Argus report sample

Argus Olefins Outlook

July 2025

About this report sample

The Argus Olefins Outlook service gives you a comprehensive global view of the ethylene and propylene industry, including regional dynamics and feedstock insights, in a single report.

You get a 24-month rolling price forecast and forward-looking analysis of global olefins supply and demand, trade flows and market dynamics. Plus, an annual 5-year price forecast.

Subscribers receive a PDF report delivered to their inbox each month and can download the Excel data file through the Argus Direct® platform. **This is only a sample of the full report.**

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

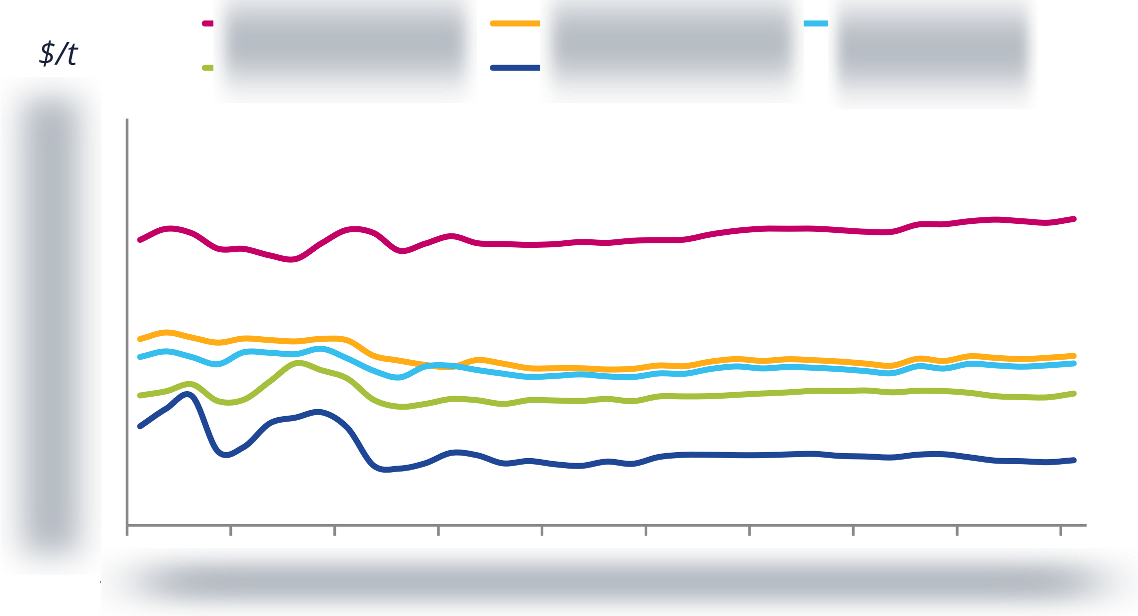
Olefins Outlook executive summary

Tariff uncertainty to slow demand growth and put pressure on operating rates across most regions. Pace of industry restructuring likely to increase

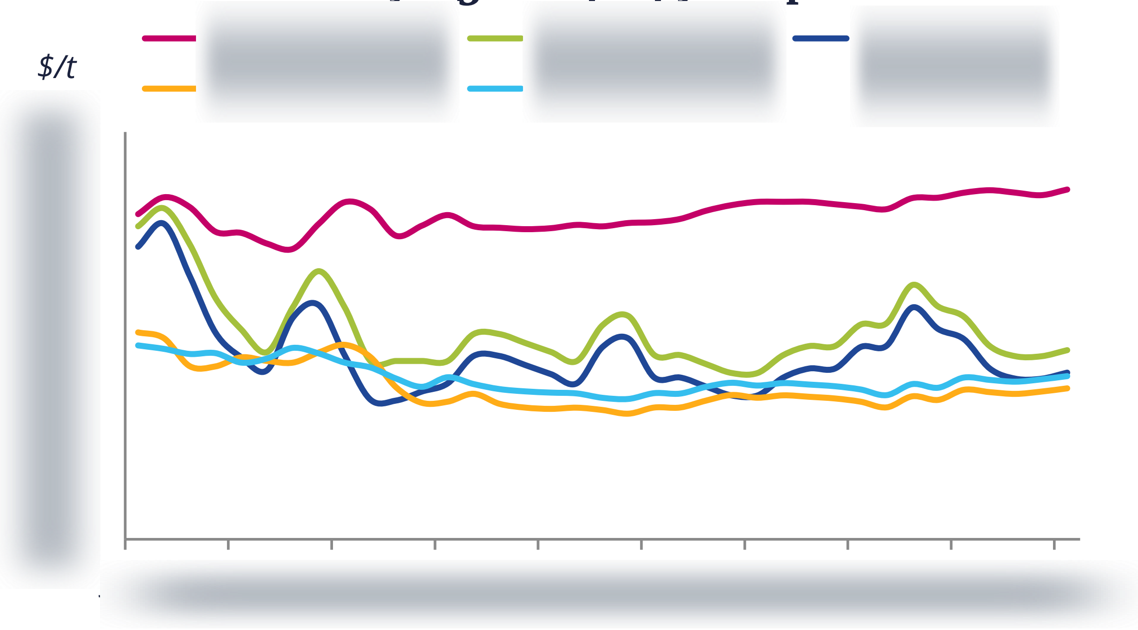
What's changed

- US ethylene demand to remain resilient despite tariff uncertainty as ethylene exports and new derivative capacity come on line this year and in 2026.
- North American propylene prices and demand to remain muted as tariffs weaken demand, especially for durable goods items.
- Changes to the European olefins landscape continue with the announced closure of a unit in Germany in 2027 along with the scrapping of an idled cracker in the UK. The European Commission has announced measures to help the chemicals sector address high energy costs, global competition and weak demand.
- Northeast Asian ethylene spread rose on tighter supply in the regional spot market but is expected to narrow as ethane export restrictions eased in early July.

Monthly regional ethylene prices



Monthly regional propylene prices



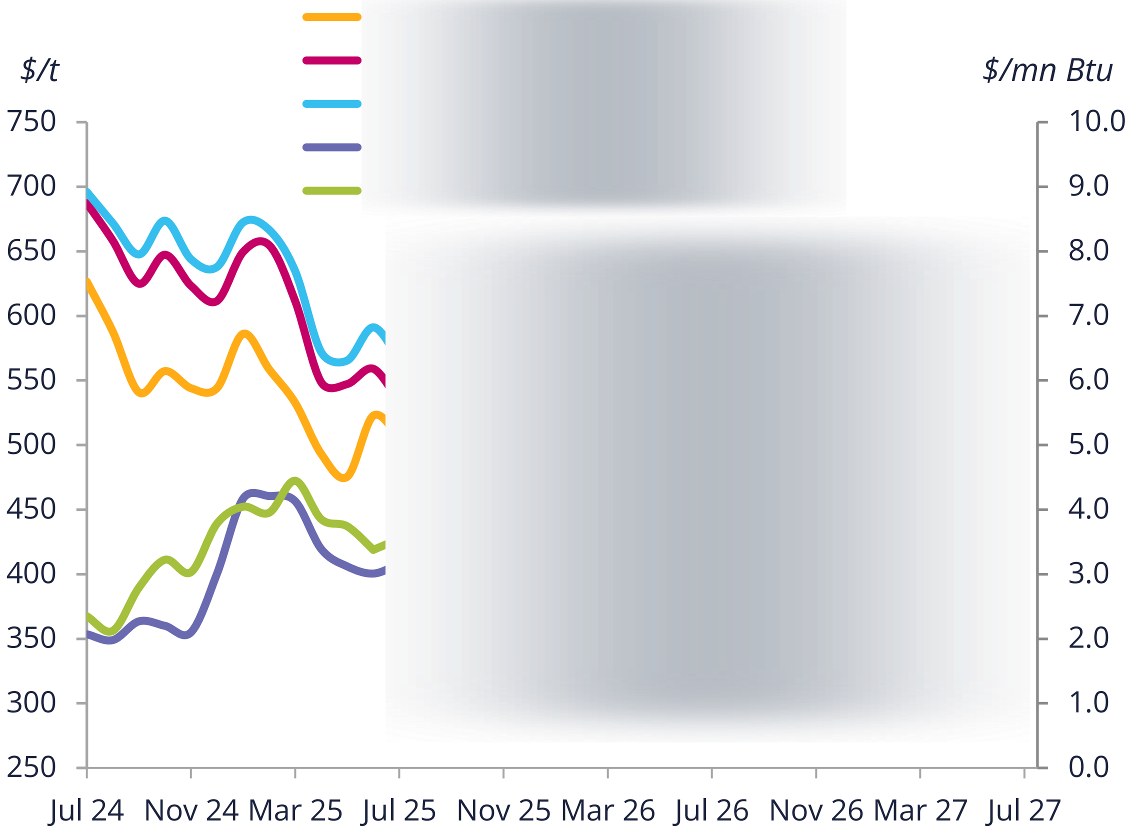
Energy and feedstocks

Petrochemical feedstocks prices stabilising after last month's surge in crude. Global naphtha demand weakening with a European asset closure and increasing LPG and ethane flows to China

- Opec+ has increased the pace of its plan to return crude supply, agreeing to produce an extra 548,000 b/d in August, up from increases of 411,000 b/d in May-July, leaving the market with mounting oversupply and potentially lower prices. *Argus Media – Consulting Services'* fundamentals view also assumes no disruption to Iranian crude exports going forward given President Donald Trump's serious consideration of lifting sanctions on Iran's oil sales. But we forecast prices
- US ethane exports to China will resume for now. Ethane prices will move higher with natural gas prices as US LNG exports increase this year and next.

  shale oil output.
- Naphtha cracks have weakened globally as June's surge in crude related to the Israel-Iran conflict weighed on naphtha demand into petrochemicals because producers are usually unable to pass higher feedstock prices on to their customers. European naphtha demand is expected to take a further hit with the closure of the naphtha-fed steam cracker at Versalis' Priolo refinery this month. Demand for naphtha in Asia is poised to increase with the expected start-up of several naphtha-based steam crackers in China later this year
- A weaker crude market and bearish fundamentals will keep LPG prices subdued for July, but the market is expected to turn bullish going into August. Significant oversupply in the market is muting concerns over the upcoming deadline for tariff negotiations with the US. The imminent start of the US Nederland terminal expansion combined with a large US stockbuild over the past couple of months will increase US export availability in the near term.

Energy Price Forecast



Associated data sample

Subscription includes detailed Excel downloads

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Ethylene, propylene and polymers price page

Region	Price	Jul 24
US	Contract Ethylene ¢/lb	32
US	Contract Ethylene $/t	711
US	Spot Ethylene ¢/lb	27
US	Spot Ethylene $/t	590
US	Poly Gr Contract Propylene ¢/lb	53
US	Poly Gr Contract Propylene $/t	1,168
US	Poly Gr Spot Propylene ¢/lb	51
US	Poly Gr Spot Propylene $/t	1,118
US	Ref Gr Propylene ¢/lb	14
US	Ref Gr Propylene $/t	298
US	PVC pipe fas Houston bagged ¢/lb	37
Europe	Contract Ethylene $/t	1,323
Europe	Contract Ethylene €/t	1,220
Europe	Poly Gr Contract Propylene $/t	1,198
Europe	Poly Gr Contract Propylene €/t	1,105
Europe	PVC €/t	1,085
Asia-Pacific	NEA Spot Ethylene $/t	863
Asia-Pacific	SEA Spot Ethylene $/t	933
Asia-Pacific	NEA Spot Propylene $/t	876
Asia-Pacific	SEA Spot Propylene $/t	908
Asia-Pacific	PVC Pipe $/t	779
Market Assumptions		
US	Crude WTI- Cushing $/bl	81
US	Crude WTI- Midland $/bl	81
Europe	North Sea Dated $/bl	85
Asia-Pacific	Dubai $/bl	84
US	Natural Gas Henry Hub $/mmBtu	2.07
Europe	Naphtha ARA $/t	687
Asia-Pacific	Naphtha cfr Japan $/t	696
Europe	Exchange rate $/€	1.08

Aug 24 · Sep 24 · Oct 24 · Nov 24 · Dec 24 · Jan 25 · Feb 25 · Mar 25 · Apr 25 · May 25 · Jun 25 · Jul 25 · Aug 25 · Sep 25 · Oct 25 · Nov 25 · Dec 25 · Jan 26 · Feb 26 · Mar 26 · Apr 26 · May 26 · Jun 26

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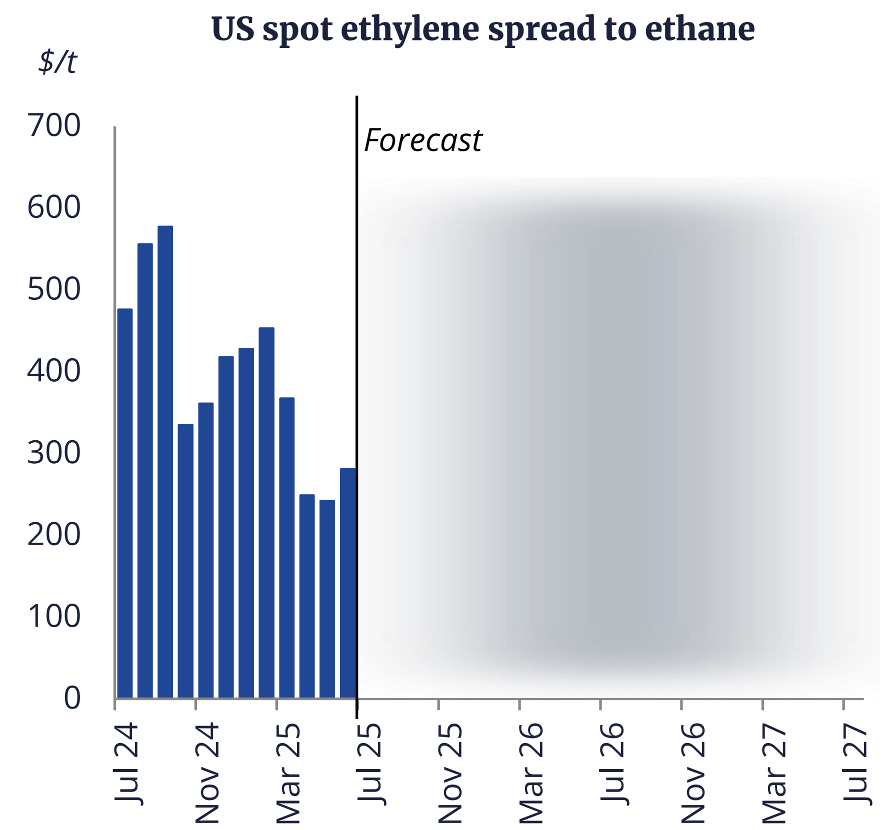
Americas: Ethylene

Spot ethylene prices to rise as export demand and new derivative capacity supports cracker operating rates. Higher ethane prices remain a risk throughout the forecast period



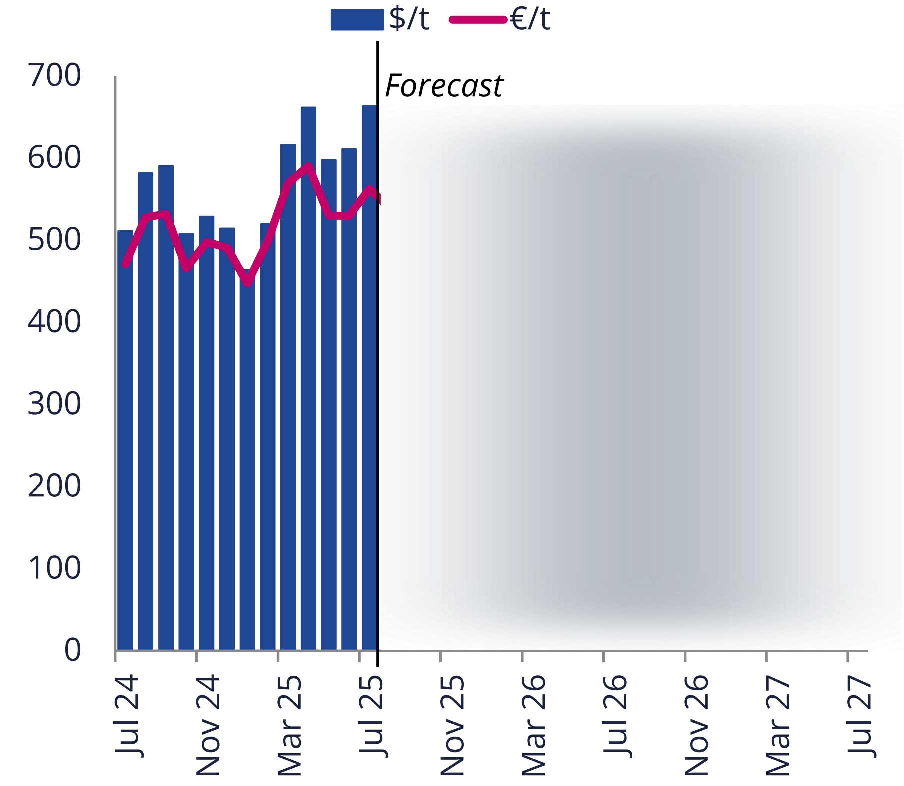
	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25
US contract ethylene, *$/t*	678	*697*	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US spot ethylene, *$/t*	445	*485*	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

- Higher ethane feedstock costs will pressure North American ethylene margins. The outlook for downstream derivatives demand remains uncertain as the impact from geopolitics and potential new trade tariffs on North American PE and PVC is expected to increase during the forecast period.
- New stand-alone production capacity for PE and PVC derivatives will tighten the domestic merchant ethylene market later this year and heading into 2026.
- Ethylene exports will be supported by new infrastructure projects coming on line this year.
- North American producers are expected to retain their cash advantage over other regions, but [illegible]. Exports of ethylene, polyethylene and ethylene glycol will continue, but tariffs will increase supply chain costs.
- Global ethylene and derivatives capacity additions will pick up in 2026-28, affecting margins and operating rates.

Europe: Propylene

The European market remains stable despite demand softening heading into the summer. Cracker and refinery closures will support the start-up of a PDH unit later in 2026

Europe contract PGP spread to naphtha



	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25
Europe contract PGP, *$/t*	1,170	1,196					

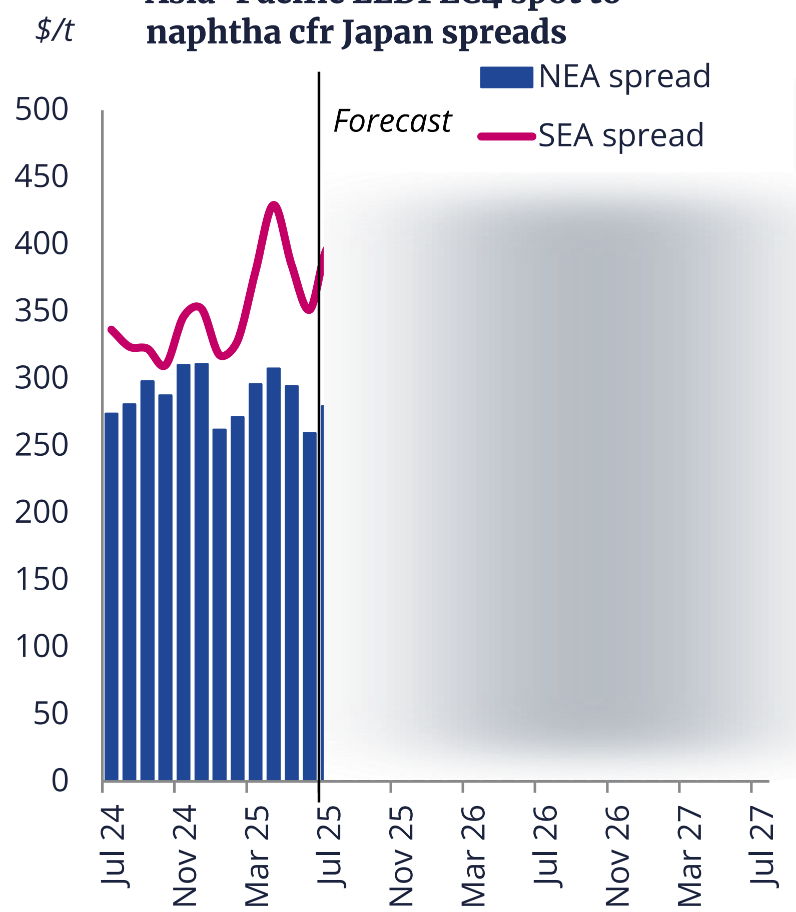
- The propylene market remains stable despite demand softening in the near term heading into the peak summer period, combined with several new reported operating problems.
- Further into the forecast period, the recently announced cracker and refinery closures in Europe will reduce supply, but this will be partly offset by some derivative closures, while the start-up of a propane dehydrogenation (PDH) unit will test the market's logistical capacity and balance.
- Continuing changes to Atlantic basin trade flows mean regional refinery capacity remains under pressure, despite an improvement in the regional outlook for fuels, as highlighted by the . The expected ongoing decline in fuel demand, plus the need for producers to adapt to meet tightening emissions targets, will continue to help reshape the European refinery sector.
- Short-term underlying regional demand remains subdued in the face of continuing uncertainty around tariffs and their future economic impact, particularly as one of the big losers in any trade war is likely to be Europe's car industry. The stronger Euro exchange rate is further . But there are signs that the European manufacturing sector is potentially less pessimistic about the outlook given recent improvements to the EU manufacturing PMI.
- Announced stronger support for the chemicals sector by the European Commission this month is also a welcome sign. But these measures will take time to implement and have come too late for the units already announced for closure. The global market will remain oversupplied across the forecast period because of scheduled propylene and derivatives capacity additions, mainly in Asia-Pacific, in the next 2-3 years.

Asia-Pacific: Polymers

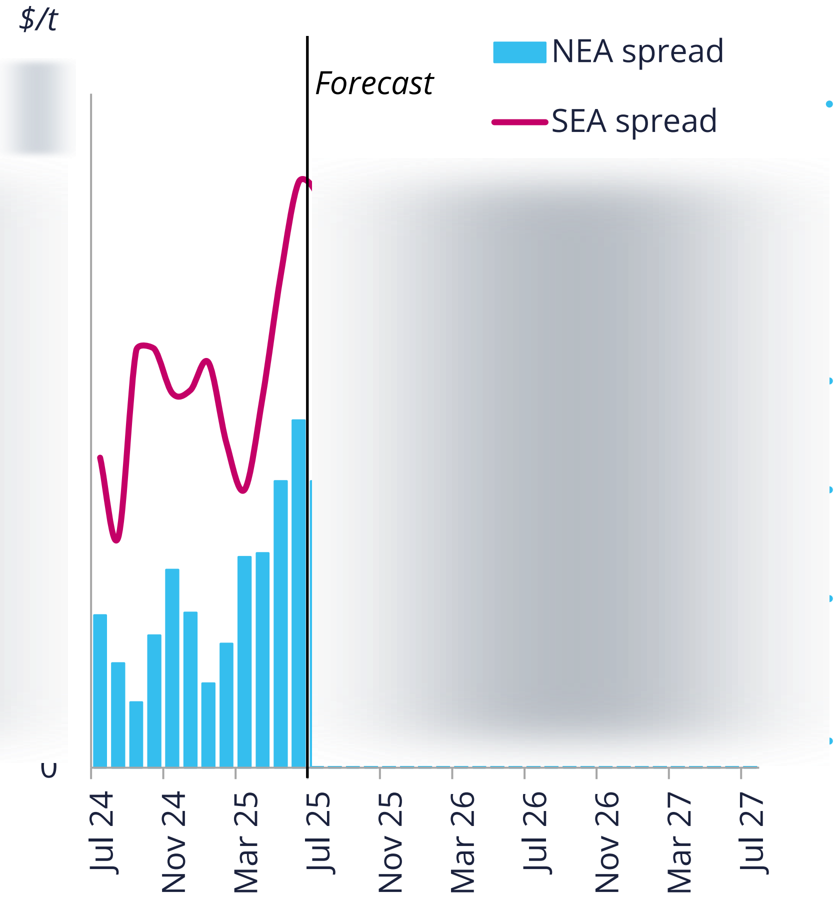
New as of March 2025: Southeast Asia prices and insights available in Argus Polyethylene Outlook and Argus Polypropylene Outlook

Price sentiment remains weak on weak seasonality and rising supply

Asia-Pacific LLDPEC4 spot to naphtha cfr Japan spreads



Asia-Pacific spot PP to PGP spreads



- The maintenance season remains in full swing across northeast Asia. This is providing some temporary relief to supply pressure in the third quarter but will be [illegible] of new PE and [illegible] PP capacity.
- US polyethylene supplies to northeast Asia declined by [illegible] with April. Market participants expect imports to remain low in July despite the 90-day pause on reciprocal tariffs. Imports from other regions have not increased, notably because Chinese inventories remain elevated, and operating rates are holding relatively steady at around [illegible] pc.
- China's PP exports exceeded imports from March-May for the first time. Producers tried to keep prices low to make exports workable.
- But downstream demand remains fundamentally weak. This has been particularly evident in recent months because of the seasonal slowdown in activity.
- Converters are taking a wait-and-see approach. Export trade will fall over the next few months because of seasonally low demand and rising freight rates, especially for long-distance shipments.
- Uncertainty in the southeast Asian market is being driven by the opening of Lotte Chemical Titan's new cracker in Indonesia this year, with 250,000 t/yr of PP capacity, which will reduce the country's demand for imports.

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Craig leads the global ethylene team, focused on integrated global forecasts. He has more than 30 years of experience in the olefins industry, including with Dow Chemical and ExxonMobil. Throughout his career, Craig has worked across the world with major olefins and derivatives producers. His experience includes olefins feedstocks and refinery integration within the petrochemical industry. He holds a chemical engineering degree from Ohio State University and an MBA from Rice University.

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ISSN: 2399-9454

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