	186	93	798	188	94	6,116	184	92	+8	+10
Wepec Dalian	798	188	94	815	192	96	6,179	186	93	+22	+17
Northwest*	**3,143**	**745**	**75**	**3,435**	**814**	**82**	**25,580**	**774**	**78**	**+4**	**+6**
Changqing, Xianyang	386	91	91	382	90	90	3,016	91	91	+5	+11
Dushanzi	756	180	90	722	172	86	5,542	169	84	+12	+3
Karamay	51	12	12	408	97	97	2,950	89	89	-14	0
Lanzhou	817	194	92	795	188	89	5,931	179	85	+15	+12
Tahe	318	74	79	318	74	79	2,283	68	72	-3	+12
Urumqi	610	146	77	606	145	76	4,714	144	76	+4	+8
Xian	0	0	0	0	0	0	0	0	0	0	-
Yumen	204	48	96	204	48	96	1,144	35	69	-15	-14
North*	**2,966**	**689**	**63**	**2,835**	**658**	**60**	**23,003**	**681**	**62**	**-21**	**-2**
Beijing Yanshan	539	127	47	562	132	49	4,138	124	46	+11	-44
Cangzhou	248	58	82	248	58	82	1,811	54	76	+2	+2
Dagang	361	82	84	361	82	84	2,823	82	84	-2	+5
Huabei, Renqiu	713	165	83	696	161	81	5,309	157	78	+2	+17
Shijiazhuang	124	29	18	0	0	0	1,623	48	30	-78	+19
Tianjin	981	228	76	968	225	75	7,301	216	72	+44	-11
East*	**7,995**	**1,866**	**69**	**7,499**	**1,751**	**65**	**63,190**	**1,882**	**69**	**-53**	**-0**
Jinan	465	105	66	472	107	67	3,639	105	65	+15	-31
Qilu, Zibo	905	210	84	916	213	85	7,063	209	84	+40	+23
Qingdao	744	175	88	744	175	88	5,683	171	85	-6	+7
Qingdao Petrochemical	348	82	82	348	82	82	2,723	82	82	-4	+9
Yangtze river delta	**5,532**	**1,294**	**65**	**5,018**	**1,174**	**59**	**44,082**	**1,315**	**66**	**-98**	**-3**
Gaoqiao, Shanghai	923	216	83	935	219	84	7,131	213	82	+67	-4
Jinling, Nanjing	1,106	259	68	981	229	60	8,296	248	65	-62	-16
Shanghai (Jinshan)	889	208	65	875	205	64	6,549	195	61	-41	-49
Yangzi, Nanjing	0	0	0	0	0	0	4,361	130	47	-95	-13
Zhenhai, Ningbo	2,614	611	80	2,227	521	69	17,743	529	70	+32	+22
Central*	**3,519**	**820**	**80**	**3,388**	**789**	**77**	**26,944**	**800**	**79**	**-1**	**+1**
Anqing	587	136	76	517	5	3	4,567	135	75	-1	+10
Changling, Yueyang	0	1	-	0	5	-	0	0	-	0	-
Jingmen	464	108	96	460	107	96	3,533	105	94	+1	+36
Jiujiang	595	140	70	561	132	66	4,369	131	66	+17	-31
Luoyang	628	146	91	645	150	94	4,821	143	89	-33	-6
Wuhan	548	127	75	526	122	72	4,270	127	74	-29	-8
Hunan Petrochemical	696	162	81	679	158	79	5,383	159	80	+43	+10
South*	**4,589**	**1,090**	**74**	**1,724**	**1,097**	**74**	**38,369**	**1,163**	**79**	**-212**	**+9**
Fujian, Quanzhou	820	193	69	773	182	65	5,909	178	64	+3	+26
Hainan	0	0	0	136	32	20	3,369	101	63	-21	-8
Qinzhou	815	201	101	815	201	101	6,304	198	99	+23	+74
Pengzhou	977	230	115	917	216	108	7,207	224	108	+23	+19
Pearl river delta	**2,953**	**696**	**84**	**2,893**	**682**	**82**	**22,787**	**685**	**82**	**-15**	**+15**
Guangzhou	807	190	72	796	188	71	6,234	188	71	-38	0
Maoming	1,776	419	89	1,736	409	87	13,714	413	88	+23	+24
Zhanjiang Dongxing	369	87	87	361	85	85	2,838	85	85	0	+4
Southwest	**2,048**	**483**	**105**	**1,933**	**456**	**99**	**14,783**	**452**	**97**	**+6**	**-14**
Anning	1,071	253	97	1,016	240	92	7,576	228	88	-17	-65
Pengzhou	977	230	115	917	216	108	7,207	224	108	+23	+19
Total Sinopec*	**18,545**	**4,367**	**68**	**17,833**	**4,199**	**66**	**148,236**	**4,423**	**70**	**-87**	**-2**
Total PetroChina*	**15,422**	**3,632**	**97**	**15,378**	**3,621**	**97**	**118,986**	**3,574**	**96**	**-40**	**-1**
Total above 47 refineries	**19,795**	**6,637**	**71**	**19,934**	**6,535**	**70**	**157,043**	**6,706**	**71**	**-350**	**-5**
Total China*†◇	**59,541**	**13,583**	**85**	**59,540**	**12,948**	**81**	**476,318**	**14,309**	**-**	**0**	**0**
PetroChina + S'pec % of total China		**59**			**60**			**56**			
Above 47 refineries % of total China		**49**			**50**			**47**			

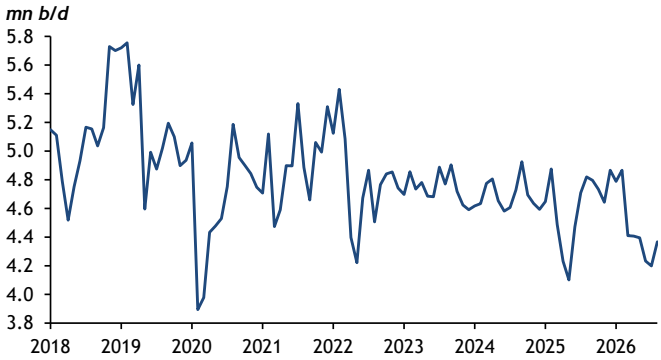
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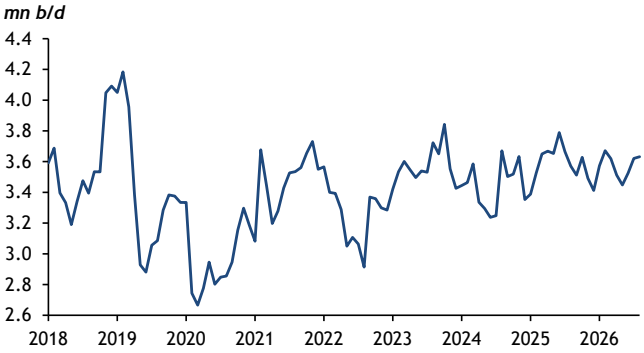
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REFINERY THROUGHPUTS

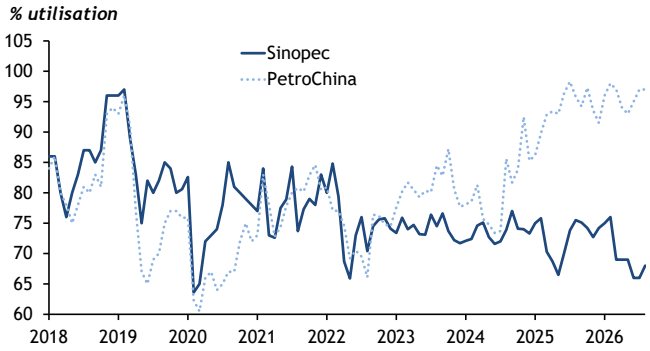
Sinopec total runs



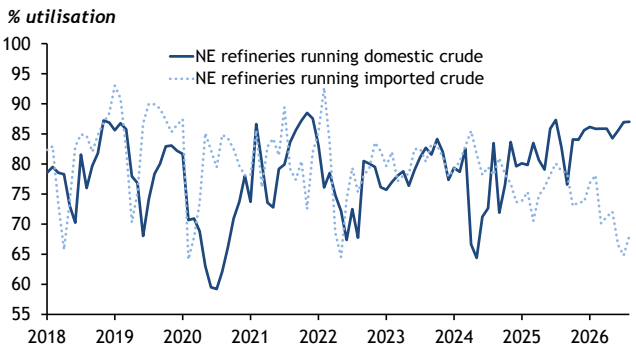
PetroChina total runs



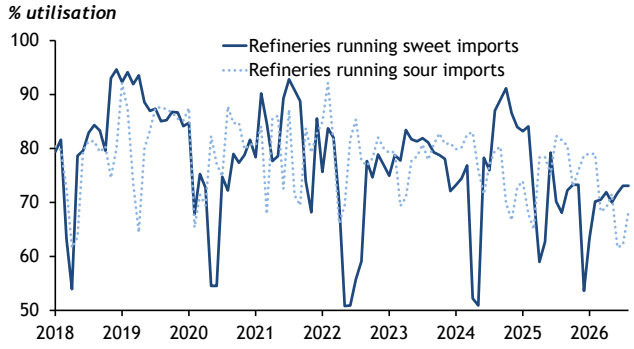
Sinopec vs PetroChina runs



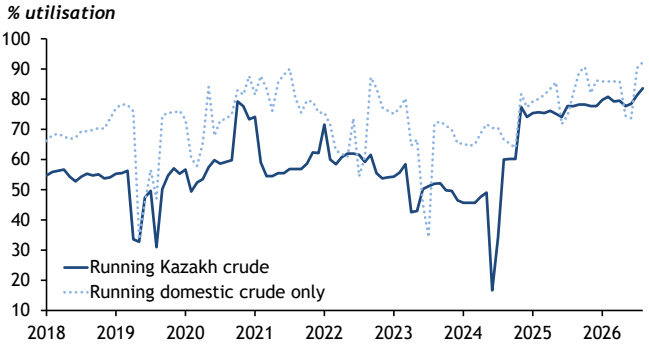
Domestic vs import economics



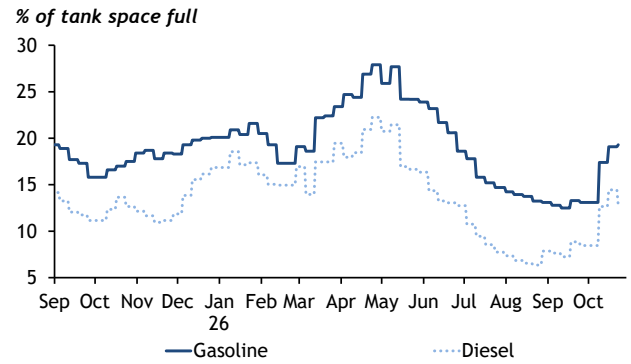
Sweet vs sour imports



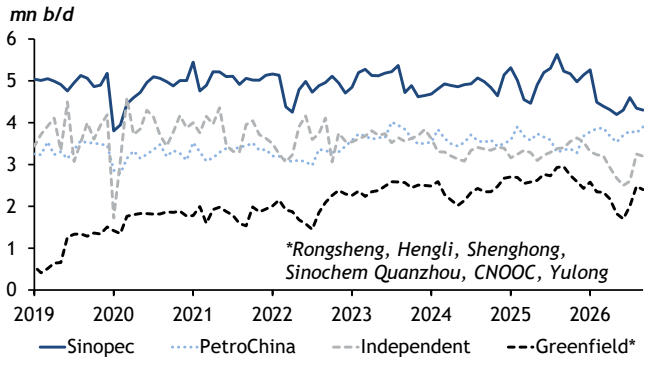
NW China refinery runs



Bohai independent, product storage tank



China: Crude throughputs

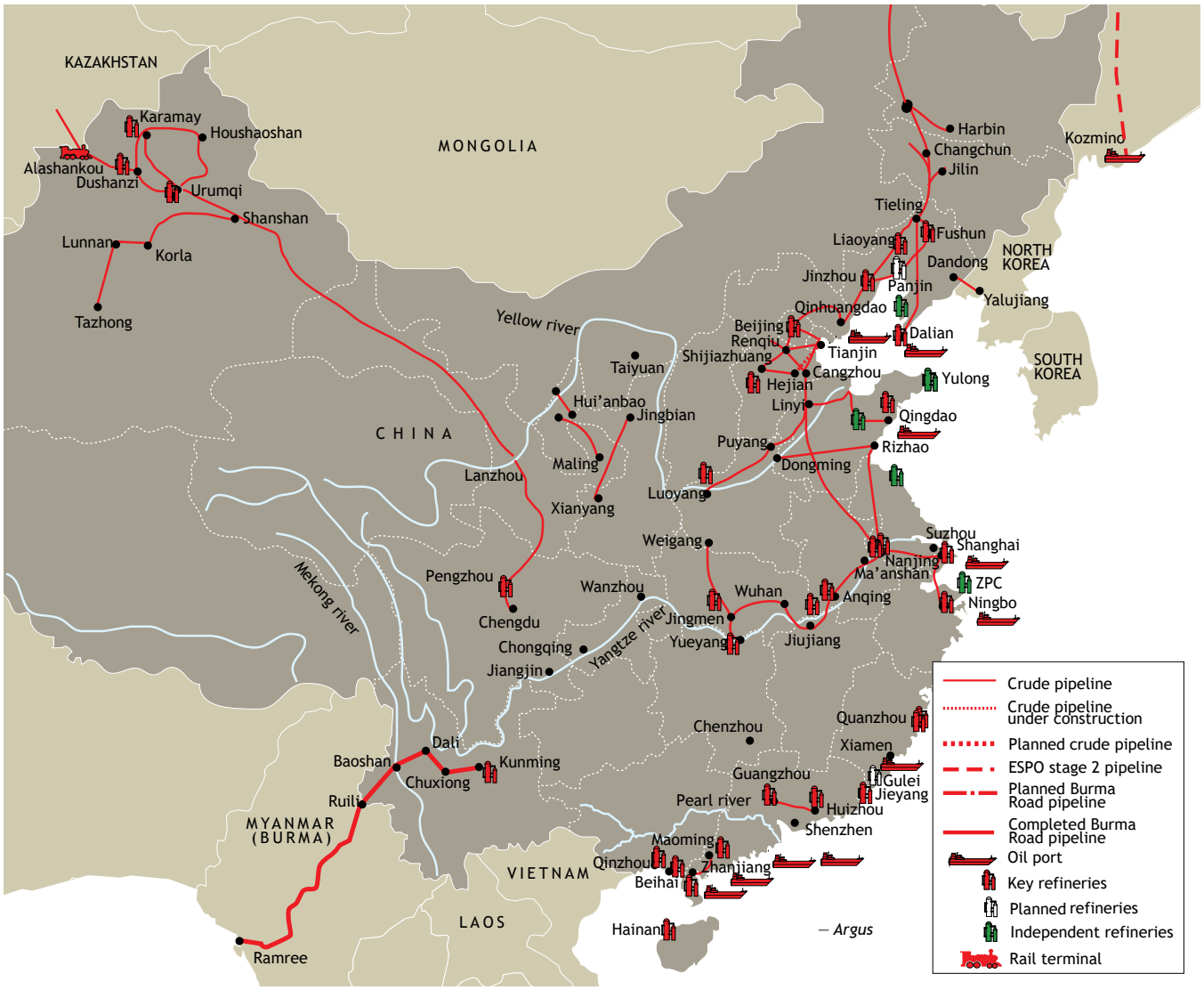


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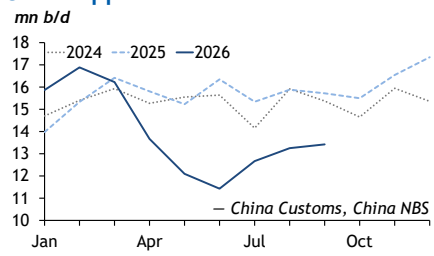
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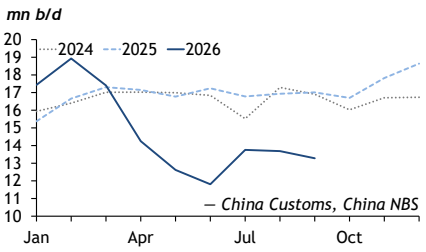
China crude infrastructure



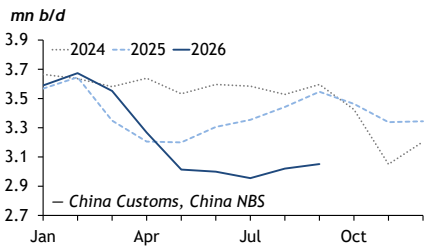
Crude apparent demand



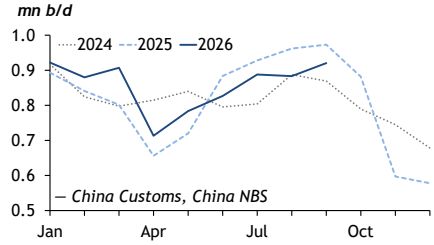
Petroleum apparent demand



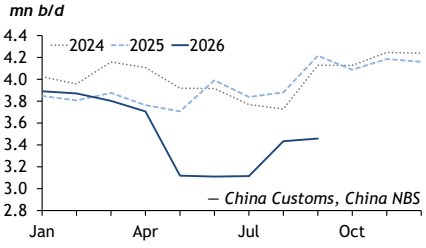
Gasoline apparent demand



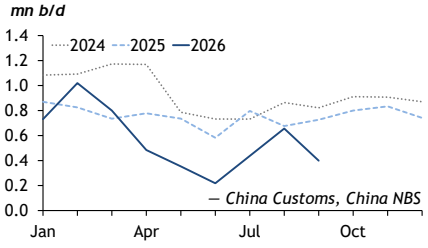
Jet-kero apparent demand



Diesel apparent demand



Fuel oil apparent demand



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