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Argus Gas Freight

Issue 26-215 | Monday 2 November 2026

HIGHLIGHTS

- US Gulf VLGC chartering activity opens the week
- Mideast Gulf producers offer cargoes on STS off Vadinar
- Thin LPG demand keeps lid on NWE coaster rates

HEADLINES

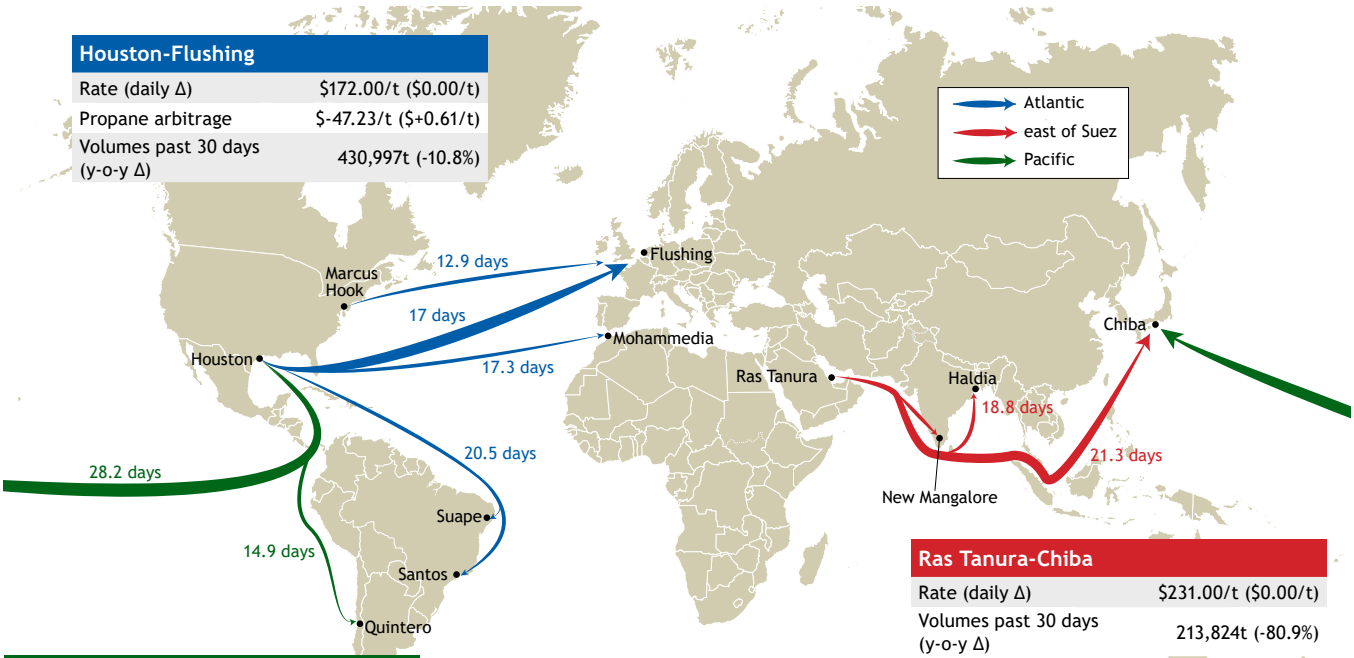
- Two vessels hit in Mideast Gulf over weekend: UKMTO
- US-Iran conflict could escalate after midterms
- Japan's LPG stocks hit six-month low in September

VLGC loadings - last 30 days

Origin	Tonnes	Change y-o-y
Mideast Gulf-northeast Asia	213,824	-80.9%
Mideast Gulf-India	804,686	-42.9%
Marcus Hook-northwest Europe	na	na
US Gulf Coast-northwest Europe	430,997	-10.8%
US Gulf Coast-Morocco	149,505	-14.1%
US Gulf Coast-Brazil	92,415	+305.5%
US Gulf Coast-northeast Asia	2,577,781	+16.9%
US Gulf Coast-west coast South America	144,370	+20.0%

Source: Vortexa

KEY VLGC TRADE ROUTES



Houston-Flushing	
Rate (daily Δ)	$172.00/t ($0.00/t)
Propane arbitrage	$-47.23/t ($+0.61/t)
Volumes past 30 days (y-o-y Δ)	430,997t (-10.8%)

Houston-Chiba (via Panama)	
Rate (daily Δ)	$315.00/t ($0.00/t)
Propane arbitrage	$-27.23/t ($+46.61/t)
Volumes past 30 days (y-o-y Δ)	2,577,781t (+16.9%)

Ras Tanura-Chiba	
Rate (daily Δ)	$231.00/t ($0.00/t)
Volumes past 30 days (y-o-y Δ)	213,824t (-80.9%)

Arbitrages based on daily forward prices and freight rates. Terminal charge added to Mont Belvieu swap price to create representative USG export price. Saudi Arabia propane CP is published monthly. Trade-flow data from Vortexa, based on regional flows rather than port-to-port.

To learn more about Argus' daily LPG price assessments, market-moving news and in-depth analysis, please visit: www.argusmedia.com/lpg-ngl

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VLGC

US Gulf fixings resumes, Mideast STS persists

Chartering activity in the US Gulf picked up at the open of the week on Monday, with at least two charterers fixing vessels. Booking activity in the Mideast has declined sharply since the conflict began, but cargoes are still being offered on a ship-to-ship (STS) basis for VLGCs off Oman or India's west coast.

US Gulf VLGC fixing activity opens the week

The Houston to Chiba freight rate held steady at the start of the week at $315/t. At least two charterers placed vessels on subjects despite falling Asian LPG prices and firmer Mt Belvieu LST propane values that would typically reduce Asian buying of Atlantic exports.

Pertamina placed the Phoenix Gaia on subjects loading from the 12 December at $311/t meanwhile Petredec placed the Jessie Maersk on subjects loading from the 11 December at $315/t, both to load from the US Gulf.

Asian propane prices retreated slightly despite sharp losses on crude benchmarks. November AFEI propane swaps fell by $8/t from the last trading session at Asian timestamp, while front month Brent crude values dropped $7.58/bl.

Mt Belvieu, Texas, LST propane rose in the last trading session, supported by higher prices in Asia after concerns arose about delays in US Gulf coast exports.

Mideast Gulf producers offer cargoes on STS basis

The Ras Tanura to Chiba and Ras Tanura to India VLGC rates were unchanged at $231/t and $236/t, respectively on Monday.

Shell placed the Reference Point on subjects for an LPG cargo loading from 1 November at $215/t on a Ras Tanura to Chiba basis, with the rate reflecting a discount for an STS operation off Vadinar.

Qatar Energy offered a 26,432t propane cargo basis STS Vadinar for 5-12 November loading via the vessel Olympios Gas via a spot tender.

Two tankers were struck by unknown projectiles in separate incidents over the weekend in and around the strait of Hormuz, extending a run of attacks on commercial shipping in the region.

LNG carrier Al Maeda was hit by unidentified objects whilst transiting the strait. The other vessel had been travelling southeast through the Arabian Gulf when struck by two unknown projectiles on its port side about 72 nautical miles (133km) east of Ras Al Khafji, Saudi Arabia.

Trump over the past month has repeatedly floated the idea that a deal with Iran or resumption of hostilities could happen after the November election. The Iran war "is going to end very soon, one way or another it's going to end", Trump told Kansas' KCMO radio on Friday. But renewed conflict is not guaranteed to bend Tehran to Trump's will.

VLGC rates			$/t
Route	Size	Rate	'±
Bonny-Chiba (excl. load-port fee)	VLGC	350.89	+2.32
Bonny-Chiba	VLGC	364.37	+2.32
Bahia Blanca-Chiba (via Cape of Good Hope)	46,200t	380.48	+3.08
Bahia Blanca-Quintero (via Magellan)	46,200t	100.78	+0.79
Houston-Chiba (via Panama)	VLGC	315.00	nc
Houston-Chiba+Ulsan	46,200t	339.60	+0.08
Houston-Flushing	VLGC	172.00	nc
Houston-India (basis Houston-Chiba via Panama)	VLGC	322.50	nc
Houston-Visakh+Haldia	46,200t	413.14	nc
Houston-Mohammedia	46,200t	167.32	+0.12
Houston-Ningbo	46,200t	343.29	-0.02
Houston-Quintero	46,200t	175.81	+0.06
Houston-Quintero (12-month time charter basis)	46,200t	113.90	-1.22
Houston-San Pedro	46,200t	73.32	+0.10
Houston-Suape	46,200t	149.28	+0.09
Houston-Suape + Santos	46,200t	190.12	+0.11
Houston to Tanjung Sekong (via Panama)	46,200t	405.78	+0.01
Houston to Tanjung Sekong (via Cape)	46,200t	386.80	-0.05
Marcus Hook-Flushing	46,200t	150.28	-0.65
Prince Rupert-Chiba	46,200t	136.99	-0.59
Ras Tanura-Chiba	VLGC	231.00	nc
Ras Tanura-Chiba+Ulsan	46,200t	260.30	+0.01
Ras Tanura-India (basis Ras Tanura-Chiba)	VLGC	236.00	nc
Ras Tanura-New Mangalore	46,200t	84.64	+0.02
Ras Tanura-New Mangalore + Haldia	46,200t	166.24	+0.04
Ras Tanura-Ningbo	46,200t	205.66	+0.01
Ras Tanura-Visakh	46,200t	121.84	+0.01
Ras Tanura-Visakh+Haldia	46,200t	156.68	+0.03
Ras Tanura-Vung Tau	46,200t	159.60	+0.01

VLEC rates			$/t
Route	Size	Rate	'±
Houston-Ningbo (via Cape of Good Hope)	50,000t	181.03	-3.73
Houston-Ningbo (via Panama)	50,000t	155.87	-2.60
Punta Colorada-Ningbo (via Cape of Good Hope)	50,000t	146.92	nc

VLGC TCE rates		
Route	$/day	±
VLGC		
Ras Tanura-Chiba	215,703.38	+300.59
Houston-Chiba (via Panama)	196,922.99	+1,968.33
Houston-Flushing	202,492.46	+2,021.08

LPG demurrage		
Region	Segment	$/day
Atlantic basin	VLGC	208,129

Panama Canal delays		days
	Northbound	Southbound
Panamax locks	2	2
Neopanamax locks	2	2

Panama Canal auction prices (weekly)	$
Transit slot type	Price
Neopanamax	740,000.00
Panamax	164,000.00

12-month time charter rates (weekly)				
Segment	$/month	±	$/day	±
VLGC	2,600,000.00	nc	85,526.32	nc
LGC	1,890,000.00	nc	62,171.05	nc
MGC	1,260,000.00	+10,000.00	41,447.37	+328.95
Handysize	855,000.00	+10,000.00	28,125.00	+328.95

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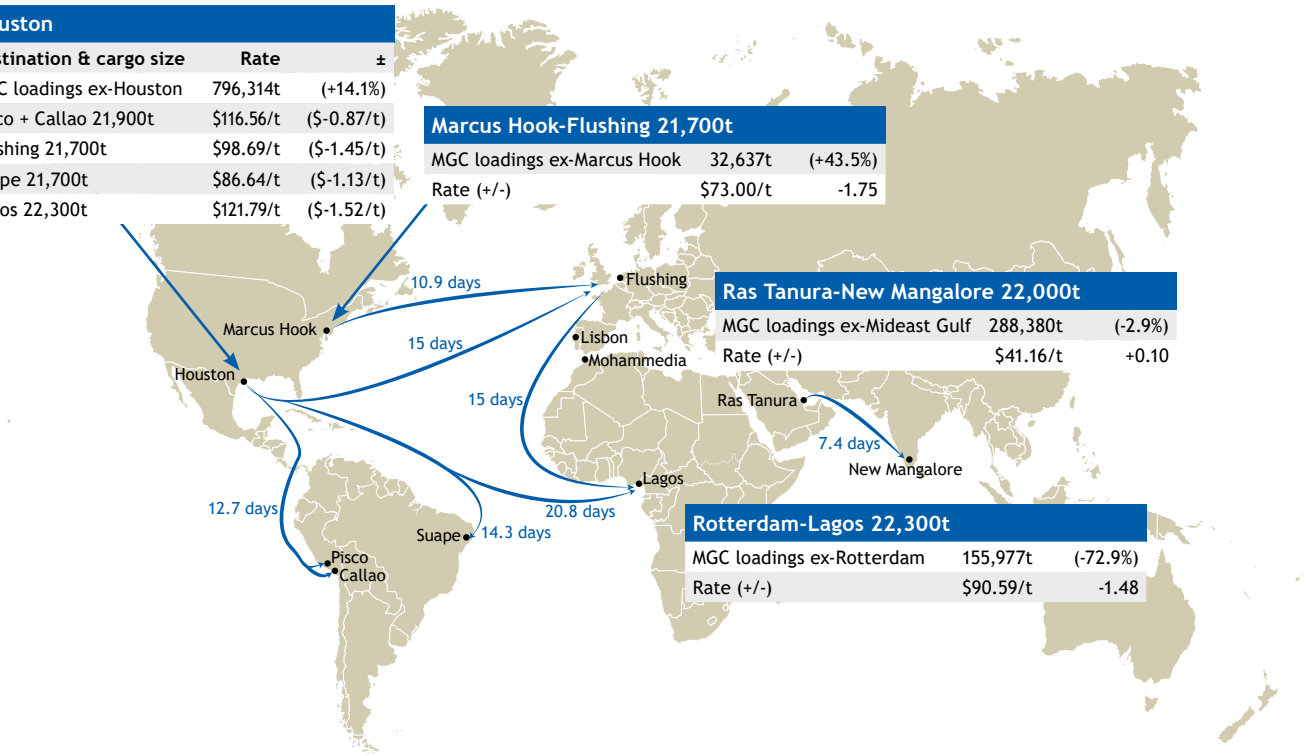
MGC

Houston		
Destination & cargo size	**Rate**	**±**
MGC loadings ex-Houston	796,314t	(+14.1%)
Pisco + Callao 21,900t	$116.56/t	($-0.87/t)
Flushing 21,700t	$98.69/t	($-1.45/t)
Suape 21,700t	$86.64/t	($-1.13/t)
Lagos 22,300t	$121.79/t	($-1.52/t)

Marcus Hook-Flushing 21,700t		
MGC loadings ex-Marcus Hook	32,637t	(+43.5%)
Rate (+/-)	$73.00/t	-1.75

Ras Tanura-New Mangalore 22,000t		
MGC loadings ex-Mideast Gulf	288,380t	(-2.9%)
Rate (+/-)	$41.16/t	+0.10

Rotterdam-Lagos 22,300t		
MGC loadings ex-Rotterdam	155,977t	(-72.9%)
Rate (+/-)	$90.59/t	-1.48



MGC loading volumes are for past 30 days with year-over-year changes

LGC and MGC rates

$/t

Route	Size	Rate	±
Houston-Quintero+San Vicente	32,000t	134.54	-1.40
Bahia Blanca-Santos	21,940t	41.57	+0.18
Houston-Flushing	21,700t	98.69	-1.45
Houston-Lagos	22,300t	121.79	-1.52
Houston-Lagos propane diff	21,700t	125.16	-1.56
Houston-Pisco + Callao	21,900t	116.56	-0.87
Houston-Suape	21,700t	86.64	-1.13
Houston-Tuxpan	21,700t	22.00	-0.17
Marcus Hook-Flushing	21,700t	73.00	-1.75
Mongstad-Flushing	22,000t	22.08	-0.29
Ras Tanura-New Mangalore	22,000t	41.16	+0.10
Rotterdam-Lagos	22,300t	90.59	-1.48
Rotterdam-Lagos propane diff	21,700t	93.09	-1.53

MGC loadings

Route	Tonnes	±
Mideast Gulf-India	133,243t	-71.7%
Scandinavia-northwest Europe	134,536t	-5.4%
US-west Africa	107,440t	-1.9%
US-south America	69,359t	+221.1%
US-Europe	125,470t	na

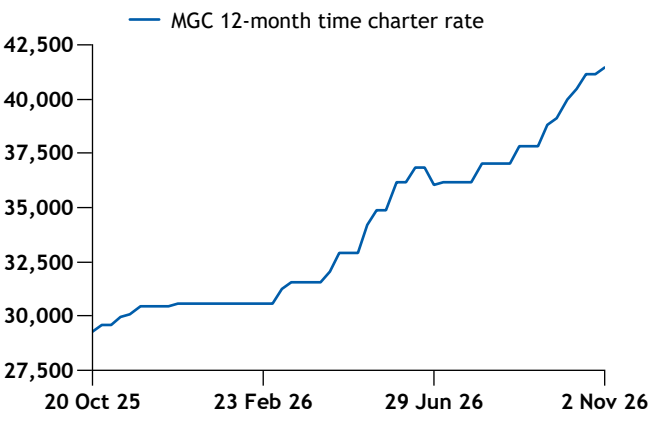
Source: Vortexa

CCF (Carbon cost of freight) indexes

Route	Size t	Lump sum $		$/t	
		One-way	Round-trip	One-way	Round-trip
Houston-Flushing	46200	110,686	210,233	2.40	4.55
Rotterdam-Lagos	22300	63,320	116,198	2.84	5.21
Mongstad-Flushing	22000	20,837	36,904	0.95	1.68
Houston-Flushing	21700	72,687	135,440	3.35	6.24

MGC price graph

$/day



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COASTERS

Thin NWE LPG demand curbs coaster fixings

Northwest European LPG coaster freight rates were unchanged at the start of the week as limited cargo availability weighed on chartering activity, keeping a lid on freight rates.

Coaster activity muted, rates unchanged

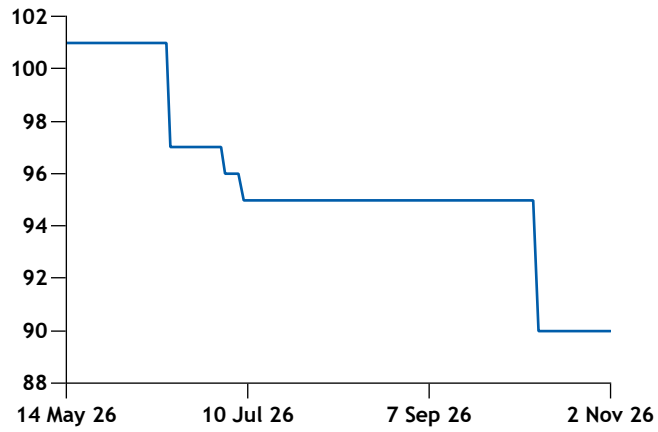
The Tees to ARA rate for a 1,800t and 2,800t cargo held steady at $47/t and $45/t on Monday, respectively.

Activity in the coaster market picked up last week with a handful of cargoes fixed across the continent for end of October and early November loading dates.

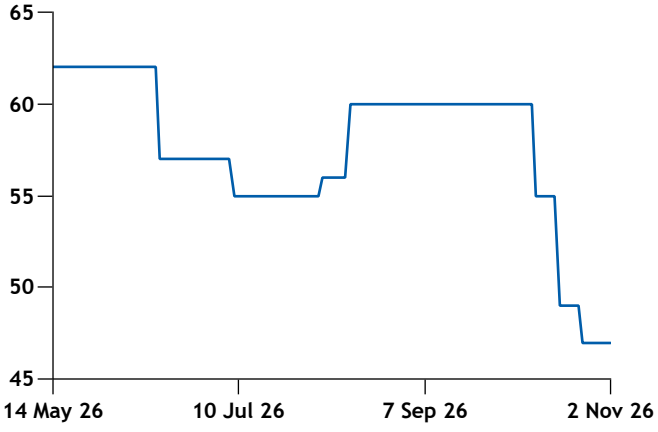
Ships under contracts of affreightment (COA) continue to keep owners busy, reducing the number of vessels available for spot chartering and tightening near-term availability. At the same time, high regional LPG prices and thin supply has encouraged buyers to source LPG from other sources.

Imports of LPG from the US Gulf increased to around 600,000t in October, up from 429,000t month-on-month, meanwhile imports from the United Kingdom fell by 55,000t to 94,000t in the same period.

Tees-Mohammedia Coaster LPG $/t



Tees-ARA Coaster LPG $/t



Coaster rates			$/t
Route	**Size**	**Rate**	**±**
Tees-ARA	1,800t	47.00	nc
Tees-ARA	2,800t	45.00	nc
Tees-Lisbon	1,800t	120.00	nc
Tees-Mohammedia	4,000t	90.00	nc

Ammonia rates			$/t
Route	**Size**	**Rate**	**'±**
LGC			
Luwuk to Caojing+Ulsan	40000t	46.43	-0.47
Luwuk to Taichung+Caojing+Ulsan	40000t	51.87	-0.49
Point Lisas to Jorf Lasfar	40000t	52.33	-0.72
Texas City to Jorf Lasfar	40000t	69.20	-1.06
MGC			
Ras Al-Khair to Kandla	25300t	28.99	+0.08
Ras Al-Khair to Kakinada	25300t	56.88	+0.12
Ras Al-Khair to Ulsan	25300t	106.70	+0.20
Ras Al-Khair to Taichung	25300t	93.86	+0.17
Ras Al-Khair to Richards Bay	21000t	92.07	+0.20
Ras Al-Khair to Antwerp (via Suez)	25300t	136.64	+0.26
Ras Al-Khair to Antwerp (via Cape)	25300t	191.60	+0.35
Ras Al-Khair to Jorf Lasfar (via Suez)	25300t	115.09	+0.21
Ras Al-Khair to Jorf Lasfar (via Cape)	25300t	167.67	+0.30
Point Lisas to Ulsan	25300t	162.82	-2.13
Point Lisas to Houston	25300t	43.52	-0.53
Point Lisas to Antwerp	25300t	71.10	-0.93
Point Lisas to Jorf Lasfar	25300t	56.53	-0.70
Point Lisas to Richards Bay	21000t	121.22	-1.61
Point Lisas to Tampa+Houston+Point Comfort	25300t	54.81	-0.55
Donaldsonville to Ulsan (via Panama)	25300t	188.59	-2.27
Donaldsonville to Ulsan (via Cape)	25300t	242.14	-3.53
Donaldsonville to Niihama (via Panama)	25300t	188.42	-2.24
Donaldsonville to Niihama (via Cape)	25300t	244.26	-3.55
Donaldsonville to Antwerp	25300t	92.37	-1.23
Donaldsonville to Jorf Lasfar	25300t	84.23	-1.09
Bontang to Ulsan	25300t	45.61	-0.37
Bontang to Paradip	25300t	52.57	-0.45
Bontang to Kakinada+Paradip	25300t	61.88	-0.46
Arzew to Antwerp+Tees	25300t	50.28	-0.65
Handysize			
Ras Al-Khair to Kandla	15000t	38.93	+0.11
Ras Al-Khair to Kakinada	15000t	81.04	+0.18
Point Lisas to Tampa	15000t	50.78	-0.83
Arzew to Rotterdam	15000t	47.18	-1.07
Bontang to Ulsan	15000t	62.61	-0.71

Workspaces:

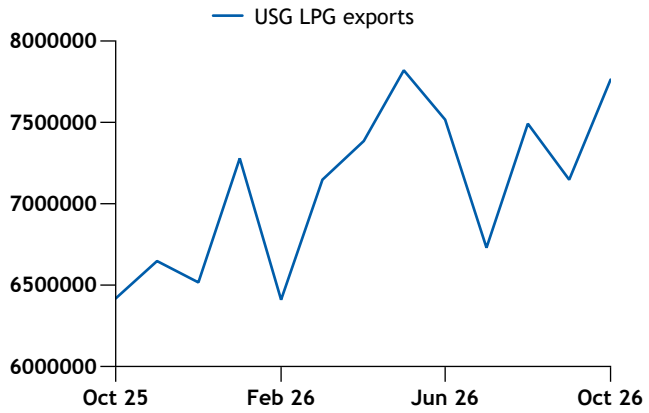
LPG Imports + Freight - Global

- These Workspaces are templates, curated by the Freight editorial team
- To find out more about Workspaces, visit this link

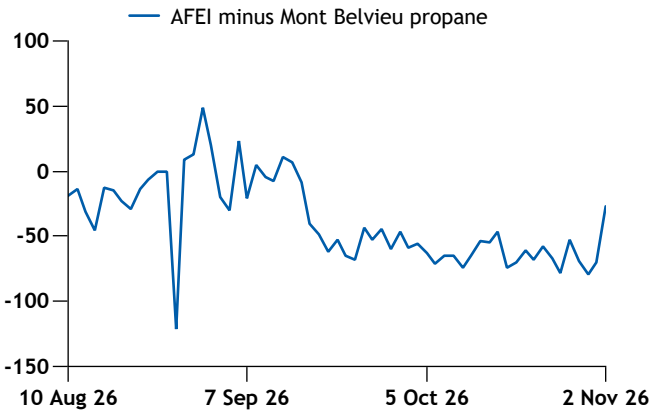
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KEY CHARTS - LPG

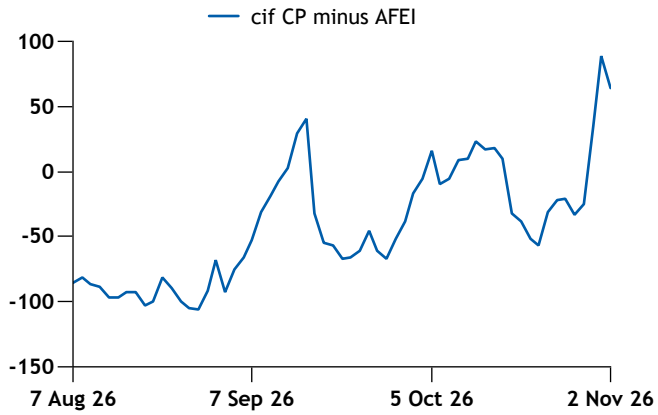
USG LPG exports *t/month*



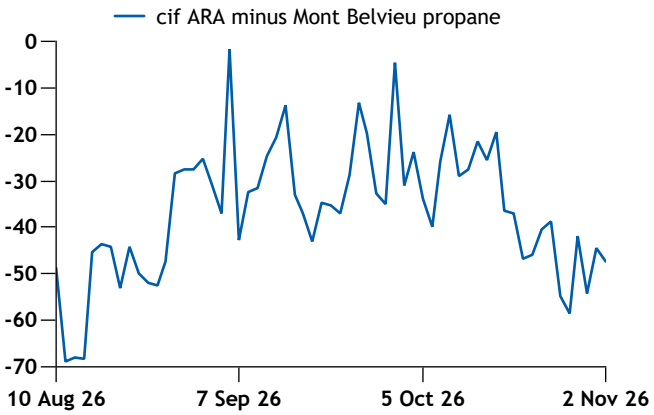
US Gulf coast-Asia propane arb *$/t*



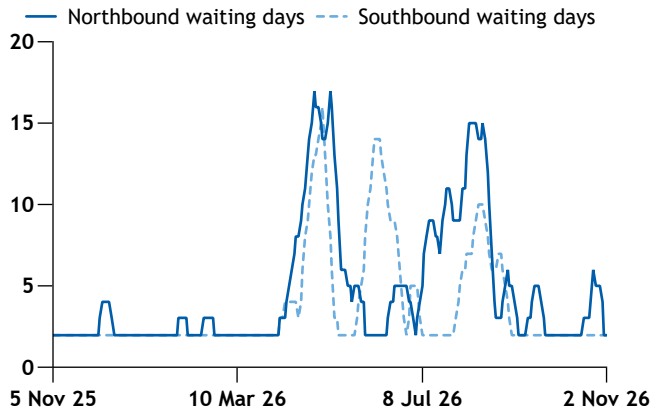
Mideast Gulf-Asia propane spread *$/t*



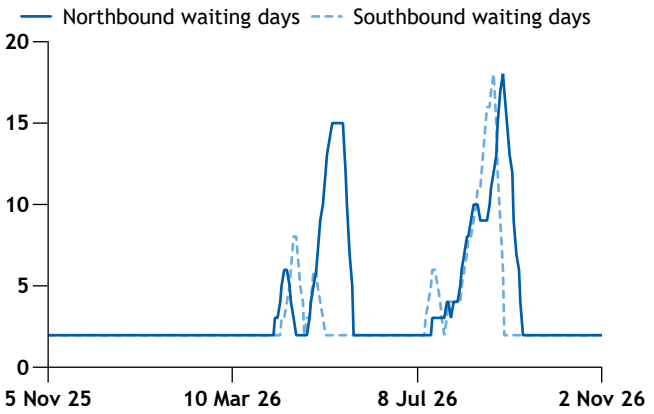
US Gulf coast-ARA propane arb *$/t*



Panama Canal delays for Panamax locks *days*



Panama Canal delays for Neopanamax locks *days*

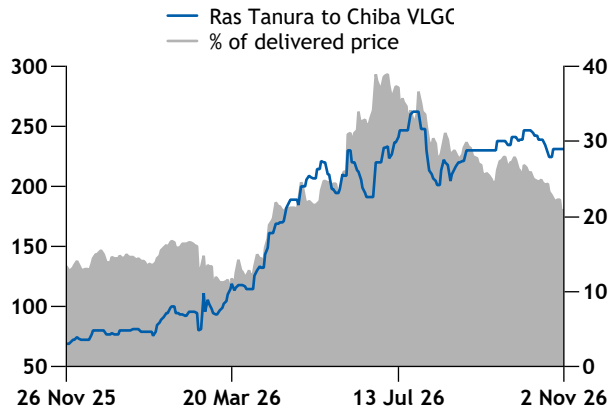


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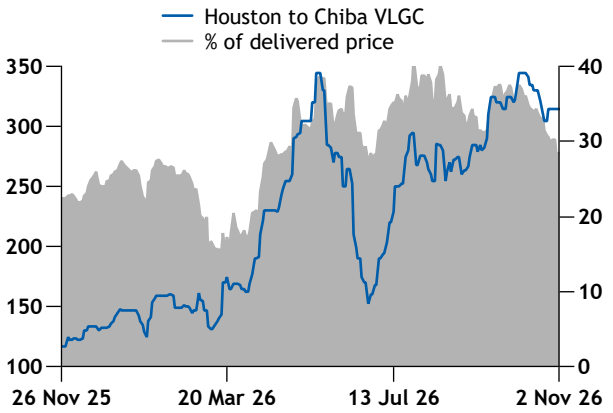
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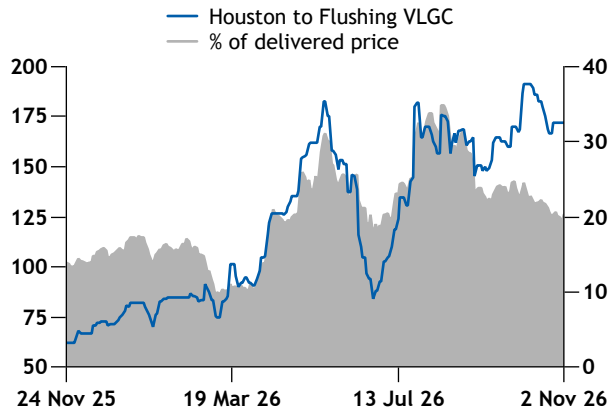
RasTanura-Chiba VLGC AFEI propane $/t



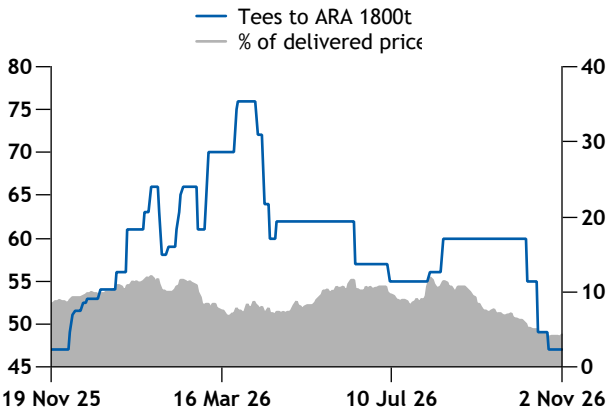
Houston-Chiba VLGC AFEI propane $/t



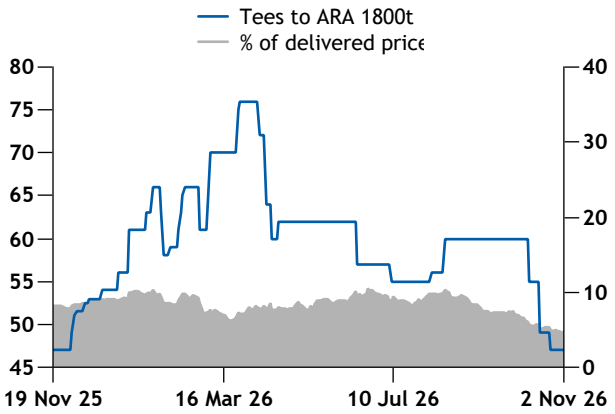
Houston-Flushing VLGC cif ARA propane $/t



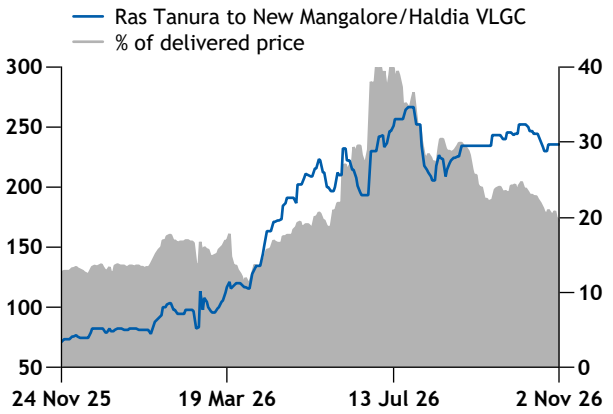
Tees-ARA 1,800t butane coaster $/t



Tees-ARA 1,800t propane coaster $/t



Ras Tanura-India VLGC 50:50 $/t



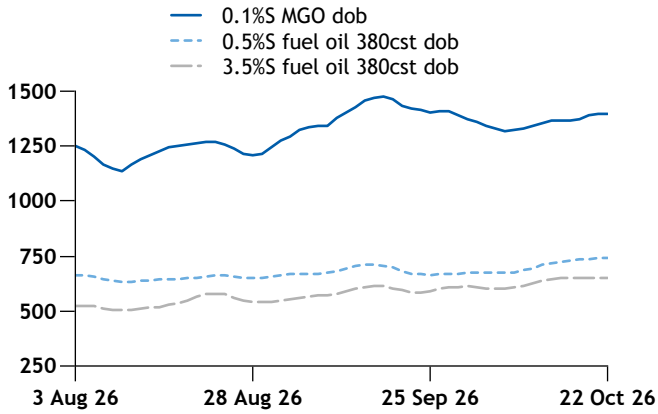
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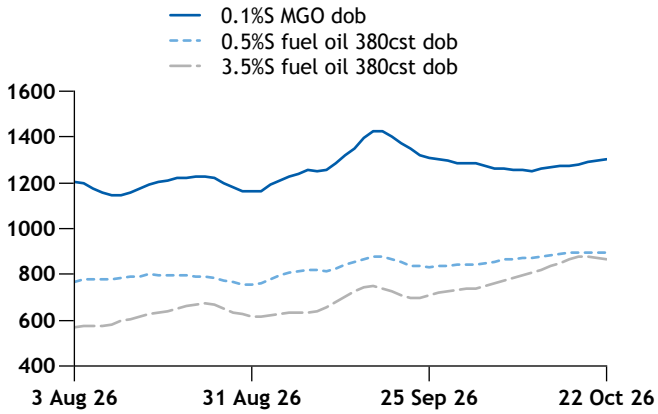
BUNKERS

Conventional

Rotterdam bunker prices (0.5%S, 3.5%S, MGO) $/t

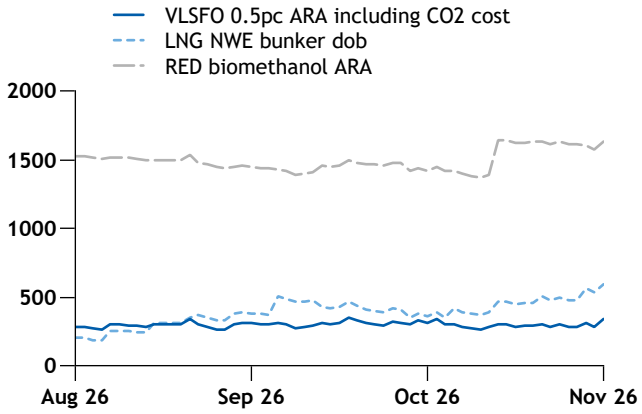


Singapore bunker prices (0.5%S, 3.5%S, MGO) $/t

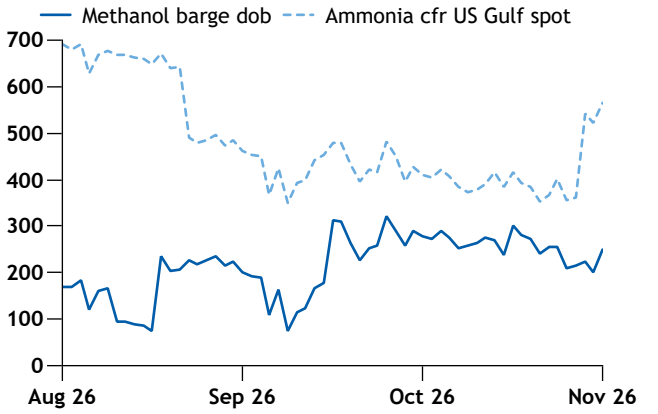


Alternative

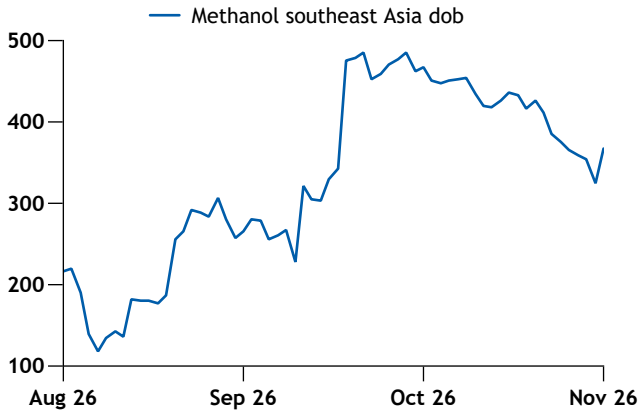
Rotterdam - LNG, others as premiums to VLSFO $/t



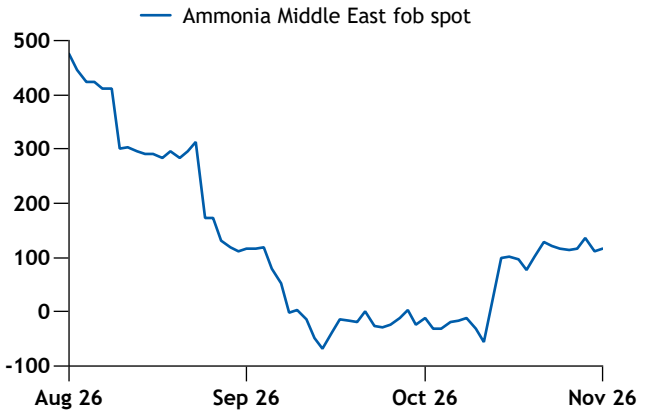
USGC - Methanol, ammonia as premiums to VLSFO $/t



Singapore - Methanol premium to VLSFO $/t



Middle East - Ammonia premium to VLSFO $/t



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NEWS

Two vessels hit in Mideast Gulf over weekend

Two vessels were struck by unknown projectiles in separate incidents over the weekend in and around the strait of Hormuz, extending a run of attacks on commercial shipping in the region.

The UK Maritime Trade Operations (UKMTO) agency said on 2 November that it had received a "mayday" relay from a merchant vessel in the strait of Hormuz on 1 November, reporting that another vessel had been struck by an unknown projectile.

Hours later, UKMTO reported that a tanker travelling southeast through the Arabian Gulf had been struck by two unknown projectiles on its port side about 72 nautical miles (133km) east of Ras Al Khafji, Saudi Arabia.

All crew members were accounted for in the tanker incident and there was no reported environmental impact. Authorities are investigating both attacks.

Separately, Qatar Gas Transport Company (Nakilat) said in a statement published on its website on 1 November that its LNG carrier *Al Mayeda* was hit by unidentified objects while transiting the Mideast Gulf on the evening of 30 October.

A later update by the Joint Maritime Information Centre (JMIC) gave the location of the incident as 40 nautical miles (74km) south of Iran's Lavan Island. No crew members were injured and there was no environmental impact, Nakilat said. The vessel remains operational and the extent of the damage is being assessed.

The Marshall Islands-flagged *Al Mayeda*, which was built in 2009 and has a capacity of 266,000m^3, was initially scheduled to deliver a cargo to Pakistan's 5mn t/yr Port Qasim terminal on 2 November, according to shiptracking data from Kpler. This was likely Pakistan's first Qatari cargo for the month.

The vessel loaded at state-owned QatarEnergy's now-64.2mn t/yr Ras Laffan LNG terminal on 15 October. Port Qasim last received a cargo from Ras Laffan on 13 October.

It was not immediately clear whether the *Al Mayeda* incident was linked to either of the incidents reported by UKMTO.

Nakilat had previously reported on 7 July that another of its LNG carriers, the *Al Rekkayat*, was hit by a projectile while transiting the strait of Hormuz.

The latest attacks follow a series of maritime security incidents in and around the strait of Hormuz. UKMTO said on 30 October that a tanker transiting outbound through the waterway had been attacked by explosive devices attached to its hull, causing a fire in the engine room which temporarily disabled the vessel.

The threat level in the strait of Hormuz remains "severe", according to a 1 November advisory issued by the JMIC.

By Sean Lui and Naomi Ong

Japan's LPG stocks hit six-month low in Sept

Japan's LPG stocks hit the lowest level since March at the end of September, likely prompting importers to replenish inventories ahead of the peak winter heating season.

Japan held around 1.2mn t of LPG stocks at the end of September, down by 26pc from a year earlier and by 8.2pc from August, according to preliminary data from the Japan LPG Association. Propane inventories declined by 35pc to 754,000t, while butane stocks fell by 4.2pc to 474,000t.

Consumable stocks at import terminals plunged by 73pc from a year earlier to 158,000t, while private-sector mandated inventories edged down by 0.1pc to 1.07mn t during the same period.

Total inventories fell to their lowest level since the end of March, when Japan held a total of 1.2mn t. Japanese LPG firms typically draw down inventories toward the end of the fiscal year and the peak winter demand season. Inventories are expected to recover in the coming months as importers prepare for stronger winter demand.

The decline in LPG inventories came as Japan's LPG imports fell by 3.2pc on the year to 575,000t in September. Propane imports declined by 7.9pc to 488,000t, which outstripped a 36pc rise in butane imports to 87,000t. Japanese importers had little incentive to buy propane cargoes because the market remained in backwardation, a market participant said.

LPG consumption rose by 5.5pc from a year earlier to 790,000t in September. An 11pc increase in propane demand to 623,000t more than offset an 11pc decline in butane consumption to 167,000t. Temperatures were lower than a year earlier and boosted propane consumption.

By Motoko Hasegawa

Adnoc warns energy buffers have 'eroded'

The chief executive of Abu Dhabi's state-owned Adnoc, Sultan al-Jaber, warned today that the world's energy supply buffers have been all but "eroded" as governments have been forced to draw on their strategic stocks to compensate for the loss of supplies from the Mideast Gulf region.

Speaking at the opening of the Adipec conference in Abu Dhabi, al-Jaber called on the world to learn from the lessons of the current crisis, which has seen shipments through the critically important strait of Hormuz disrupted for more than eight months.

"Since the strait of Hormuz was disrupted, nearly 1bn

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barrels [of oil] have been drained from global inventories," al-Jaber said. "In some markets, stocks of diesel are at their lowest seasonal level in 35 years, and others are facing a 600bn ft³ LNG supply gap."

Shipments through the strait have recovered somewhat since the early days of the US-Iran war, with the latest Kpler data putting flows of crude and condensate at 8.45mn b/d in October, close to 60pc of what was going through in February, just before the war began.

But the availability of supply is only half the story, al-Jaber said, highlighting the steep jump in the cost of moving this oil and energy from the Mideast Gulf to consumers.

"Before the disruption, shipping and logistics were less than 5pc of the cost of a barrel. Today, they are more than 30pc," al-Jaber said. "Energy security is not only measured at the point of production. It is now also measured at the point of delivery."

Global energy systems need to focus more on making energy "accessible," al-Jaber said, highlighting the need for expanded strategic storage, larger stockpiles of products and more refining capacity that is located closer to consumer markets.

He also stressed the importance of having more ways of getting energy to market. "Supply only counts when it arrives," al-Jaber said. "Infrastructure must be built before it is needed and enabled by advanced logistics."

The UAE was one of just two Mideast Gulf countries, along with Saudi Arabia, that had oil export infrastructure capable of bypassing the Hormuz strait when the war began, putting it in a far better position than most to navigate this period.

The latest data shows that the UAE has not only recovered its production from the early days of the Hormuz crisis, but recently lifted it to above pre-war levels.

Argus estimated UAE production at around 3.9mn b/d in September, up from 3.53mn b/d in February, before the war started, and as low as 1.9mn b/d in March, the first month of the crisis.

By Nader Itayim

South Korea's LPG stocks hit over 6-year low

South Korea's private-sector LPG inventories fell to an over six-year low of 262,679t at the end of September, down by 51pc from a year earlier because of reduced supplies from local refineries and overseas sources.

Stock levels were the lowest since April 2020. Propane stocks fell by 48pc from a year earlier to 166,135t, while butane inventory dropped by 56pc to 96,544t, according to data from state-owned company KNOC.

South Korea's LPG imports fell by 27pc from a year earlier to 587,924t in September. The country received 26 cargoes during the month, more than 97pc of which originated from the US, with the remainder from Canada, according to Vortexa ship-tracking data. Lower imports contributed to a sharp drawdown in inventories, while persistently high LPG prices discouraged buyers from rebuilding stocks.

Supplies from domestic refineries also declined in September. LPG production fell by 3.3pc from a year earlier to 198,327t. The decline came despite South Korea's refinery run rates averaging 81.6pc in September, compared with 78.2pc a year earlier and 83.5pc in the previous month.

Domestic demand was lower in September from a year ago. Demand from the transportation and industry sectors was also lower on the year.

By Reina Maeda

Japan's city gas sector cuts LNG, ups LPG use

LNG demand from Japan's city gas sector fell on the year in August as city gas production edged down. But LPG consumption continued to rise to increase the calorific value of city gas.

LNG consumption by Japan's city gas utilities fell by 3.7pc from a year earlier to around 1.7mn t in August, marking the third consecutive month of declines, data released by Japan's trade and industry Meti late last week show. This reflected a 1.6pc fall in city gas production to around 2.5bn m³ over the period.

Meanwhile, LPG consumption surged by 46pc on the year to 130,100t in August, following a 35pc year-on-year increase in July.

Higher LPG blending was partly driven by rising imports of lower-calorific US LNG, as disruptions around the strait of Hormuz continued to curb procurement from the Middle East. Japan's LNG imports from the US rose to a record high of 1.02mn t in August, more than doubling from 412,600t a year earlier, customs data show.

Gas utilities may also have substituted LPG for LNG where possible, attracted by LPG's discount to LNG. LPG remains cheaper than LNG. The *Argus* Far East Index (AFEI) was assessed at $1,112.75/t for propane and $1,202.75/t for butane on 30 October, compared with *Argus* northeast Asia LNG (ANEA) assessments for the second half of November at $32.92/mn Btu, or $1,712/t.

Despite lower city gas production, city gas sales on the domestic market edged up by 0.3pc from a year earlier to 2.6bn m³ in August. Supplies for residential consumers rose by 8.6pc to 333mn m³, while sales to industrial users increased by 0.6pc to 1.7bn m³. The increase more than offset a 2.8pc decline in sales to the commercial sector to 342mn m³ and a 6pc drop for other purposes to 295mn m³.

By Motoko Hasegawa

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China's PDH runs firm despite propane costs

China's propane dehydrogenation (PDH) operating rates remained above the January-October average in October despite record-high propane import costs, because widespread shutdowns at methanol-to-olefins (MTO) plants tightened olefin supply and supported propylene and polypropylene (PP) prices.

China's PDH operating rate averaged 67pc in October, 3 percentage points above the January-October average, although it was 6 percentage points lower than in September. The monthly average of the *Argus* Ningbo Index (ANI) for propane, on a cfr east China basis, rose to $1,077.50/t, its highest level since January 2021. But prices for major downstream products also strengthened, with domestic PP raffia ex-works prices reaching a 12-year high of 10,675 yuan/t ($1,410/t) excluding 13pc VAT in October.

PDH plants' demand for imported propane also remained resilient, reaching around 1.5mn t in October, broadly unchanged from September, according to *Argus* analysis of Vortexa data.

The propane-to-PP spread averaged $332.50/t in October, $31/t above the January-October average, suggesting that economics remained supportive enough for most PDH units to continue operating. This was partly driven by lower MTO output, which reduced competition in the domestic olefins market.

China's MTO operating rate fell to 15pc in late October from about 40pc in September due to a sharp rise in methanol prices. The country had around 7mn t/yr of MTO capacity, on an ethylene and propylene basis, in October. Most coastal MTO plants rely on imported methanol, with around 60pc of imports coming from Iran.

Methanol prices had been climbing since August on persistent Middle Eastern supply disruptions and higher natural gas prices heading into the winter heating season. The *Argus* cfr China methanol price averaged $515/t in October, up by 48pc from August, forcing most MTO plants off line.

But the outlook for PDH runs is less supportive heading into winter. Current PDH margins could keep China's propane import demand relatively resilient, but elevated PP prices have started to weigh on downstream demand. Uncertainty surrounding US-Iran peace talks also poses a risk to the supply outlook, while international propane prices could find further support from seasonal heating demand. These factors could put renewed pressure on PDH margins and operating rates during the winter.

Opec+ to keep output targets steady in Dec

A core group of seven Opec+ producers have again chosen to keep their crude production quotas unchanged, as the US-Iran war continues to disrupt supplies from several members.

Saudi Arabia, Russia, Iraq, Kuwait, Kazakhstan, Algeria and Oman said after their monthly virtual meeting on Sunday that they would roll over their November quotas into December. The seven last updated their output targets in September, when they finished unwinding a set of large production cuts.

The Mideast Gulf members of the wider alliance have boosted production in recent months by shuttling more crude through the strait of Hormuz, but their ability to sustain this is largely tied to the course of the Iran war and the conflict in Yemen, from where the Houthi militants continue to attack Saudi Arabia, including its civilian and energy infrastructure.

Opec+ production by members with targets rose by 2.47mn on the month in September but remained 4.21mn b/d below their collective target and 3.16mn b/d below the pre-war level in February, *Argus* estimates. Iran's production in September was around 1.55mn b/d below its pre-war February level, driven by the US naval blockade of its exports.

US president Donald Trump has indicated there may be a resumption of direct strikes against Iran following the US midterm elections on 3 November. Iran's supreme leader Ayatollah Mojtaba Khamenei said a renewed attack would be met with an "immediate, impactful, and geographically unrestricted response."

Front month Ice Brent crude futures closed at $117.64/bl on 30 October, the highest since late April, while refined product prices remain at elevated levels.

The seven Opec+ producers set their next meeting for 29 November.

By Aydin Calik

Taiwan's FCFC shuts SM unit on technical issues

Taiwanese producer Formosa Chemicals and Fibre (FCFC) has shut its 350,000 t/yr No.2 styrene monomer (SM) unit at its Mailiao complex in Taiwan on 30 October due to technical issues, a source close to the matter told *Argus* today.

The unit is expected to be off line for around 20 days, the source added.

The producer previously planned to shut this unit from early November because of high feedstock costs. The unit is expected to resume production in late November following the turnaround, albeit at minimal operation rates, the source added.

The company's Mailiao complex has two other SM units with capacities of 250,000 t/yr and 720,000 t/yr.

Taiwan's SM supply balance has tightened following the indefinite closure of Taiwan Styrene Monomer since Octo-

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ber. But high feedstock benzene prices have curtailed profit margins, preventing Taiwanese producers from raising SM run rates, market sources said.

The *Argus* cfr China marker last closed at $1,417.50/t on 30 October, compared to $1,395/t on 29 October.
By Joonlei Lee

German oil products supply locally restricted

Oil products supply is constrained in southern and western Germany by production outages and low Rhine River water levels are hampering restocking, market participants told *Argus*.

Heating oil supply is tight in southern Germany, with limited spot availability at the Bayernoil consortium's 207,000 b/d Vohburg-Neustadt refinery, market participants said. Loading restrictions were due to end by mid-October but their continuation coincides with seasonally higher demand ahead of the heating season.

A fire at the refinery at the weekend is likely to constrain availability further, local traders said. It is unclear which part of the refinery or which units were affected by the fire, but traders said spot offers were withdrawn on Monday. Term supplies remain available, traders said.

Navigation on the Rhine remains restricted. A recent rise in water levels allowed vessels to carry larger loads and pushed freight rates lower, but forecasts by the Federal Waterways and Shipping Administration suggest this relief will be short-lived. Water levels are forecast to fall again in the coming days, and market participants do not expect a sustained improvement in supply.

Persistently low Rhine water levels are limiting availability of heating oil, diesel and gasoline in the Rhine-Main, Cologne and western regions. Reduced barge loadings increase the cost of transporting products along the Rhine from the Amsterdam-Rotterdam-Antwerp (ARA) trading hub, pushing prices higher. Imports of diesel and other gasoil products into northern German ports, particularly Hamburg, Bremen and Rostock, reached 408,000t so far in October. This was around 30pc higher than in September and the highest since June 2026, Vortexa data show.

Around 51pc of these originated from ARA, with 28pc from Scandinavia and 15pc from India. The US accounted for about 4pc. Around 34pc of deliveries came from the US in September, while Indian cargo deliveries to northern Germany were last recorded in March 2026.
By Natalie Müller

Record C4 prems curb ARA blending demand

Gasoline blenders have cut butane barge purchases in the Amsterdam-Rotterdam-Antwerp (ARA) hub as scarce refinery supply and soaring import costs drove butane's premium to non-oxy gasoline to a record high, eroding its blending appeal just as gasoline margins slumped.

The butane fob ARA premium to non-oxy gasoline barges ended the day at $118.75/t on 30 October — the highest in *Argus* records — after flipping from a $323.25/t discount a month earlier. This marked a sharp shift in the relationship between the two products. The spread averaged a $105.75/t discount in October over the past five years and has been at a premium only nine times since 2009. The swing exceeded the typical $54.75/t September-October narrowing. The switch to winter-grade specifications allows more butane in the gasoline pool, boosting butane demand.

Higher European gas prices curtailed butane sales from local refineries and North Sea terminals, causing a regional supply squeeze this year. The Dutch TTF benchmark rose above €100/MWh for the first time since December 2022, swinging to a $273.25/t premium to butane barges from a $29.75/t discount a year earlier. The premium prompted refineries to burn LPG instead of gas and upstream processors to keep it in the gas stream. LPG loadings at the six key North Sea terminals consequently slumped to a two-year low of 266,000t in October, Kpler data show. This compounded tightness caused by the loss of nearly 500,000 b/d of regional refining capacity in recent years.

Blenders turned to petrochemical firm Ineos, which splits large cargo imports into coasters and barges at its 80,000t Antwerp storage. The terminal became the market's only source of surplus supply in October, with the fob barge premium to large cargoes doubling on the year to $166.50/t on 13 October.

The US-Iran war has driven butane import costs to an all-time high. European buyers struggled to secure US butane as India and China stepped up buying after the loss of Middle Eastern exports through the strait of Hormuz. Northwest European imports of US butane fell by 38pc on the year to just over 1mn t in January-October, a five-year low.

Recent outages at US export terminals tightened global balances. Phillips 66's 260,000 b/d Freeport export terminal declared force majeure after a butane compressor failed.

Limited supply lifted European benchmark cif ARA large cargo assessments for 7,000-12,000t, 22,000t or 23,100t sizes to $1,109.25/t on 26 October, the highest since records began in 1992.

Surging butane costs coincided with weakening gasoline margins in the second half of October. Benchmark non-oxy gasoline barge crack spreads to underlying front-month Ice Brent crude futures slumped to $9.23/bl at the 30 October close, down by $1.93/bl on the day and their lowest since 31 March.

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Supply shortages seen in September and October have eased substantially, with independent stocks at the ARA hub rising sharply over the past week. Demand for gasoline has also waned in recent weeks, in line with seasonal travel.

Lack of blending demand pressured delivered butane barge prices, which shed 7.5 percentage points to a three-week low of 118pc of naphtha from an all-time high of 125.5pc on 20 October. This reduced the large-barge spread by two-thirds to $52.25/t over the same period. But at that level barges still stood nine percentage points above the five-year average as extreme supply tightness continued to provide a high floor for the heavier grade.

by Waldemar Jaszczyk and Atishya Nayak

ANNOUNCEMENTS

Argus Mideast Gulf freight market coverage

Argus will continue to publish prices, news and analysis related to freight markets in and around the Mideast Gulf and continues to monitor events in the region. *Argus* will announce to its subscribers any changes to its coverage. Please contact freight editorial manager Nick Watt at nicholas.watt@argusmedia.com with any questions.

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