

About this report

Argus Methanol Outlook gives you a comprehensive global view of the industry, including regional dynamics and feedstock insights, in a single report.

The service includes a 24-month rolling price forecast and forward-looking analysis of global methanol supply and demand, trade flows and market dynamics.

Subscribers receive a PowerPoint PDF written by our experts plus the accompanying Excel data files.

This is a sample of the full report only.

To find out more about the full Argus Methanol Outlook service, click here to get in touch.



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| Methanol Outlook global overview

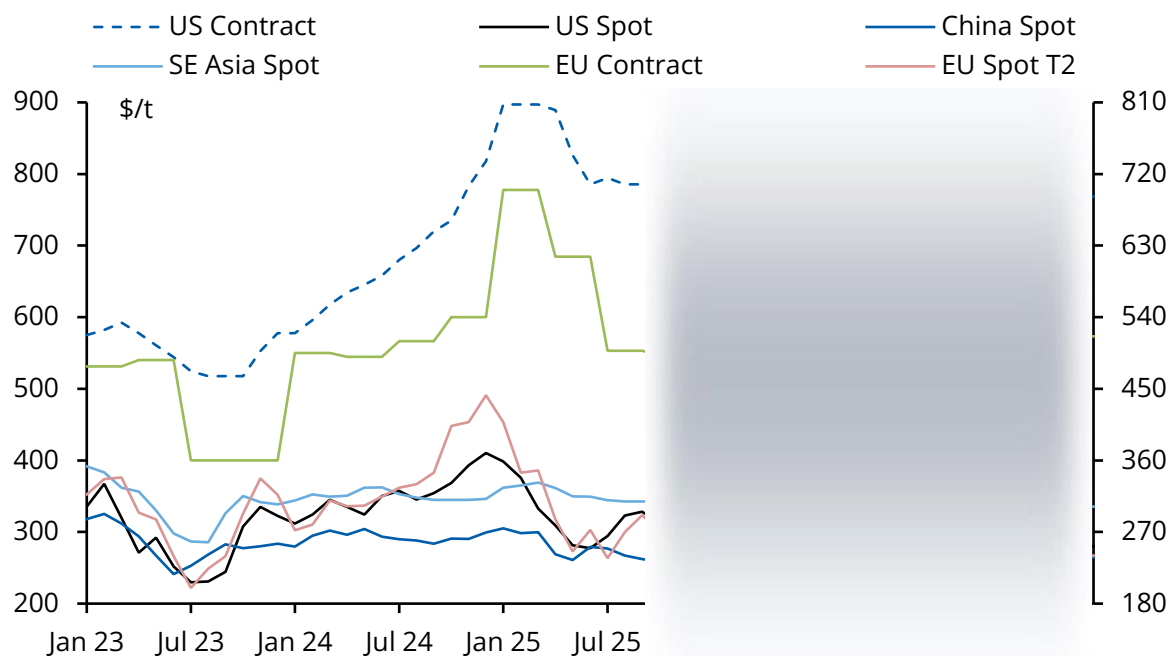
Much of world pricing weakening as China deals with record high inventory and still strong imports. Atlantic basin likely settling into Q4 seasonal lulls and weak sentiments.

- Our views have been more cautious the last few months and into 2026, fearful of further supply outages and/or tariff/sanction issues. Now, with just 6 weeks from 2026, it's difficult to envision spot prices finding reasons for upward movement. Year end inventory management starts to come into play and many will reduce inventories to minimize tax exposure unless there are concerns about Q1'26, which are not apparent at this time.
- While increased sanctions on Iran methanol into India have caused recent run-up in spot prices there, the expected reshuffling of trade flows now sees India spot prices weakening towards more traditional Asia-Pacific deltas. China's efforts to move away from Iran imports too seems to be quite short-lived, with high coastal inventories dragging down spot prices further. These lower China values are seen pulling down rest of Asia prices as well.
- For the Atlantic basin, supplies are improving, and price sentiments seem to be waning very slowly. We could see this trend continuing through year's end, particularly as we see Asia-Pacific prices softening. Globally, the winter lull, where applicable, is taking energy out of market outlooks.
- We can easily see major market prices moving sideways to slightly downwards through the remainder of the year.
- Oxford Economics estimates suggest US consumer spending is running around [redacted] above its long-term trend level. For the other G7 economies, consumption is on average [redacted] below trend, but within this, Italy and Canada look better than average, whereas German consumption is [redacted] below trend and UK consumption [redacted] below.

Methanol Outlook - What's changed?

Spot methanol prices look to be directionally weakening, but within a narrow band. Asia sees the most weakness currently, with Atlantic basin following, but slowly.

Spot/contract methanol prices: history/forecast \$/t, €/t



- Oil prices continue to see little change and for the most part remain flat through the forecast. As such, no support to methanol prices for energy substitution continues.
- China methanol prices had increased toward \$ █ levels weeks back

Pricing: current forecast vs prior forecast change +/- pc

| Forward Months | 1-3 | 4-6 | 7-12 | 13-24 |
|-------------------------------------|-----|-----|------|-------|
| Crude Oil Benchmarks | | | | |
| WTI | | | | |
| Brent/NSD | | | | |
| Dubai | | | | |
| US/NAM Methanol Prices | | | | |
| Contract | | | | |
| Spot | | | | |
| Europe Methanol Prices | | | | |
| Contract | | | | |
| Spot | | | | |
| Asia-Pacific Methanol Prices (spot) | | | | |
| China | | | | |
| South Korea | | | | |
| Taiwan | | | | |
| Southeast Asia | | | | |
| India | | | | |
| China Ethylene/Propylene Index | | | | |

- have now dropped to \$ █ levels as coastal inventories have ballooned.
- US spot prices appear headed back towards June/July █ USG levels after topping █ USG in late September. Hard to see posted prices coming down in December.

Methanol price forecast

Atlantic basin prices have path for slight weakening through year's end. China sees ongoing Iran supplies underpinning higher coastal inventories and lower prices. India's price fly-up appears to be slipping.

U.S. Gulf Coast (fob)

Full Year Average

| | |
|---------------------------------|-----------|
| Crude WTI \$/bl | \$/Barrel |
| Natural gas Henry Hub \$/mnBtu | \$/MMBtu |
| Methanol - contract index c/USG | c/USG |
| Methanol - contract index \$/t | \$/t |
| Methanol - spot c/USG | c/USG |
| Methanol - spot \$/t | \$/t |

Western Europe (fob)

Full Year Average

| | |
|-------------------------------------|-----------|
| North Sea Dated \$/bl | \$/Barrel |
| Natural gas TTF \$/mnBtu | \$/MMBtu |
| Euro per US dollar | |
| Methanol - quarterly contract €/t | €/t |
| Methanol - quarterly contract \$/t | \$/t |
| Methanol - quarterly contract c/USG | c/USG |
| Methanol - spot T-2 €/t | €/t |
| Methanol - spot T-2 \$/t | \$/t |
| Methanol - spot T-2 c/USG | c/USG |

Asia-Pacific (cfr)

Full Year Average

| | |
|-----------------------------------|-----------|
| Dubai crude oil \$/bl | \$/Barrel |
| Yuan per US dollar | |
| Methanol - China spot \$/t | \$/t |
| Methanol - China spot c/USG | c/USG |
| Methanol - South Korea spot \$/t | \$/t |
| Methanol - South Korea spot c/USG | c/USG |
| Methanol - Taiwan spot \$/t | \$/t |
| Methanol - Taiwan spot c/USG | c/USG |
| Methanol - SE Asia spot \$/t | \$/t |
| Methanol - SE Asia spot c/USG | c/USG |
| Methanol - India spot \$/t | \$/t |
| Methanol - India spot c/USG | c/USG |
| China Ethylene/Propylene Index | \$/t |

Global supply and demand – Outages

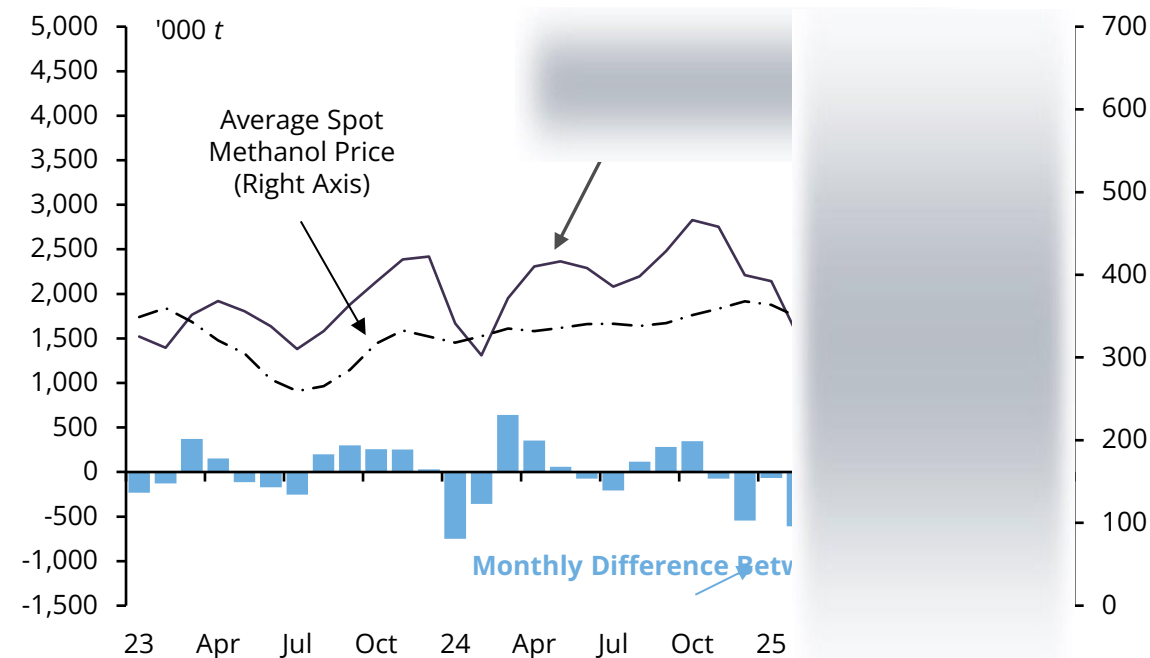
Atlantic basin operations stabilizing. Europe adjusting to reduced German output. Iran production sees “normal” production in November, but December (winter) reductions now expected.

| 2025 METHANOL UNIT OPERATING SCHEDULE (Lost Volumes, -000- Metric Tons) | | | | | | | | | | | | | |
|--|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Region | Capacity | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC |
| North America | | | | | | | | | | | | | |
| South America | | | | | | | | | | | | | |
| Europe/Central Europe | | | | | | | | | | | | | |
| Russia/CIS | | | | | | | | | | | | | |
| ME/Africa | | | | | | | | | | | | | |
| SEA/Oceania | | | | | | | | | | | | | |
| India | | | | | | | | | | | | | |
| China | | | | | | | | | | | | | |
| Total Capacity - Wld | | | | | | | | | | | | | |
| Lost Production - Wld | | | | | | | | | | | | | |
| Eff. Capacity - Wld | | | | | | | | | | | | | |
| Op Rates - Wld | | | | | | | | | | | | | |
| Total w/o China | | | | | | | | | | | | | |
| Lost w/o China | | | | | | | | | | | | | |

Global supply and demand

Methanol demand just to exceed last years levels as there is no strong drivers developing. MTO methanol demand is now tracking near parity to last year's volumes.

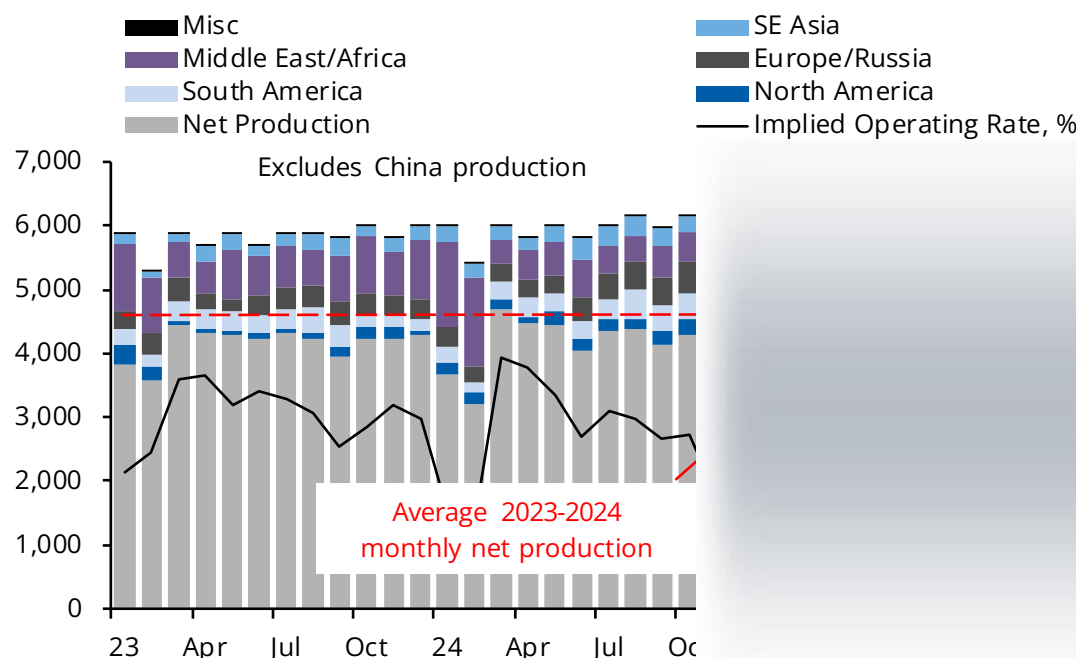
Supply/demand versus spot pricing



- Atlantic basin supplies look to be improving as US gulf production improves. China sees weeks of record high coastal inventory levels pulling spot prices weaker unless Iran exports see notable decline.
- Outages in southeast Asia have ended, with exports to other markets expected to increase. South America still dealing with reduced production levels. Iran

Global methanol production/regional losses

–'000t



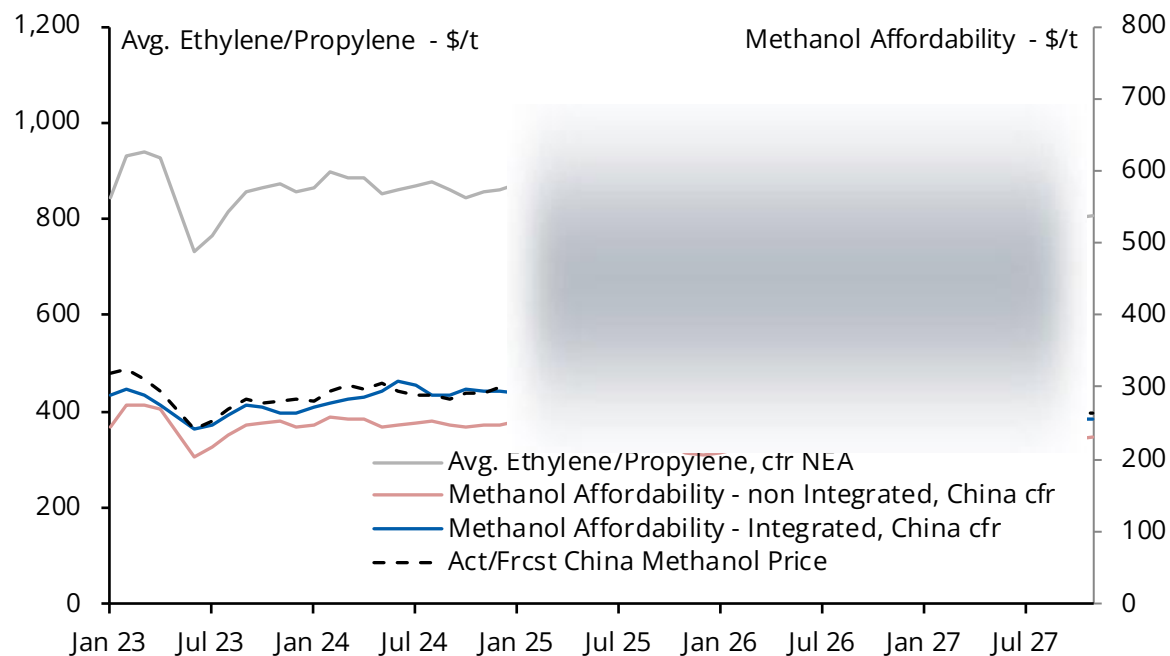
looks to be operating normally for November but could change beginning in December.

- We still struggle to see any major market(s) with notable demand improvement—with some down year on year. Methanol demand in 2025 likely to exceed 2024 levels by less than

Global pricing outlook

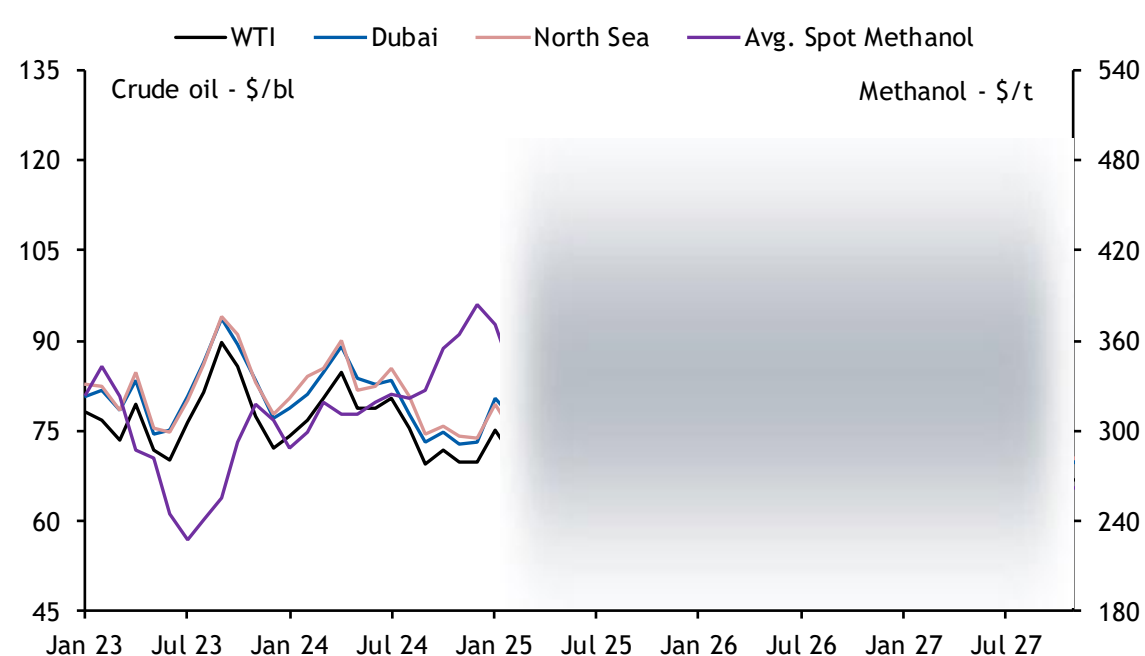
Atlantic basin methanol prices **with little energy. Asia-Pacific prices drop notably and softer China prices pull down the rest of Asia.**

Methanol affordability into MTO



- While *Argus* still believes supply capabilities are adequate, supply blips still create volatility. For Q4, with possible Iran curtailments delayed perhaps until December, firming Asia prices are not likely until beginning 2026, and maybe into Q2.

Crude oil vs methanol pricing – energy equivalence



- MTO methanol demand remains key as well and serves as another balance mechanism. Should China methanol prices fly-up, MTO producers will move further in the red and likely be forced to reduce rates, serving to offset any reduced Iranian supplies. There will be many scenarios in play across Q4.

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Economy and Energy

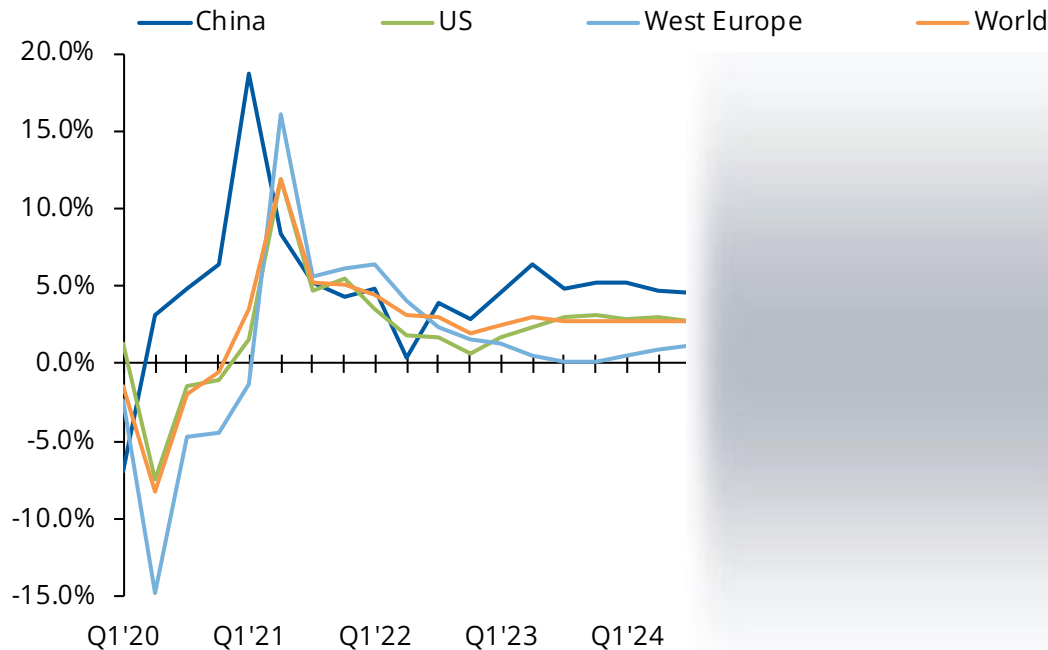
Economic growth expectations slightly rising for 2026, but likewise just slightly below 2025 expectations. Crude prices expected to continue moving sideways.

- Oxford Economics (OE) have raised their 2026 global GDP growth forecast by [REDACTED] slightly below this year's estimated [REDACTED] gain. The move reflects a more positive, above-consensus view on prospects for China. However, OE remains relatively bearish on outlooks for other major economies, partly because stronger Chinese export growth may weigh on exporters elsewhere.
- OE also expects CPI inflation in key advanced economies to remain close enough to target to allow further modest policy rate cuts. But core inflation will ease slowly and remain on the wrong side of central banks' inflation targets. Over the medium to longer term inflation is expected to be more volatile than during the build up to the pandemic, reflecting greater supply shocks related to, amongst other things, climate change and greater geopolitical instability.
- The baseline view is there will be no meaningful thawing in US/China relations and the US will continue to impose larger tariffs on China. The rest of the world will continue to be subject to smaller, but still substantial tariffs. Thus forecasts assume a declining path for global trade as a share of GDP. President Trump's tariff policies are likely to herald a new era of mercantilism.
- Opec+ has opted for modest production increases, adding [REDACTED] in November and December, bringing total quota hikes since April to [REDACTED] while keeping levels steady through early 2026. Global supply growth remains robust, with output up roughly [REDACTED] year-on-year until May. For the rest of 2025, annual growth is expected to average [REDACTED]. Looking ahead, supply-demand forecasts indicate a surplus of [REDACTED] this quarter and similar in 2026, yet prices have stayed firm due to Chinese stockpiling ([REDACTED] January–September) and rising crude at sea. However, these inventories mask real consumption; once oil moves onshore and OECD stocks tighten, the rationale for Opec+ production hikes may weaken, signaling potential price correction risks in 2026.

Economy and Energy

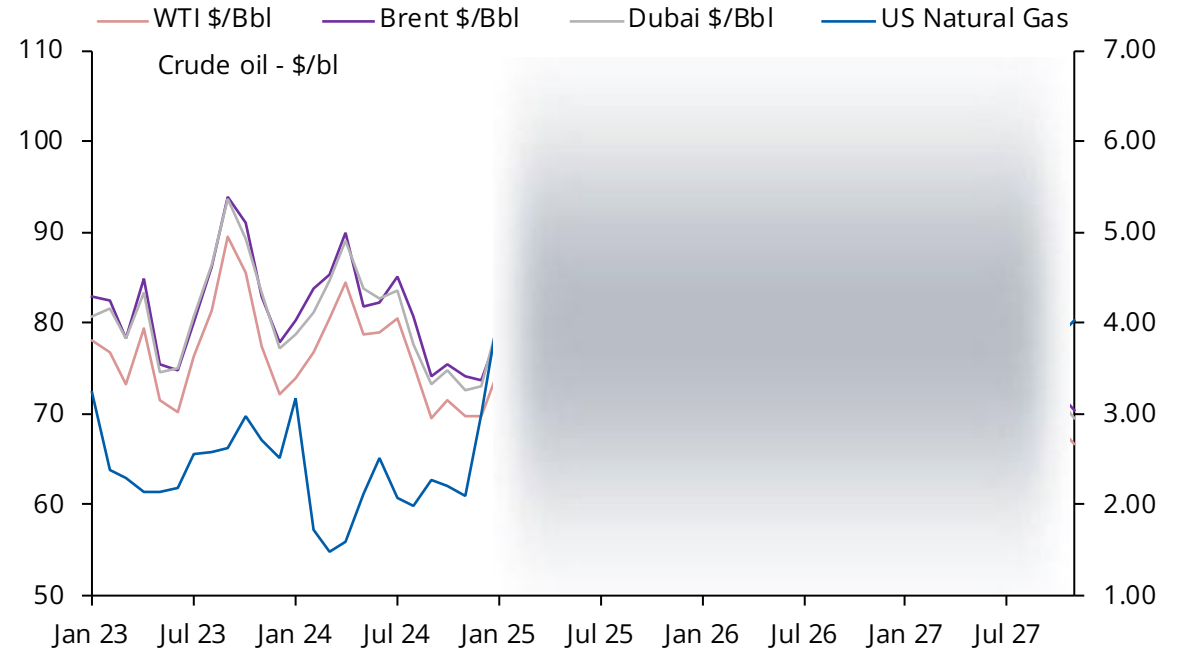
GDP forecasts still moving sideways with minor +/- revisions, still absorbing tariff impacts growth bounds remain, with any upside outlook weakening.

Economic indicators: Y-o-Y quarterly GDP



- With GDP growth set to be solid but unspectacular over the coming quarters and inflation set to slow, we continue to expect central banks to cut rates in order to make policy less restrictive. However, in the absence of a major downside shock, we expect central banks to tread cautiously in a bid to claw back some lost credibility amidst lingering concerns about the strength of service sector inflation and still tight labor markets.

Crude oil and natural gas price history/forecast



- Geopolitical uncertainty is expected to persist. While such shocks aren't typically game changing from an economic perspective, they add to volatility and uncertainty. Geopolitics, along with more extreme weather are likely to result in more adverse supply shock than in the 20 years before the pandemic, which was a particularly benign environment for supply shocks.

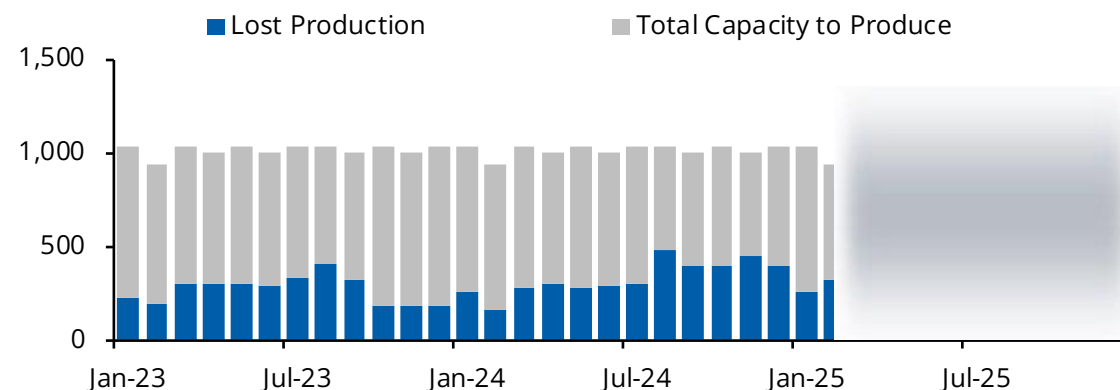
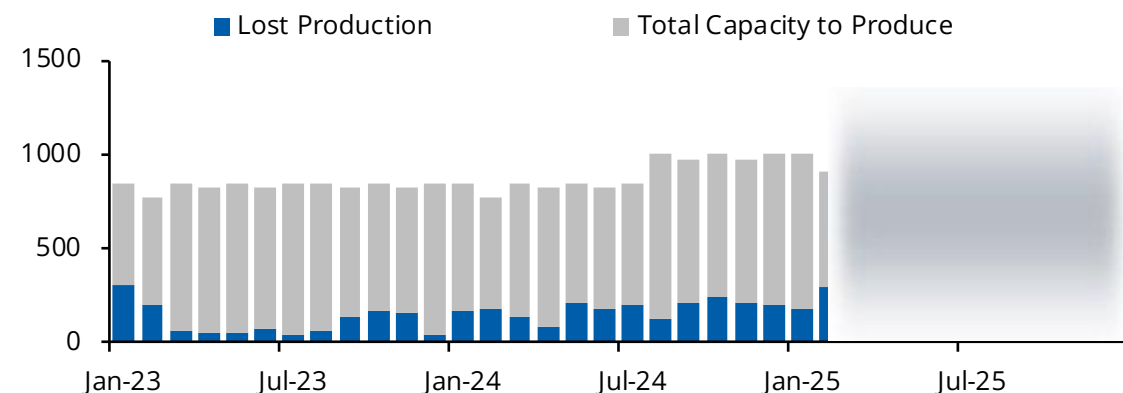
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Americas

Spot prices continue to roller coaster but appear poised to gradually decline through year's end. October/November posted prices expected to roll into December as well.

- OE has lowered the US 2025 GDP growth forecast by [REDACTED] and raised our projection for 2026 by [REDACTED]. The November baseline incorporates the impact of the federal government shutdown on real GDP growth in Q4'25 and Q1'26. The drag on GDP this quarter is [REDACTED] but furloughed workers will receive retroactive pay, which will boost GDP in Q1'26 by [REDACTED].
- The US has recently cut the earlier [REDACTED] 'fentanyl' tariffs on China to [REDACTED] while the baseline [REDACTED] rate remains. We assume the latest de-escalation in US-China trade tensions is permanent. Accounting for exemptions and other sectoral tariffs, including the new [REDACTED] lumber and [REDACTED] furniture tariffs, we estimate the effective tariff rate on Chinese exports to the US is now lower at [REDACTED].
- Spot prices may have peaked in late September, rising above [REDACTED] levels, sliding every so slowly since. Lack of weakness made it relatively easy for posted price to roll from October into November. The ongoing slow decline in spot values likely means December posted prices will maintain November postings. Softer Asia-Pacific prices are probably too late to excerpt downward Atlantic basin pressure—particularly since there has been a strong disconnect going back to early 2024.
- Atlantic basin prices have been, and remain, at a substantial premium to Asia for over a year. While we still expect major adjustments (downward) to be seen in Atlantic basin levels, the contraction may not be seen well into 2026.

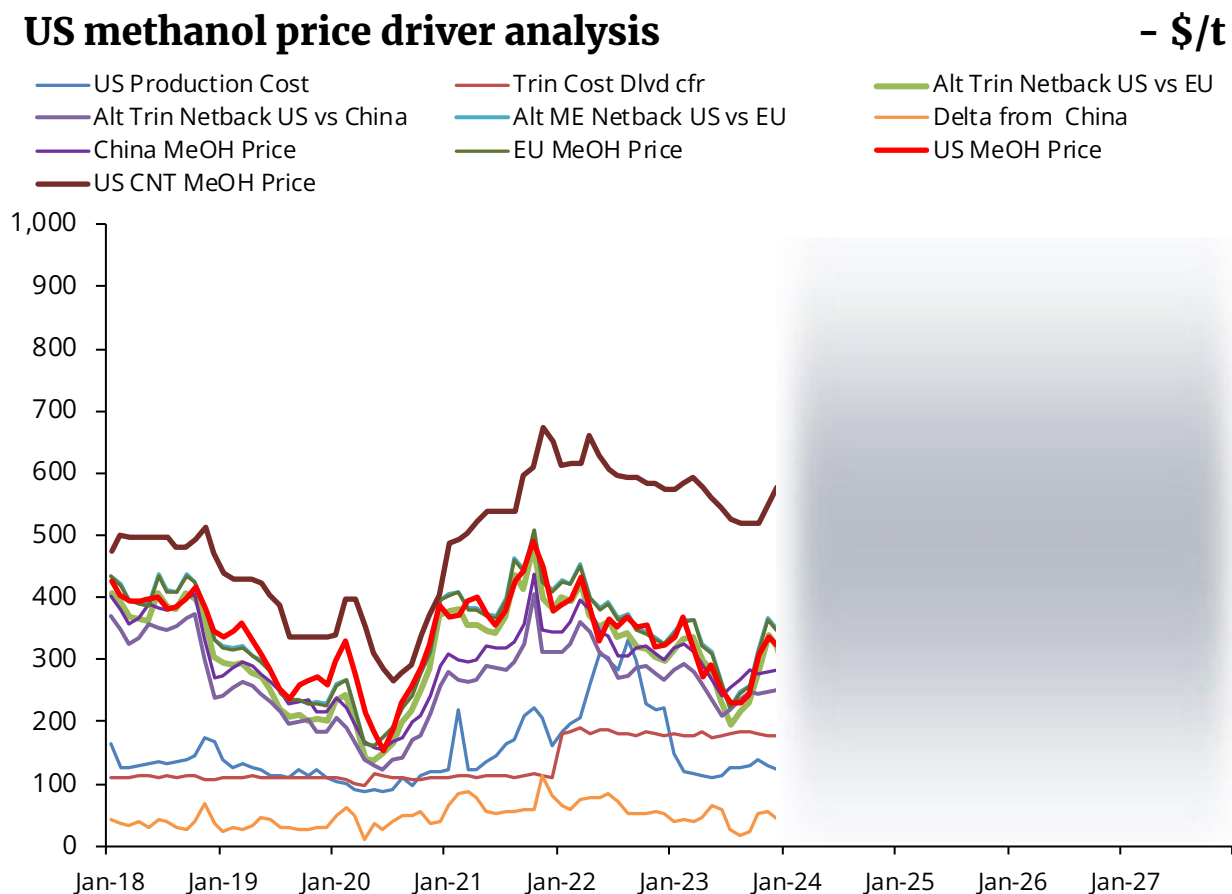
Operational issues waning, opening the door for weaker spot values. November postings rolled from October as expected.

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North America

Argus examines a myriad of potential cost/price drivers to ultimately forecast North America methanol prices.

US methanol price driver analysis



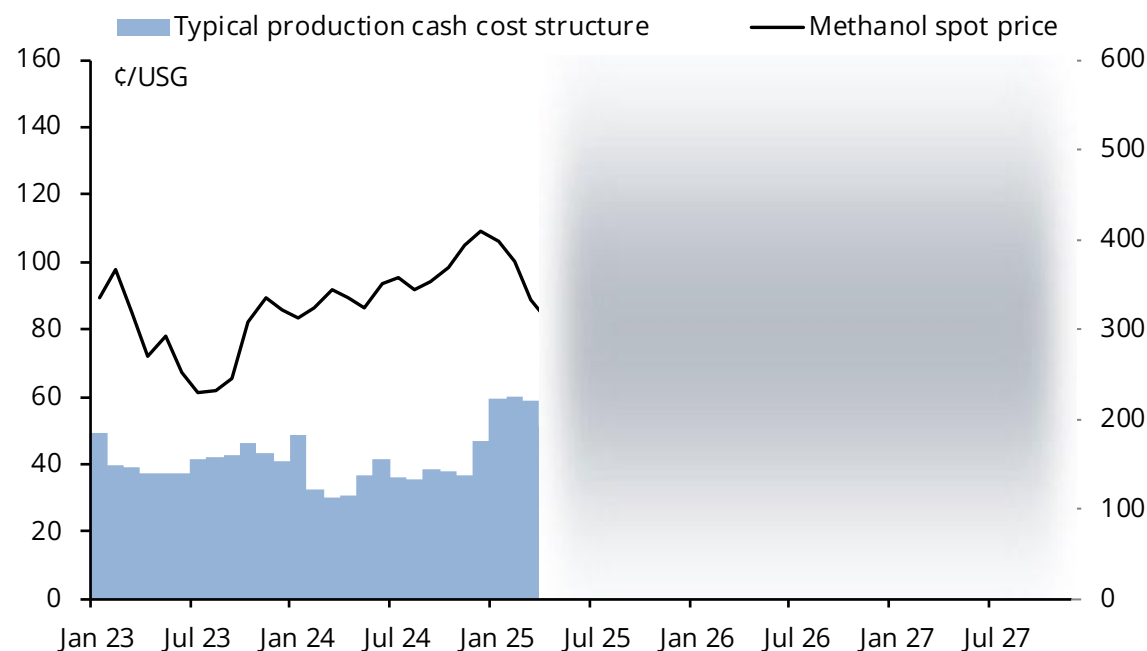
- North America methanol prices must address competitiveness with Europe and Asia methanol prices, but at the end of the day this region is a price taker.
- As a net exporter, the region must also be priced competitively with other major markets to ensure a steady flow of exports.
- To determine the spot methanol price for North America, Argus considers the following potential drivers:
 - Cash cost of US methanol production, fob US Gulf.
 - Cash cost of Trinidad methanol production delivered, fob US Gulf.
 - China methanol price and delta.
 - Europe methanol price.
 - Alternate Middle East netback, US versus EU.
 - Alternate Trinidad netback, US versus EU.
 - Alternate ME netback, US versus EU.
 - Of course, there can be others.
- North America contract prices are simply ratioed higher based on assumed discounts.

North America

The US was a price maker through 2024 but started retrenching to world parity levels through Q2'25. In recent months, the US again operates more independently.

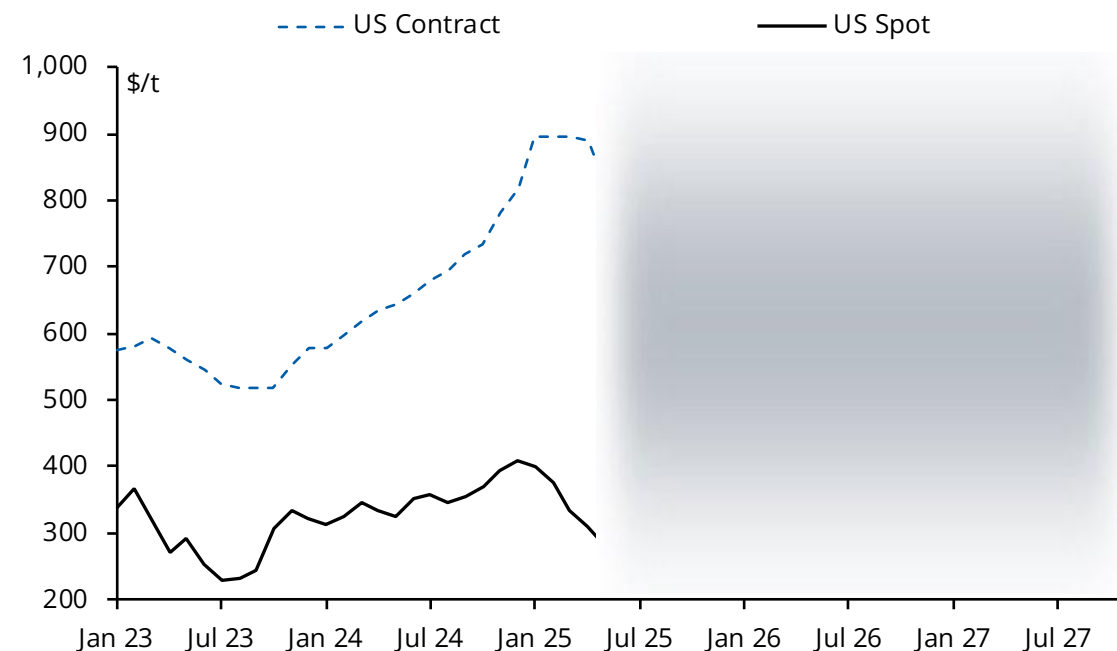
US methanol production costs

- \$/t or ¢/USG



US methanol pricing

- \$/t or ¢/USG



- The band of spot pricing volatility appears to be narrowing as supply improves and the typical Q4 (winter) slowdown in demand becomes reality. Sans further upsets, or Asia upward price pressures, we believe spot methanol prices will continue a slow decline.

- While spot prices are a bit softer though November, we don't see the slippage able to justify lower posted prices in December. We expect to see a roll next week when major marketers post prices.

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Dave McCaskill is responsible for managing *Argus' Global Methanol Services* with individual emphasis on methanol and downstream derivative activities in the Americas. Dave has nearly 45 years of experience in the petrochemical industry, beginning at Celanese Chemical Company as a chemical engineer. In 2000, Dave moved to serve as Global Business Director of Methanol & Derivatives for two private petrochemical consulting firms for almost 13 years, developing extensive knowledge of the methanol industry. He has participated in many methanol industry conferences sharing his views of the methanol industry. Dave holds an undergraduate degree in Chemical Engineering from the University of Kansas.



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Victoria Baghdjian joined *Argus* in 2020 and is Head of the European Methanol markets. She contributes to benchmark spot price assessments, as well as supply and demand analytics for the *Argus Methanol* and *Argus Fuels and Octanes* services. Victoria has more than 10 years of experience covering the methanol and fuel octanes markets, in various pricing and consulting roles at *Platts* and *IHS Markit*. She holds MA and MPhil degrees from Trinity College, University of Cambridge.



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Roel Salazar is the Lead Consultant for Fuels and Octane for *Argus*. Roel is responsible for covering the US and Latin American MTBE markets and the weekly Fuels & Octane Report. Roel is also instrumental in preparing the global Fuels and Oxygenates Annual. Roel joined *Argus* in 2005 as an Olefins Analyst and joined the Fuels and Octane team in 2011. His petrochemical experience includes working at one of Mobil's ethylene crackers in Houston between 1996-97. He holds an undergraduate degree in Information Systems from the University of Houston.



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Cassidy is a senior analyst in Houston focused on methanol and low-carbon methanol markets, data science initiatives, product development and content creation. Prior to joining the Chemicals team, she led various operation roles at *Argus* and *McKinsey*. Cassidy holds a degree from The University of Michigan and an MBA from University of Houston.



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Becky works as an editor for Asian olefins and methanol markets. She has 10 years experience of real-time market editor work. She also spent two years in consulting services as a project manager focusing on the Chinese market and led projects in various industries, including refining, olefins, polymers, coal and methanol. Becky is a chemical engineering graduate from the East China University of Science and Technology and has two masters' degrees, in environmental and energy engineering from the University of Sheffield and in Entrepreneurship from the University of Nottingham.

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