16 September 2026



Argus *Chlor-Alkali Outlook*

Chemicals

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Chlor-alkali Outlook service

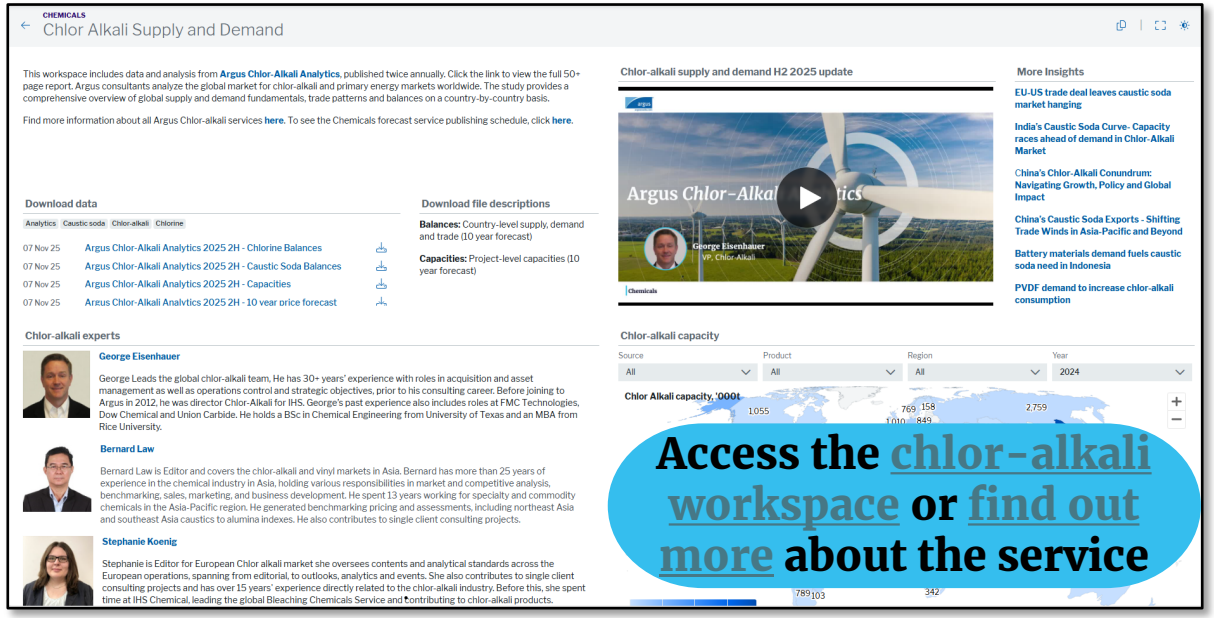
A 24-month rolling forecast.

The price forecast shown and referenced in this two-year outlook is based on an energy forecast derived at the beginning of the calendar month of publication. This is to maintain consistency with the forecasts produced across the range of *Argus* publications.

The forecast methodology builds up based on global feedstock, cost and margin calculations and is directly linked back to the base energy assumptions.

Clients are reminded that many of these markets are subject to extensive short-term price volatility, and the elapsed time since the energy forecast was produced may have seen real changes in market prices. But our assumptions around the raw material to product – and inter-regional comparisons should remain valid despite short-term feedstock price volatility.

See our other services: chlor-alkali analytics with 10-year fundamental forecast



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Outlook executive summary

Iran and its proxies further disrupt the flow of oil from the Mideast Gulf.

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What's changed

- The strait of Hormuz has been effectively closed for 200 days, lasting longer than many market participants expected, although the number of ships crossing the strait is slowly increasing.
- Attacks on the Saudi East-West pipeline have shutdown the oil pipeline for an undetermined number of weeks, further limiting oil exports from the Middle East.
- The drought and river low water levels are beginning to improve, but logistic issues remain an impediment to production.
- The US Gulf coast is approaching maintenance season, and producers are reserving inventories for contract customers. While limiting product supplies for the spot market.

Price Forecasts (USD/dmt)	Sept 26	Oct 26	Nov 26	Dec 26	Jan 27
US Gulf fob	385	395	415	405	420
Northeast Asia fob	320	330	330	330	340
Northwest Europe domestic contract	736	-	-	-	765

**Forecasts for monthly or quarterly contracts that are under active negotiation at the time of publication are redacted from publication to avoid influencing discussions.*

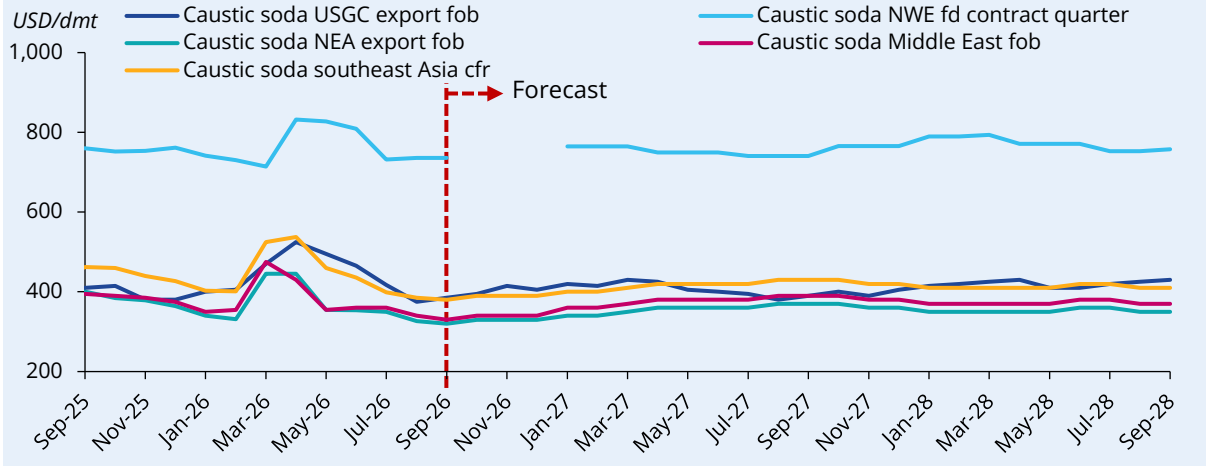
Short-term view, quarter ahead

▲
- Europe and the US Gulf coast are entering maintenance season, and caustic soda supplies are being limited to contract customers. Asia, however, remains long on caustic soda and freight costs are limiting the arbitrage between regions..
- Rapidly rising energy prices and a well supplied Asian caustic soda market is leading some vinyls producers to seek EDC from the US Gulf coast to limit caustic soda production in Asia.

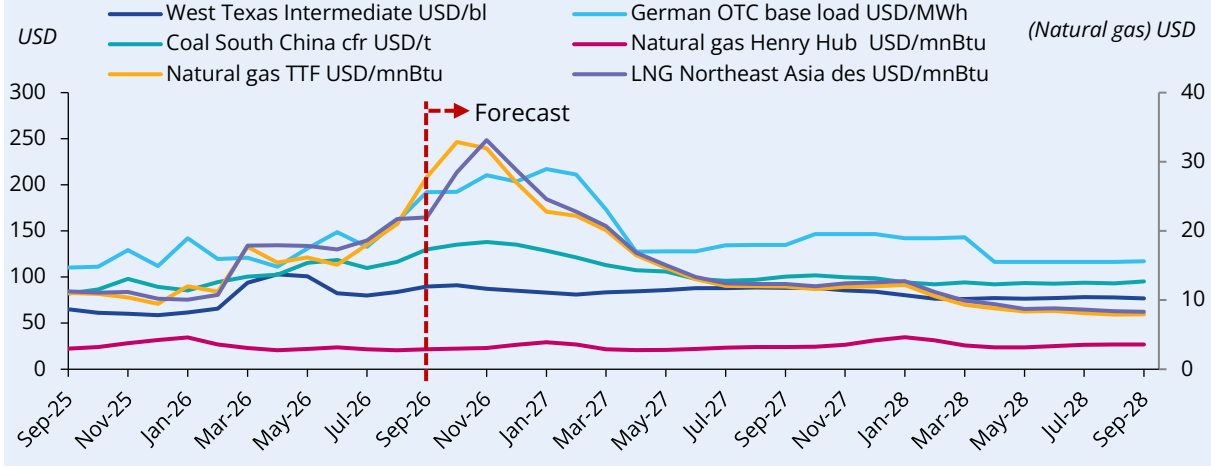
Long-term view, 24 months ahead

▼
- Margins in chlor-alkali and derivatives will remain challenged in Europe and Asia outside of China for the forecast period owing to the significant expansions that have come on-line in the last years.
- European natural gas inventories are forecast to be at five-year lows when the heating season begins later this year. This will keep electricity costs high this fall and winter, potentially leading to higher chlor-alkali and derivative values on the continent.
- Caustic soda demand will remain disrupted until mid-2027 as the pulp and alumina sectors are severely disrupted by the closure of the straight of Hormuz and the bauxite and alumina trade is affected until Mideast aluminum smelters restart.

Caustic Soda Price Forecast



Energy Price Outlook



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Region	Forecast Data	Unit	09-26	10-26	11-26	12-26	01-27	02-27	03-27	04-27	05-27	06-27	07-27	08-27	09-27	10-27	11-27	12-27	01-28	02-28	03-28	04-28	05-28	06-28	07-28	08-28	09-26
NAM	WTI	USD/bl	90	91	87	85	83	81	83	84	86	88	88	89	88	88	86	84	80	76	76	77	76	77	78	77.8	77.0
	Natural Gas	USD/mn Btu	2.9	3.0	3.1	3.5	3.9	3.6	2.9	2.8	2.8	2.9	3.1	3.2	3.2	3.3	3.6	4.2	4.6	4.2	3.4	3.2	3.2	3.3	3.5	3.6	3.6
	Electricity	USD/KWH	0.03	0.03	0.03	0.04	0.04	0.04	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.04	0.04	0.05	0.04	0.04	0.03	0.03	0.03	0.04	0.04	0.04
	Caustic soda Export fob USGC	USD/dmt	385	395	415	405	420	415	430	425	405	400	395	380	390	400	390	405	415	420	425	430	410	410	420	425	430
	Chlorine USGC contract	USD/t	780	775	770	765	750	730	720	715	715	715	700	695	695	690	685	680	675	675	675	665	665	665	660	660	655
	Hydrochloric Acid US Midwest	USD/sst	355	355	345	335	330	320	310	300	300	295	290	285	285	280	280	280	275	275	270	270	270	265	265	265	260
	ECU Cash Cost	USD/ECU	298	300	304	315	325	316	299	295	295	299	305	306	306	308	316	333	344	333	313	306	306	310	315	317	316
NWE	Natural Gas TTF	USD/mn Btu	27.8	32.9	31.9	27.0	22.8	22.2	20.1	16.5	14.7	13.0	12.1	12.0	12.0	11.6	11.9	12.0	12.2	10.6	9.3	8.8	8.4	8.4	8.1	7.9	7.9
	Electricity	USD/KWH	0.18	0.18	0.20	0.19	0.21	0.20	0.16	0.12	0.12	0.12	0.13	0.13	0.13	0.14	0.14	0.14	0.14	0.14	0.14	0.11	0.11	0.11	0.11	0.11	0.11
	Caustic soda Northwest Europe Domestic Contract	€/dmt	635	-	-	-	655	655	655	640	640	640	630	630	630	650	650	650	670	670	670	650	650	650	635	635	635
	Caustic soda Northwest Europe Domestic Contract	USD/dmt	736	-	-	-	765	765	765	750	750	750	740	740	740	766	766	766	789	789	794	771	771	771	753	753	758
	ECU Cash cost	USD/ECU	737	742	784	771	814	801	716	613	615	616	632	632	632	659	659	659	641	642	644	584	585	585	585	585	587
NEA (China excluded)	Electricity	USD/KWH	0.08	0.08	0.08	0.08	0.08	0.07	0.07	0.07	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
	Coal South China cfr (5,500kcal/kg)	USD/t	130	135	138	135	129	121	113	107	106	98	96	97	100	102	100	99	94	92	94	92	94	93	94	93	95
	Caustic soda Export fob NEA	USD/dmt	320	330	330	330	340	340	350	360	360	360	360	370	370	370	360	360	350	350	350	350	350	360	360	350	350
	ECU Cash Cost	USD/ECU	453	458	460	458	455	444	433	426	424	413	410	411	417	419	416	414	407	404	408	405	408	407	408	408	411
China	Electricity	USD/KWH	0.07	0.08	0.08	0.08	0.07	0.07	0.06	0.06	0.06	0.05	0.05	0.05	0.06	0.06	0.06	0.06	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
	Coal South China cfr (5,500kcal/kg)	USD/t	130	135	138	135	129	121	113	107	106	98	96	97	100	102	100	99	94	92	94	92	94	93	94	93	95
	Caustic soda Export fob NEA	USD/dmt	320	330	330	330	340	340	350	360	360	360	360	370	370	370	360	360	350	350	350	350	350	360	360	350	350
	ECU Cash Cost	USD/ECU	370	374	376	374	371	361	350	344	343	332	330	331	336	339	335	334	327	325	328	326	328	327	328	328	331
SEA	Caustic soda SEA cfr	USD/dmt	380	390	390	390	400	400	410	420	420	420	420	430	430	430	420	420	410	410	410	410	410	420	420	410	410
ME	Caustic soda ME fob	USD/dmt	330	340	340	340	360	360	370	380	380	380	380	390	390	390	380	380	370	370	370	370	370	380	380	370	370

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Americas review

The Atlantic hurricane season is setting records for one of the lowest activity years.

SUPPLY

- The Atlantic hurricane season is more than half over and no hurricanes have formed this year. This has helped to support operating rates on the US Gulf coast and led to high levels of caustic soda inventories.
- Producers have begun to limit caustic soda sales to contract customers and have reduced the availability of caustic soda to the spot market.
- Maintenance season is beginning on the US Gulf coast with several producers anticipated to take maintenance in September and October. One producer has delayed their asbestos diaphragm plant conversion from March to October with further delays possible as starting a new chlor-alkali plant in the winter is difficult.
- A new isocyanates plant has started up, increasing demand for chlorine and increasing caustic soda supply to the market.
- Availability of caustic soda from Europe to the US east coast is limited as the summer drought is leading into maintenance season and will be further restricted during the fall and winter as ECU cash costs are anticipated to rise further.

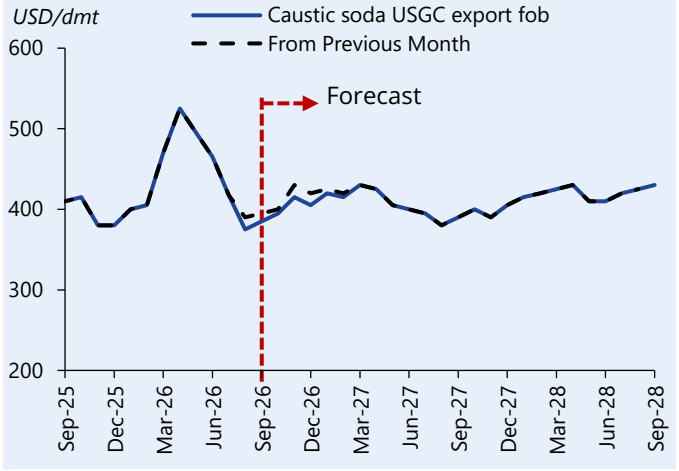
DEMAND

- The pulp industry continues to struggle with a couple of mills announcing temporary curtailments to align with market demand. Some market participants expressed concern that these mills will not restart. With low-cost pulp from Latin America taking market share in North America and China building a significant amount of pulp production, demand for caustic soda into the North American pulp industry is anticipated to remain weak for the forecast period.
- Alunorte in Brazil, is ramping production after operations were curtailed for a few days while their supply of natural gas was in question. The alumina sector in the Atlantic basin appears to have been consuming more caustic soda than plan for the last few months.
- US domestic caustic soda demand has fallen by approximately 5-6pc in the first half of 2026 compared to 2025. Domestic demand is not anticipated to recover this year.

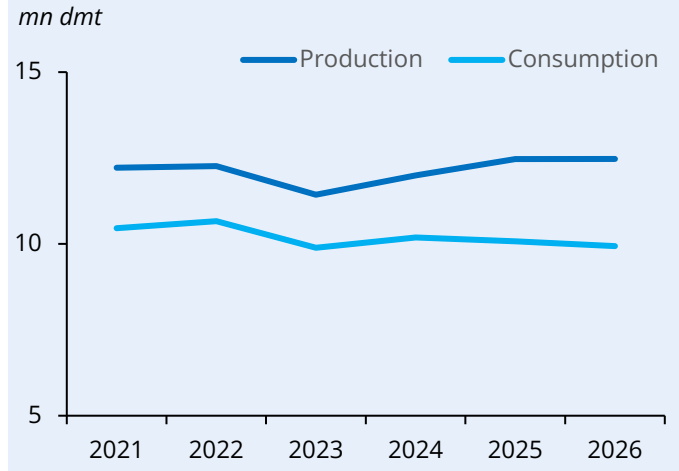
SENSITIVITY

- The US Federal Reserve is anticipated to rais interest rates twice this year in order to control inflation. These increases coupled with the potential slow down in AI buildout may reduce PVC offtake and slow the production of caustic soda.
- The length of the closure of the Strait of Hormuz is critical to the export demand for PVC, EDC, VCM, caustic soda, as well as numerous other chlor-alkali derivatives. The longer the closure of the Strait, the exponential increase in the level of the impact.

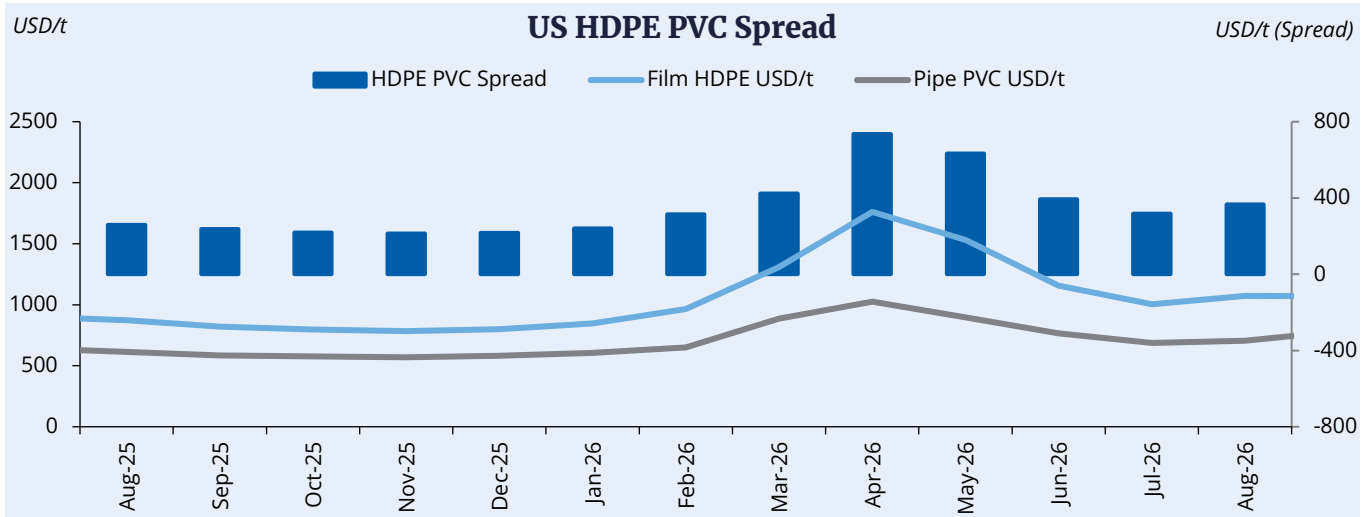
Caustic Soda Price Forecast



Supply and Demand



US HDPE PVC Spread



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Northwest Europe review

Domestic caustic soda supply and demand have yet to fully balance.

SUPPLY

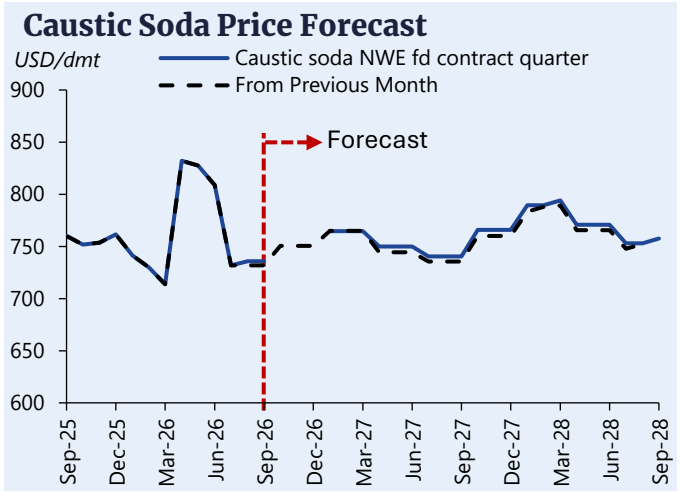
- Caustic soda supply and demand have been slow to fully rebalance, and some supply length is lingering in September. This is because economic conditions remain unfavourable, caustic soda offtake is slow to rebound after the summer and trade to overseas destinations is reduced, meaning that less product is leaving Europe.
- Year-to-date output is down slightly, but this has virtually no implications for perceived caustic soda availability.
- Buyers appear unfazed by supply risk factors that mostly relate to potential further capacity closures and view short-term supply as secure.
- Barge shipments across the northwest European river systems have yet to normalise despite recovering water levels, but this is viewed as mostly a logistical issue rather than a threat to overall availability.

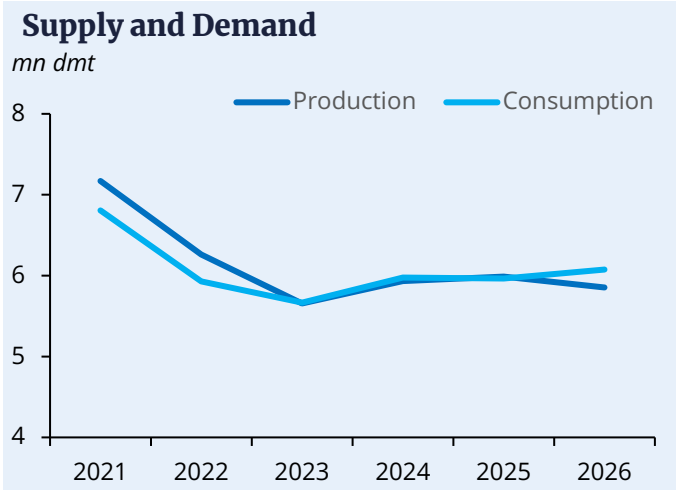
DEMAND

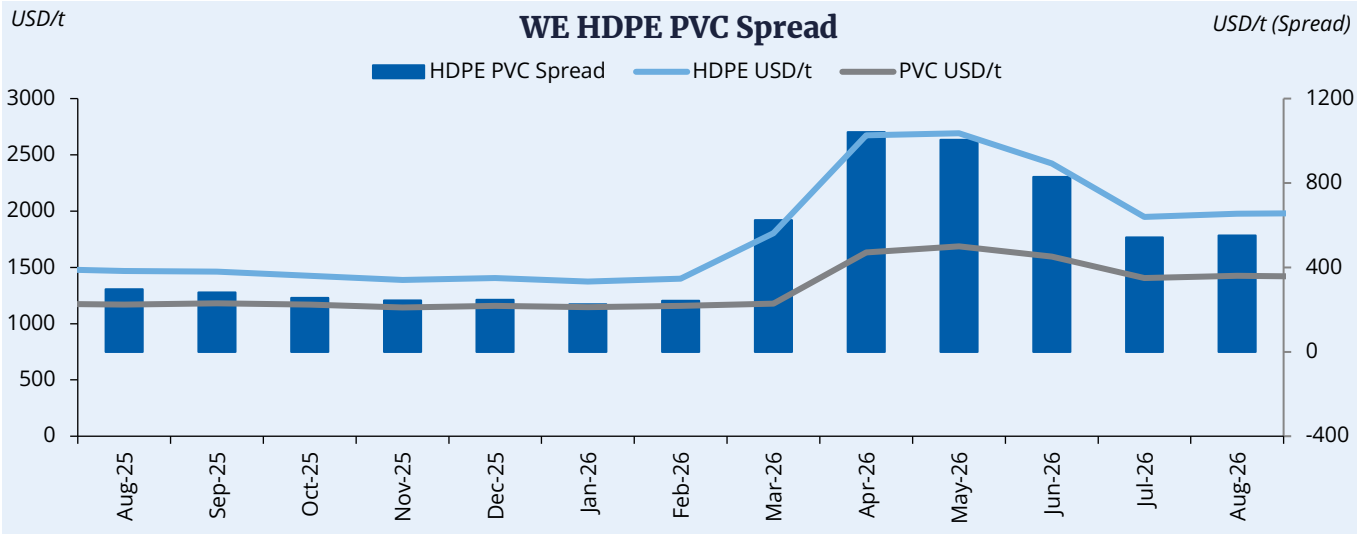
- Chlorine offtake into vinyls is muted after the summer, with limited PVC restocking taking place ahead of the fourth quarter while demand into isocyanates is expected to slow over the next few months.
- This limits caustic soda output, but so far production continues to match caustic soda consumption.
- Caustic soda demand remains volatile month-on-month, with many citing offtake that remains behind expectations for September.

SENSITIVITY

- Caustic soda supply is comfortable now, but there is a moderate risk that this could change based on renewed power price spikes and ongoing chlor-alkali capacity consolidation. Either of these may begin to reduce output.
- Fourth-quarter contract negotiations will see the usual divide in price ideas, as producers are expected to formulate their targets based on a strong cost component in addition to their individual supply situation.
- Customers will be mindful of costs too, but it will mean that they will attempt to keep raw material costs lower. Most foresee no supply limitations in the coming months, which will also impact their approach to the negotiations.







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Northeast Asia review

Caustic soda prices remained under pressure, and buying support weakened.

SUPPLY

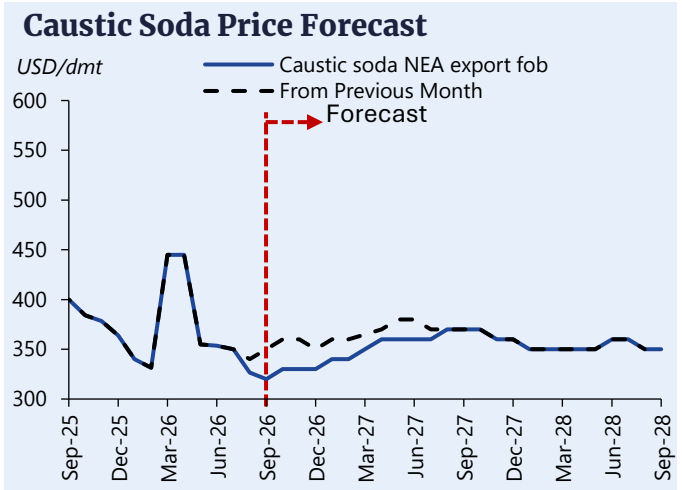
- Northeast Asia's supply position remained relatively balanced following production cutbacks across the region, particularly in China, where chlor-alkali operating rates were maintained at around 77-78pc as more producers either reduced output or undertook maintenance turnarounds. These production cutbacks were implemented in response to weakening demand and deteriorating operating margins, prompting integrated producers to lower operating rates to mitigate further losses.
- Outside China, several integrated chlor-alkali producers also scaled back production amid falling caustic soda prices and shrinking margins. However, some producers have indicated plans to increase operating rates to 70-80pc, particularly from the fourth quarter onward.
- The anticipated rise in operating rates is supported by renewed PVC buying interest, especially during India's post-monsoon season, which is expected to improve chlorine netbacks even if caustic soda prices do not recover significantly.

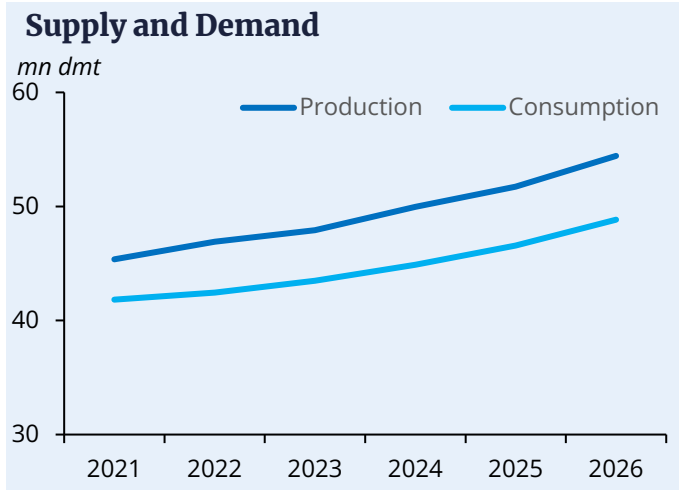
DEMAND

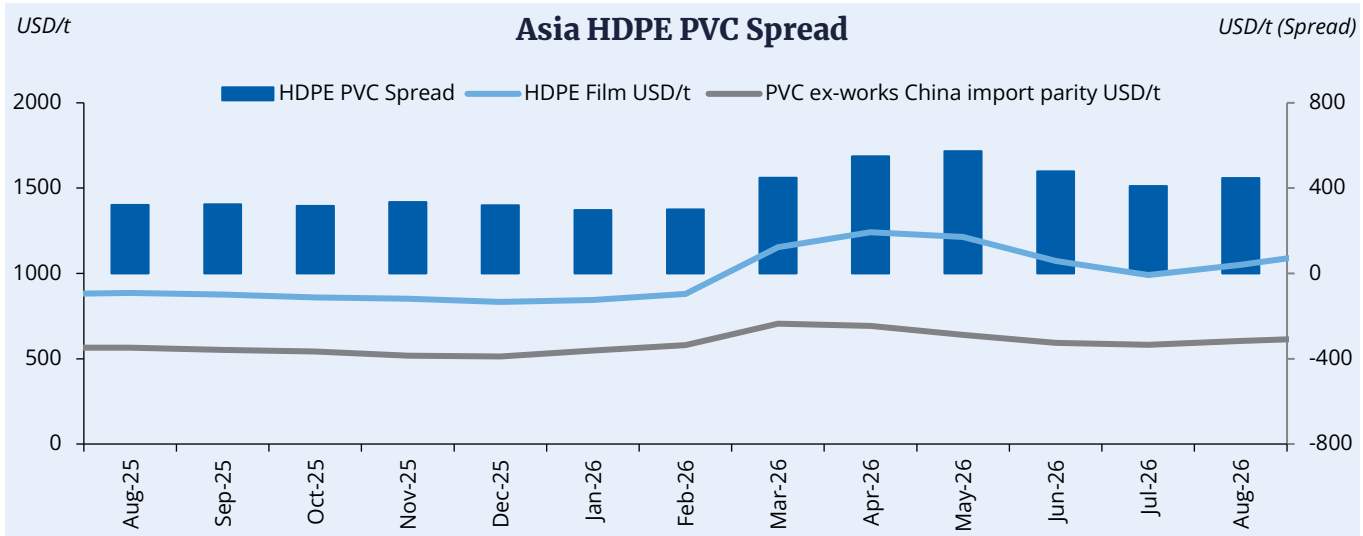
- Demand for caustic soda across both domestic and export markets in Asia remained weak, continuing to weigh heavily on market sentiment and sustaining bearish conditions throughout the region.
- Spot buying interest has deteriorated significantly beyond term contractual requirements, particularly for cargoes from southeast Asia and the US west coast.
- While alumina-sector demand has shown gradual signs of recovery, consumption from non-alumina industries remains subdued, preventing any meaningful improvement in overall market fundamentals.
- The availability of competitively priced southeast Asian-origin cargoes has intensified regional competition, exerting additional pressure on northeast Asian suppliers seeking to defend market share in southeast Asia. At the same time, higher bunker surcharges have increased freight costs, further eroding the competitiveness of northeast Asian cargoes on a cfr basis relative to southeast Asian material.

SENSITIVITY

- Northeast Asia remains the largest caustic soda exporting region globally, especially from China, which provides a steady supply base to the export market. Exporters outside China also contribute significantly to global trade.
- Any price fluctuations in the market can affect the overall position of the region. The impact of export prices from India, the Middle East and southeast Asia is minimal because as producers use northeast Asia fob prices to benchmark their selling decisions.







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America cash cost analysis

The disruptions in Saudi oil supply may lead to more significant increases in US oil and gas production.

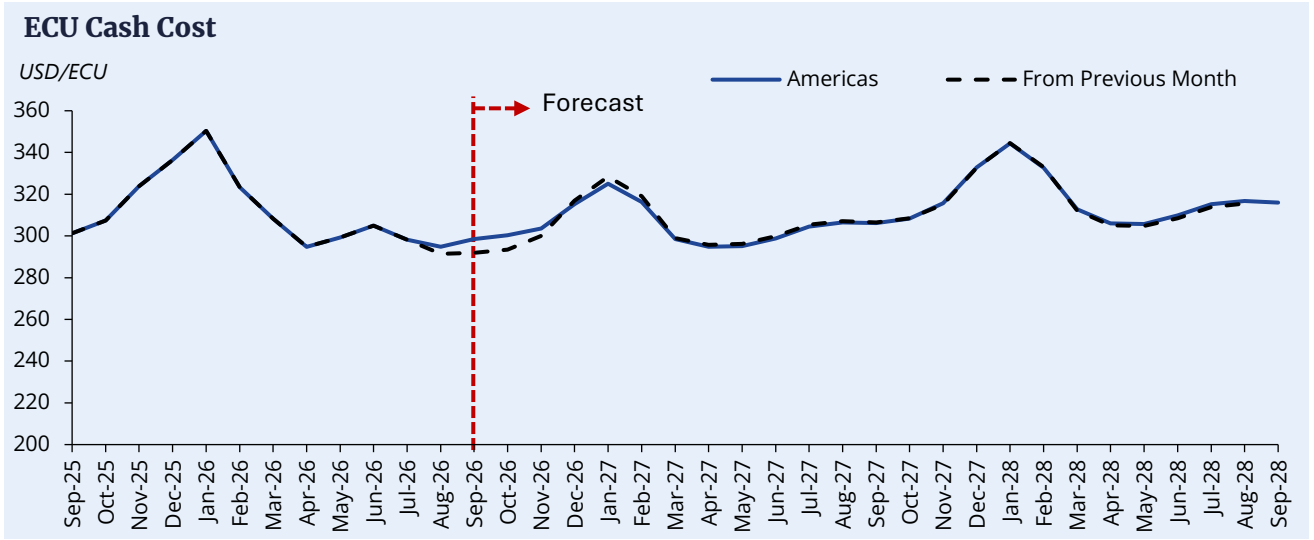
ECU Americas

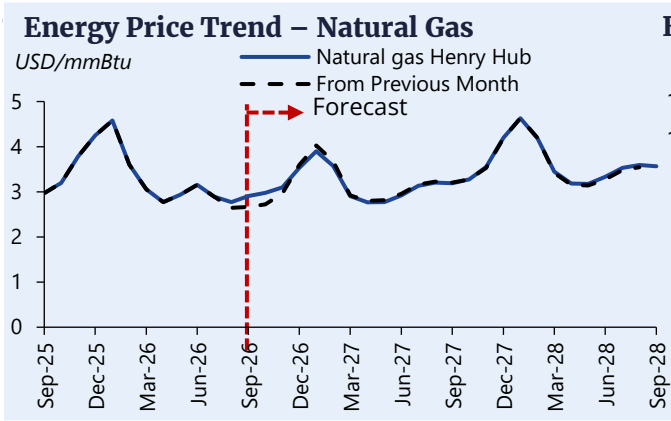
Cash Cost

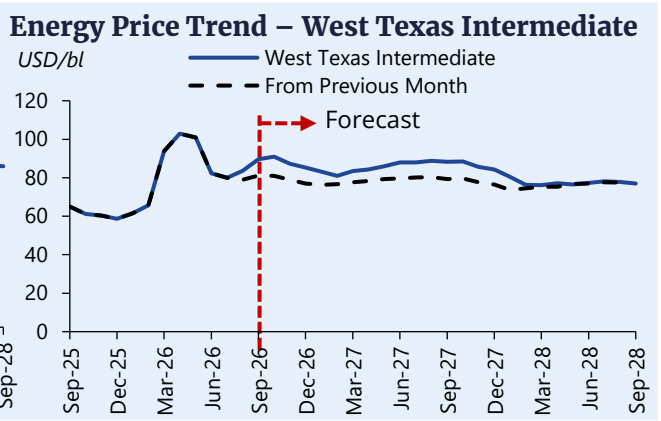
- Natural gas prices have been lower than forecast in part because of the increased production of oil and the associated natural gas. The heating season this year in the US may be lower than normal as the strong "el Nino" weather event may lead to a warmer winter and reduce demand for natural gas, keeping electricity prices at manageable levels.
- Maintenance activity on the US Gulf coast has been delayed but is anticipated to be quite active from September until the new year with multiple plants taking maintenance in October.
- The shift in technology mix owing to the closure of 450,000 ECU of asbestos diaphragm in October 2025, 374,000 ECU of non-asbestos diaphragm in December 2025, and 520,000 ECU of asbestos diaphragm in October 2026, as well as the start-up of 700,000 ECU of membrane chlor-alkali capacity, will reduce the overall US Gulf coast cash cost thanks to the change in technology.

Energy

- Prices at the Henry Hub averaged $2.77/mmBtu in August, a decrease of 4.28pc from July's price owing to increase in supply and above-average gas storage inventories. *Argus* forecasts average prices in September to increase by 4.95pc to $2.91/mmBtu.
- Inventories stood at 3.254 Tcf at the start of September, 4.8pc above the five-year average, according to EIA.
- The EIA also expects prices to increase by 0.3pc to $3.137/mmBtu in 2026 and rise by 0.4pc to $3.287/mmBtu in 2027, supported by expectation of higher cooling demand and a gradual tightening in storage fundamentals.







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Northwest Europe cash cost analysis

Electricity prices reach new high and are forecast to remain elevated through the winter.

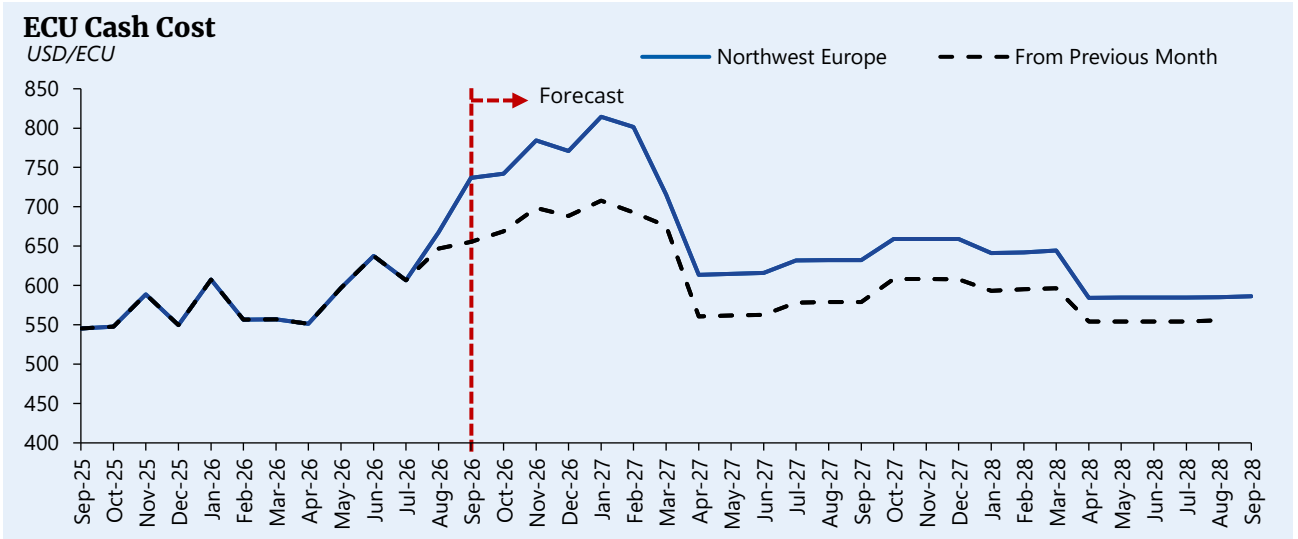
ECU Northwest Europe

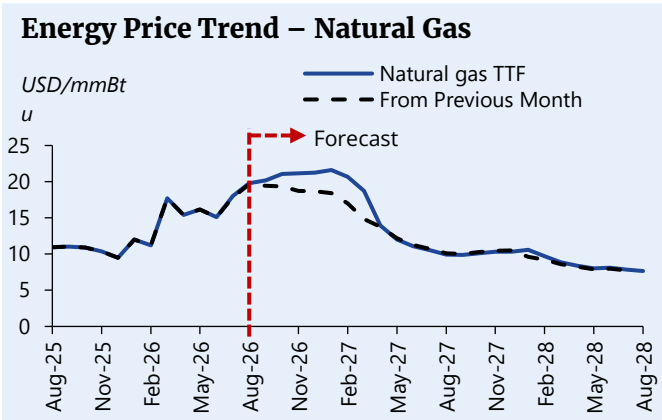
Cash Cost

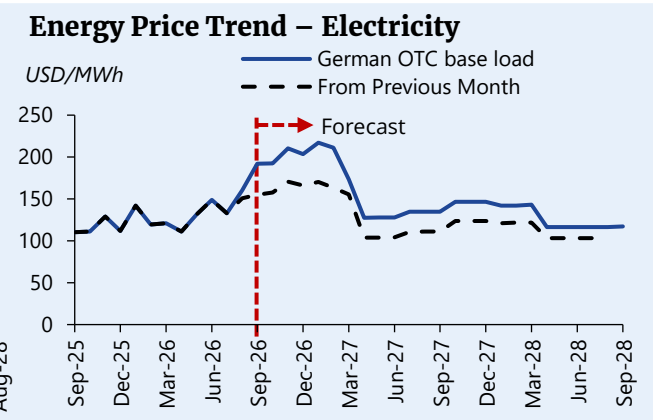
- The latest escalation of the Middle East conflict has intensified energy price volatility.
- European electricity prices were elevated during summer because of the unusually hot weather and have now spiked further with German OTC spot prices expected to average $190/MWh in September. This could push up ECU cash costs to $740/ECU, which is above last month's September forecast of $656/ECU.
- We expect electricity prices to remain volatile in the autumn and winter months, potentially peaking at $220/MWh in January 2027 compared with $170/MWh in our previous forecast.
- Cash costs will therefore remain elevated beyond previous projections and may reach up to $815/ECU by next January. US Gulf cash costs are projected at $325/ECU in the same month, which is $490/ECU below northwest Europe.
- Together with the removal of the 5.5pc import duty of US caustic soda into the EU, the wider gap in production costs between the two regions may enable a rise in caustic soda imports.

Energy

- Prices at the Dutch TTF averaged $20.97/mmBtu in August, an increase of 16.36pc from the previous month's average owing to ongoing uncertainty regarding winter supply. *Argus* forecasts prices to increase by 32.56pc in September to $27.80/mmBtu.
- Power sector gas demand reached 213mn m^3/d in August while residential and commercial gas demand dropped to 396mn m^3/d as recurring heatwaves across much of Europe has reduced consumption.
- EU injections into storage averaged at 291mn m^3/d in August, increase from 279mn m^3/d, in July. Inventories are expected to reach to 73pc at the start of withdrawal season.







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Northeast Asia (excluding China) cash cost analysis

Northeast Asia's ECU cash cost continued to rise.

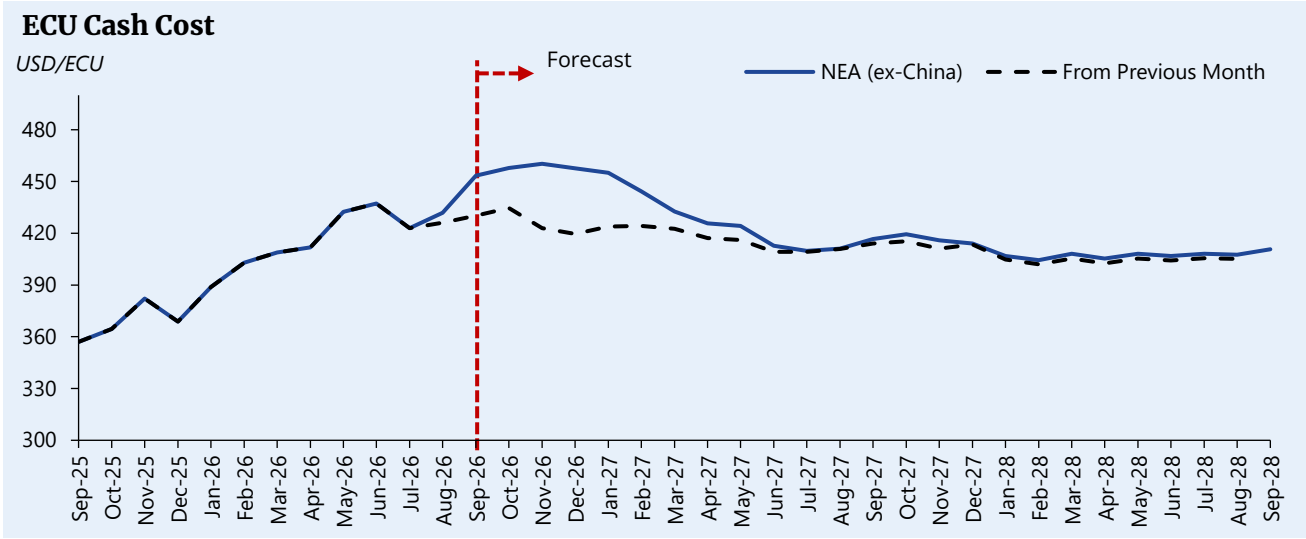
ECU Northeast Asia (excluding China)

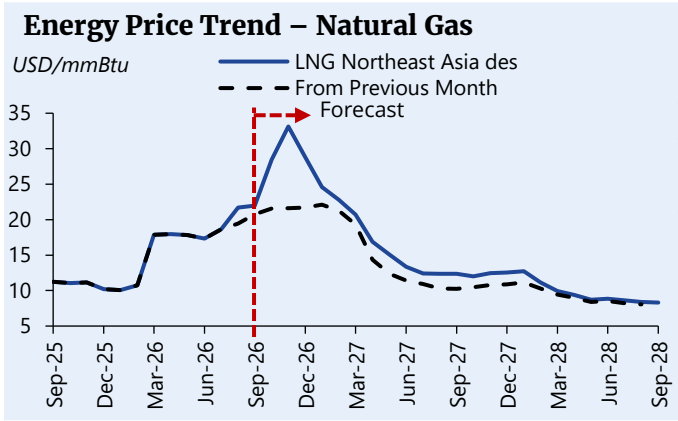
Cash Cost

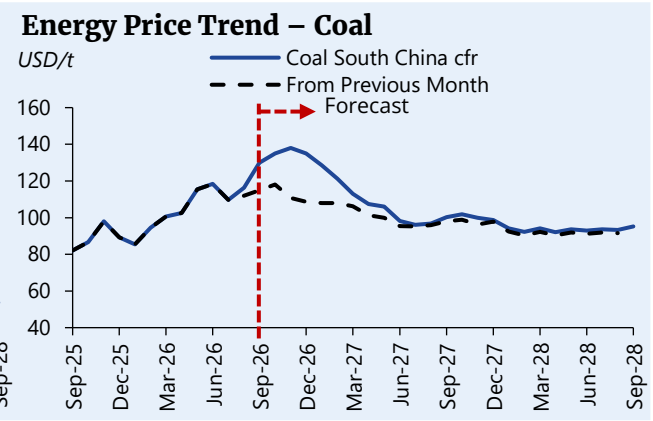
- The overall average ECU cash cost in northeast Asia, excluding China, rose significantly higher this month by another 6.6pc as compared to previous month, supported by higher *Argus'* coal and NEA LNG forecasts.
- Although there are three coal-powered plants outside China, most chlor-alkali producers from outside China draw power from national grids that rely heavily on combination of imported coal, natural gas, nuclear energy and other sources.
- Sharper rise in the ECU cash cost is primarily driven by higher coal price forecast through 2026-27 as stronger demand, gas-to-coal switching, supply disruptions, Chinese production constraints, and logistical bottlenecks create a market deficit and support elevated seaborne prices.
- Average ECU cash costs for northeast Asian producers outside China widened by about $83/ECU, 22pc higher than in China.

Energy

- Northeast Asian LNG prices averaged $21.71/mmBtu in August, an increase of 16.61pc from the previous month because of an increase in demand. *Argus* expects September's average price to increase by 1.20pc to $21.97/mmBtu.
- Japan's LNG demand was 5.34mn t in August and is expected to decrease to 5.03mn t in September, as power utilities increase coal-fired generation, reducing the need for LNG imports amid elevated LNG prices and ongoing fuel-switching economics.
- South Korea's LNG demand was 3.83mn t in August and is expected to fall to 3.31mn t in September.







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China cash cost analysis

China's ECU cash costs have also risen.

ECU China

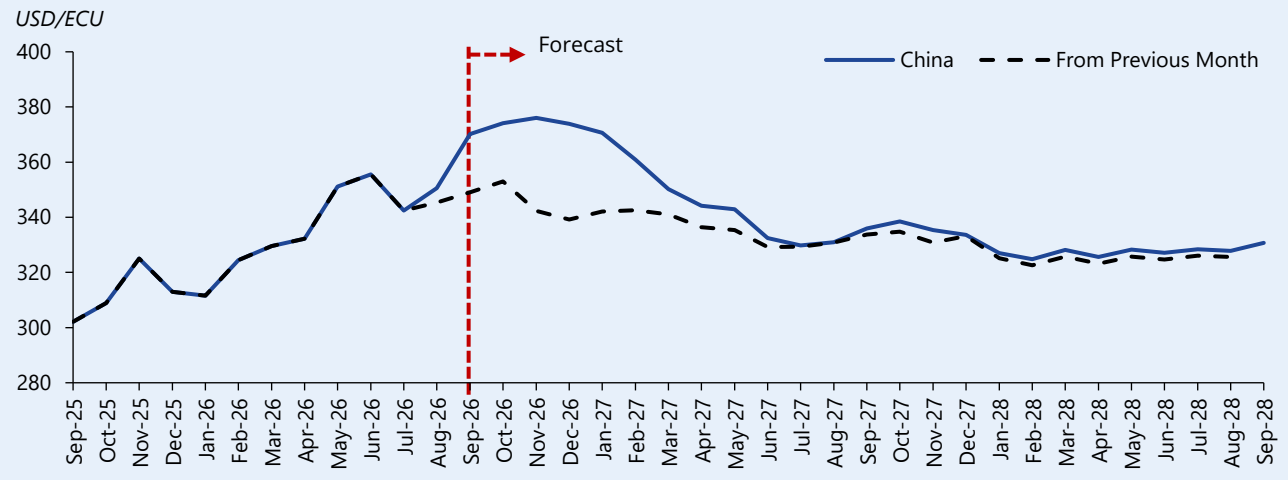
Cash Cost

- China's ECU cash costs have moved up significantly higher by 7.5pc this month, in line with the latest *Argus*' coal forecast.
- Thermal coal prices are expected to strengthen through end-2026 and 1H 2027 as stronger seaborne demand, increased gas-to-coal switching, and lower supply forecasts create a widening global market deficit.
- Supply disruptions from Russia, China, and Mongolia, coupled with tighter logistics and stronger demand from China and India, are expected to keep coal markets tight and support higher benchmark prices.
- Chinese producers still hold an advantage in ECU cash costs of $83/ECU compared with northeast Asia producers outside China as the gap has widened.
- Attractive ECU cash cost enabled Chinese producers to stay competitive and, as a price leader, especially in the export market.

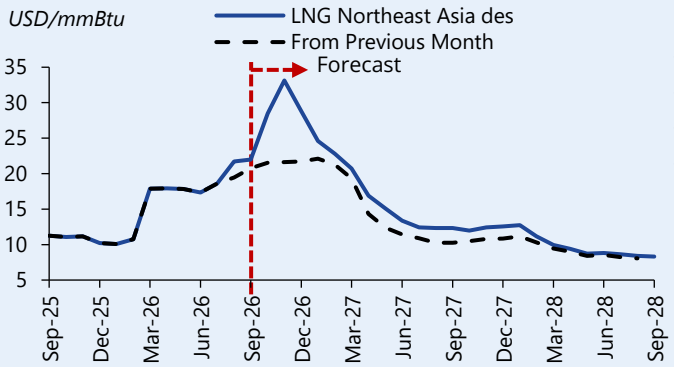
Energy

- South China's cfr coal prices averaged $116.4/t in August, an increase of 6.05pc from July's price, driven by above-normal temperatures. *Argus* forecast coal prices to increase by 11.69pc to an average $130/t in September.
- China's coal production continues to lag following a series of mining accidents, including another fatal incident in Hunan on 14 August, leading to stricter safety inspections. China's coal production dropped by 10pc year on year in June and July, NBS data shows.
- China's seaborne coal imports are expected to gradually decline in 2027-2028 as higher domestic production and rising overland imports from Mongolia reduce the need for oversea cargoes.

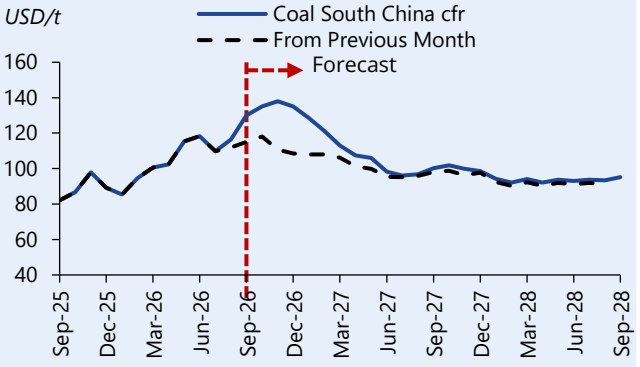
ECU Cash Cost



Energy Price Trend – Natural Gas



Energy Price Trend – Coal



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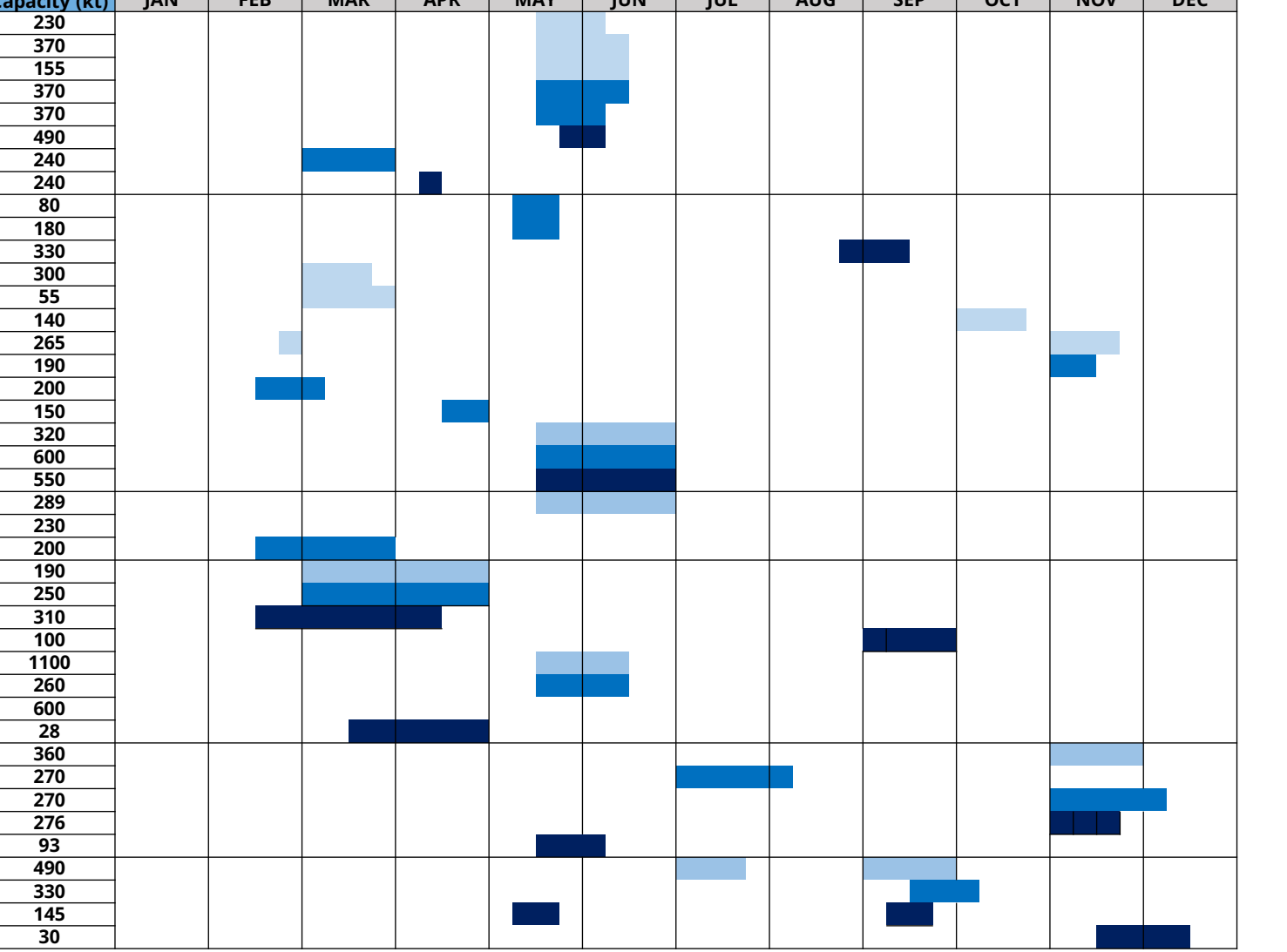
Major Asia-Pacific plant maintenance schedule 2026.

COUNTRY	COMPANY	LOCATION	Unit	Capacity (kt)
SOUTH KOREA	LG CHEM	YEOSU	CA #1	230
			CA #2-1	370
			CA #2-2	155
			VCM #1	370
			VCM #2	370
			PVC	490
		DAESAN	VCM	240
			PVC	240
	HANWHA	ULSAN	VCM #1	80
			VCM #2	180
			PVC	330
		YEOSU	CA #1	300
			CA #2	55
			CA #4	140
			CA #6	265
			VCM #1	190
			VCM #2	200
			VCM #3	150
JAPAN	KASHIMA CA KASHIMA VCM SHIN-ETSU	KASHIMA	CA-EDC	320
			VCM	600
			PVC	550
	AGC KEIYO VCM	CHIBA	CA	289
			CA-EDC	230
			VCM	200
	TOSOH	YOKKAICHI	CA-EDC	190
			VCM	250
			PVC (TAIYO)	310
		CHIBA	PVC (TAIYO)	100
		NANYO	CA-EDC	1100
			VCM #1	260
			VCM #2	600
			PVC	28
	KANEKA	TAKASAGO	CA-EDC	360
			VCM	270
			VCM	270
			PVC	276
		KASHIMA	PVC	93
	TOKUYAMA	TOKUYAMA	CA-EDC	490
			VCM	330
			PVC (SHIN-DAIICHI)	145
		NIIHAMA	PVC (SHIN-DAIICHI)	30



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Major Asia-Pacific plant maintenance schedule 2026.

COUNTRY	COMPANY	LOCATION	Unit	Capacity (kt)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
TAIWAN	FPC	JENWU	CA	367												
			EDC #1	200												
			EDC #2	200												
			VCM #1	292												
			VCM #2	292												
			PVC	440												
			PVC (Mass)	111												
		LINYUAN	VCM	260												
			PVC	237												
		MAILIAO	CA	1,333												
			EDC	1,300												
			VCM	800												
			PVC	498												
		NINGBO	PVC	440												
	T-VCM CGPC	LINYUAN	VCM	450												
			PVC	230												
		KAOHSIUNG	PVC	220												
INDONESIA	ASC	ANYER	CA-EDC 2,3,5	670												
			CA-EDC 1,4													
			VCM #1	150												
			VCM #2	350												
			VCM #3	400												
			PVC	700												
	SULFINDO	MERAK	CA-EDC	360												
			VCM	125												
THAILAND	TPC	MAPTAPHUT	CA-EDC	25												
			VCM	190												
			VCM	400												
			PVC	550												
	VINYTHAI	MAPTAPHUT	CA-EDC	370												
			VCM	400												
			PVC	280												
MALAYSIA	KPP	KUANTAN	PVC	60												
VIETNAM	AGCVN	VUNTAU	PVC	150												

CA CA-EDC VCM PVC

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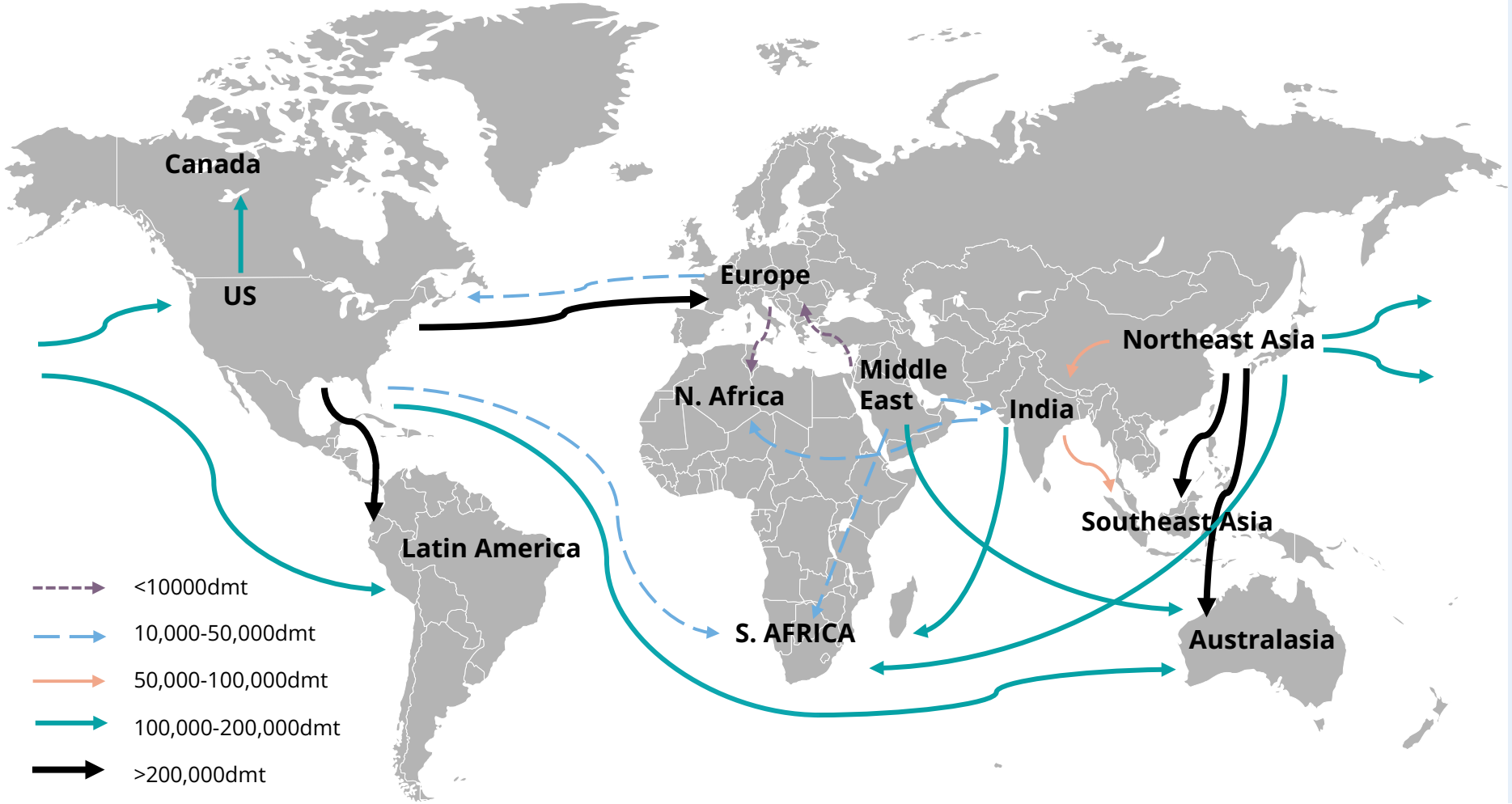
Global trade flows

Caustic soda trade is anticipated to be reduced in the last months of this year owing to planned maintenance and weak demand.



- The strait of Hormuz has now been closed for 200 days, and no proposed peace agreement is currently in site. The hostilities in the region have extended to the Red Sea, limiting Saudi exports as well as damaging the Saudi East-West pipeline for an unspecified number of weeks.
- With the closure of the strait of Hormuz, Mideast Gulf producers and consumers of caustic soda are struggling to keep minimal operating rates.
- Vessel traffic through the strait will remain subdued and a return to normal levels may not occur for six to nine more months.
- Asia is anticipated to continue having an excess of caustic soda which will keep prices in the Atlantic basin within check. Current freight rates are preventing Asian caustic from moving to the Atlantic basin, however, later this year reduced availability from US Gulf coast and European producers should allow more volumes to move from Asia to South America as well as the Mediterranean.

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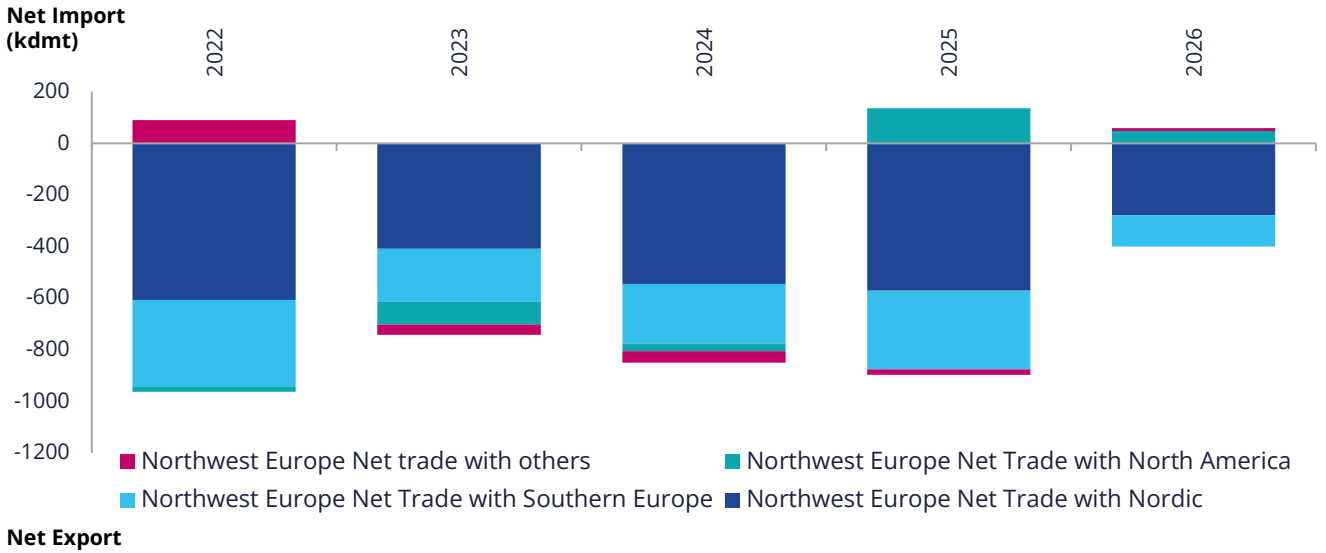
Northwest European trade analysis

Selling ideas rise, but clear upward price trend is still absent.



Largest production sites by capacity

- Selling pressure has eased as European supply length has reduced but has yet to dissipate entirely.
- As before, export prices may have reached a floor at $400-450/dmt fob northwest Europe as cost pressures, especially from electricity, are prohibitive of further reductions.
- Selling ideas have risen to at least the mid-$400/dmt fob and into the $500/dmt fob, but the market is not yet on a clear upward trend as export availability largely matches the number of enquiries, which remain somewhat reduced.
- Availability and offtake may become more aligned in the fourth quarter if chlorine offtake continues on its currently soft trajectory.
- Exports to the US east coast and Canada remain challenged as the pulp sector in those regions continue to struggle with mill closures and reduced pulp demand.



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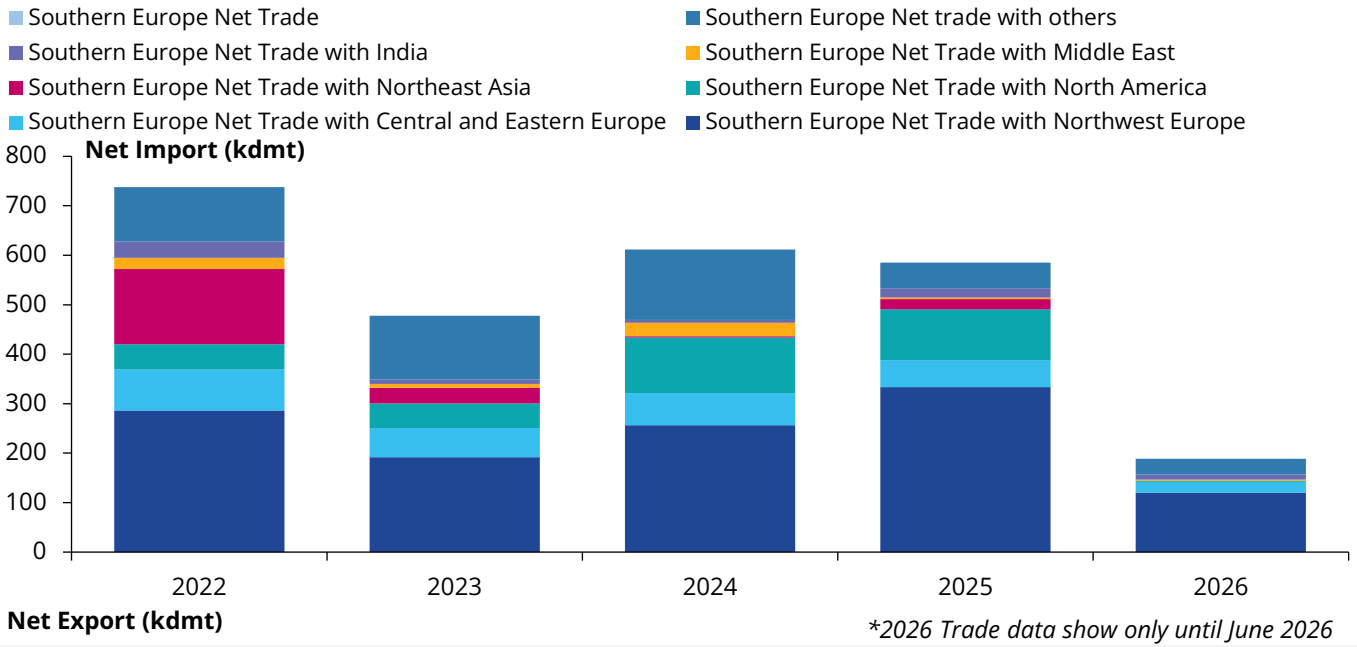
Southern Europe trade analysis

Import activity to rise in September, whilst supply options may reduce.



*Largest production sites by capacity

- Import activity has been slow to rebound after the summer. It will rise eventually once buyers have worked through existing stock, but many may initially buy minimum quantities early in the fourth quarter and wait for a potential destocking campaign at producers just before the year ends.
- Import supplies are set to remain at least adequate into October with more trades expected from northwest Europe if buying expectations accommodate for the spike in electricity costs.
- US Gulf exports to southern Europe may be restricted to regular demand with little room for opportunistic sellers to gain ground, unless European production starts to be impact by the renewed spike in power prices and a slowdown in chlorine offtake.
- Relative supply security will leave buyers cautious in committing to overseas product with longer lead times away from their regular purchasing agreements.



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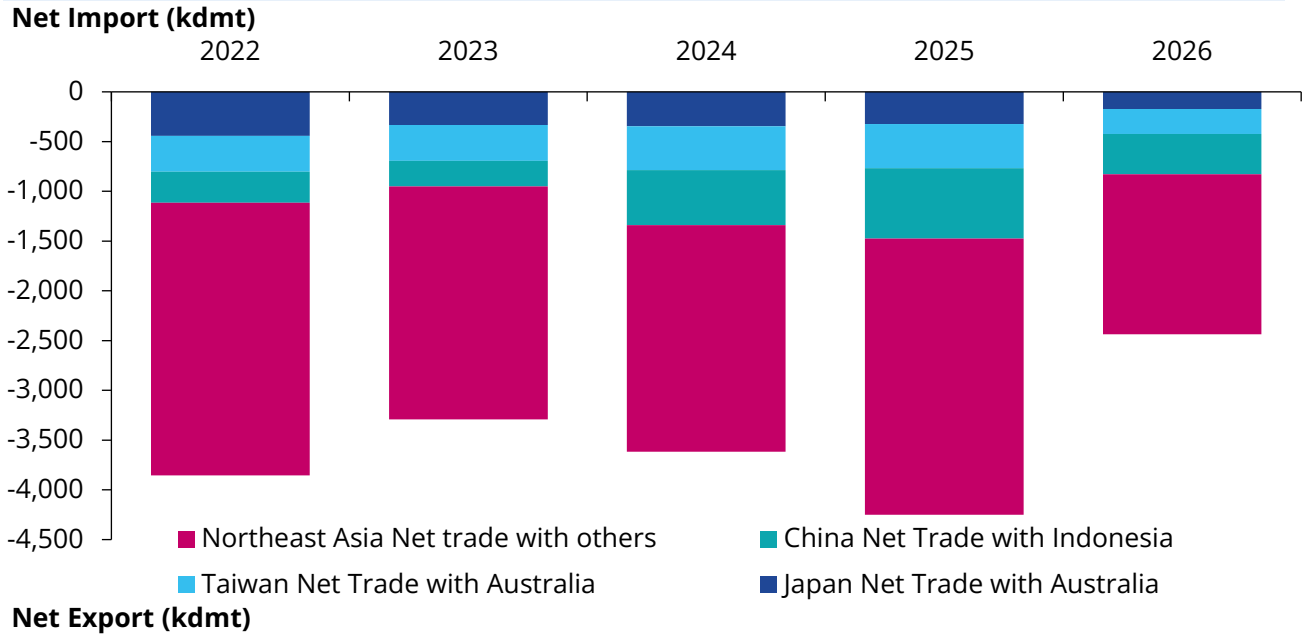
Asia-Pacific trade analysis

Trade flows from, the region have remained slow.



*Largest production sites by capacity

- Trade flows from northeast Asia to southeast Asia have slowed down significantly after demand loss in the battery sector in Indonesia. However, flow of caustic shipments to Australia and USWC mostly remain unchanged.
- Emergence of southeast Asian-origin cargoes poses strong price competition with the northeast Asian origin cargo. This will further shrink the import trades from northeast Asian to southeast Asian region. Recent rise in fuel cost have made it even more difficult for northeast Asian cargoes to compete in southeast Asia in cfr basis.
- Trade flow to other blue water destinations in Australia and US west coast were not affected.



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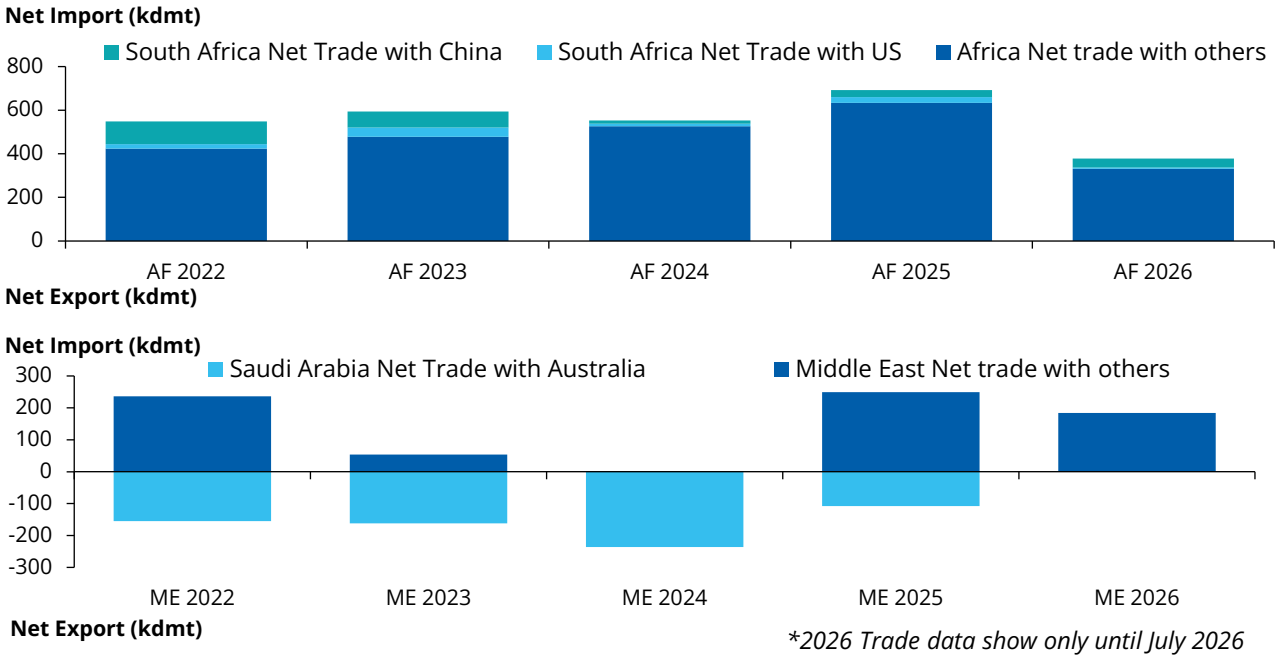
Middle East-Africa trade analysis

Caustic soda trades stabilised but still confined within Persian regions.



Largest production sites by capacity

- Overall run rates among chlor-alkali producers stabilised at around 50-60pc. However, caustic soda trades are still confined within the Persian Gulf region, especially in the southern coast of the Persian Gulf.
- However, several attempts were made to import caustic soda from India to supplement the supply shortfall in the Persian Gulf region.
- Most of the caustic soda produced are destined mainly for alumina refineries, petrochemical plants in the region. However, there were no inflow of caustic soda from outside Persian Gulf to supplement the consumption due to closure of strait of Hormoz.



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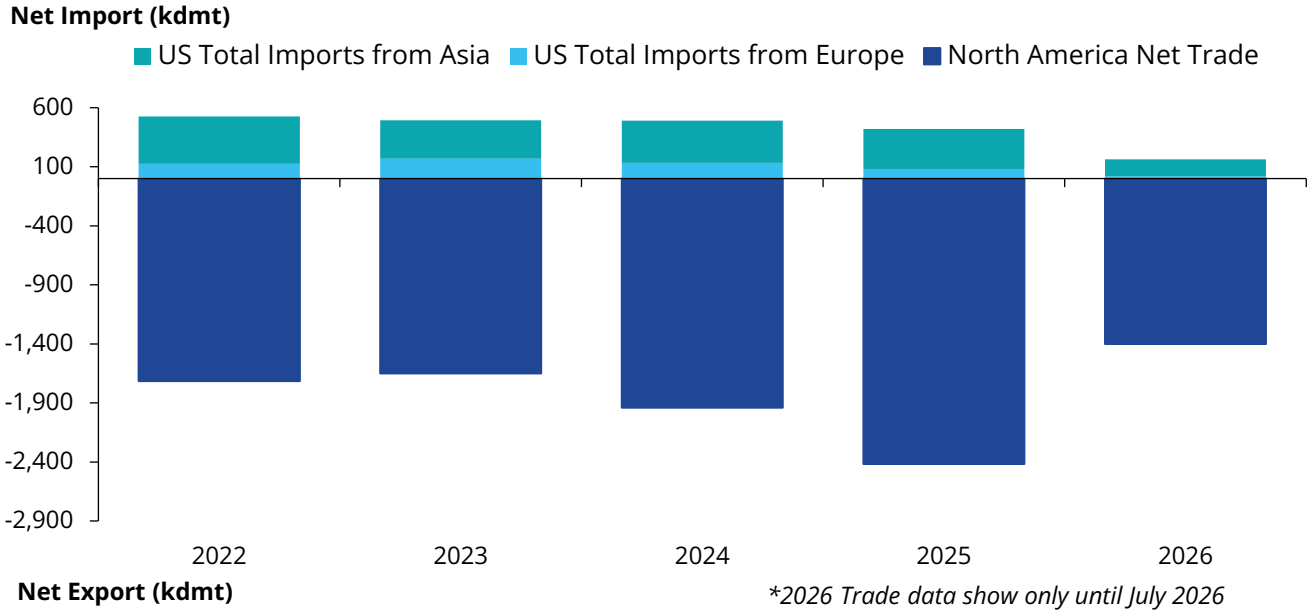
North America trade analysis

US Gulf maintenance activity begins to limit the availability of caustic soda.



Largest production sites by capacity

- Maintenance activity on the US Gulf coast has been delayed until September when a number of producers start their scheduled maintenance and one producer plans to start a delayed membrane conversion. This will reduce availability during the fall months.
- The US Gulf coast is beginning to be called upon by other regions for increased volumes of EDC and PVC as fall and winter energy supply concerns increase.
- The US is anticipated to import the least amount of caustic soda from Europe on recent record. Imports are anticipated to be less than 20,000dmt for the year. West coast imports from Asia are also anticipated to decline, although marginally.
- US Gulf coast exports are anticipated to be at a similar level to last year, although 2027 exports are forecast to be larger.



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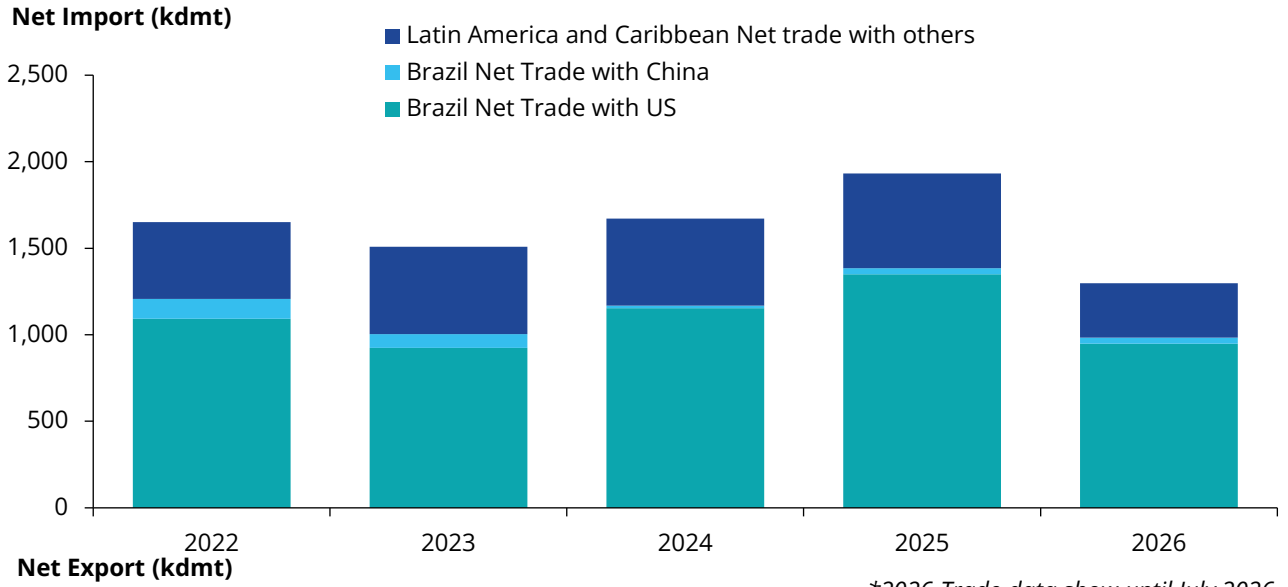
Latin America trade analysis

Caustic soda imports are forecast to approach 2.2mn dmt in 2026, exceeding 2025 levels.



*Largest production sites by capacity

- US Gulf coast chlor-alkali producers have been fairly diligent about protecting their export market share in Latin America with the exception of a couple of parcels from Asia that concluded earlier this summer. US producers will want to keep caustic soda prices competitive to prevent further market share loss to Asia.
- Brazil remains the largest importer of caustic soda from the US Gulf coast. Brazil does not have enough chlorine demand to balance the caustic soda demand. The domestic demand for caustic soda in Brazil remains tepid while contractual imports keep the market well supplied.
- Latin America imports of caustic soda are forecast to approach 2.2mn dmt in 2026, an increase over 2025. This is in part a result of Braskem closing their chlor-alkali production in Brazil as well as increased demand into the pulp and paper sector.



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Chlor-alkali related markets score card

Impact on chlor-alkali markets.

Chlor-Alkali Derivatives

Chlor-alkali producer news	↓	• Vynova Belgium is looking for a further three-month court extension to the judicial re-organisation process, which, if granted, would extend the timeframe to the end of December 2026. Discussions with potential buyers are progressing, but more time is required in order to conclude those and obtain a binding offer. Chlor-alkali and related operations continue at a low rate and the company pushes ahead with its plans to restart PVC production at Beek some time in the fourth quarter of 2026. • Ineos Inovyn has agreed to acquire the remaining 50pc shares of the Runcorn MCP as well as the EDC production assets of Vynova Runcorn, which entered administration in late 2025. All Runcorn assets are thus expected to move back under full Ineos ownership, subject to regulatory approval. Runcorn MCP operated as a 50:50 JV between the two companies and has a total chlorine capacity of 430,000 t/yr. EDC is the largest single chlorine outlet and was previously shipped to Wilhelmshaven, Germany, and Martorell, Spain, for PVC production. Runcorn accounts for 89pc of total chlorine capacity in the UK and is, therefore, vital for production of inorganic and organic chemicals, as well as a range of other smaller applications. • Also in the UK, Industrial Chemicals has announced plans to develop a major new state of the art sodium hypochlorite facility at Port Clarence. A final investment decision is expected in December 2026. The investment would increase the company's chlor-alkali capacity and complement its existing 44,000 t/yr chlor-alkali plant in West Thurrock, but the exact size has yet to be announced. Industrial Chemicals has also just taken into operation a new caustic soda storage facility in Birkenhead. The tank is receiving imports and supplements the company's existing UK distribution business
Pulp and paper	↓	• China has added nearly 20mn t of virgin pulp production since 2020. This has significantly improved domestic resilience. Some of this growth has been driven by the elimination of recycled fiber from overseas as well as the country's desire to be self sufficient in key raw materials. • This rapid expansion as well as the roughly 6mn t of virgin pulp production schedule to start up in 2026 and 2027 will continue to pressure the global pulp market, potentially leading to further mill rationalisations in high-cost regions. These new mills are also more efficient at using caustic soda than previous generations and will lead to an overall reduction per ton of caustic soda demand into the pulp sector globally.
European natural gas inventories	↓	• European natural gas inventories are currently forecast to be around 75pc at the end of the injection cycle. This inventory level will be at the lowest level in the last five years. • Owing to the drought and high temperatures in Europe, a stronger draw on natural gas for electricity generation has taken place and limited injections. • Europe historically has imported a significant amount of LNG from Qatar, however with the Straight of Hormuz effectively closed by Iranian aggression, this source of LNG is not as readily available as in the past. • US LNG exports have supplemented European demand, but the US is not able to replace all of the lost volume of LNG from Qatar. • The low levels of natural gas in storage in Europe will lead to higher electricity price volatility in the autumn and winter months.

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george.eisenhauer@argusmedia.com

George Eisenhauer

Vice-President Chlor-alkali

George leads the global chlor-alkali team, He has 30+ years' experience with roles in acquisition and asset management as well as operations control and strategic objectives, before his consulting career. Before joining Argus in 2012, he was director of Chlor-Alkali for HIS. George's experience also includes roles at FMC Technologies, Dow Chemical and Union Carbide. He holds a BSc in Chemical Engineering from the University of Texas and an MBA from Rice University.



stephanie.koenig@argusmedia.com

Stephanie Koenig

Head of European Chlor-alkali

Stephanie is the Editor for European chlor-alkali market she oversees content and analytical standards across the European operations, spanning from editorial, to outlooks, analytics and events. She also contributes to single-client consulting projects and has over 15 years of experience directly related to the chlor-alkali industry. Before this, she spent time at IHS Chemical, leading the global Bleaching Chemicals Service and contributing to chlor-alkali products. Stephanie has a Master's Degree in Business Administration from the University of Leipzig, Germany.



bernard.law@argusmedia.com

Bernard Law

Chlor-alkali Editor

Bernard Law is Editor and covers the chlor-alkali and vinyl markets in Asia. Bernard has more than 25 years of experience in the chemical industry in Asia, holding various responsibilities in market and competitive analysis, benchmarking, sales, marketing, and business development. He spent 13 years working for speciality and commodity chemicals in the Asia-Pacific region. He generated benchmarking pricing and assessments, including northeast Asia and southeast Asia caustics to alumina indexes. He also contributes to single-client consulting projects.



anshu.pandey@argusmedia.com

Anshu Pandey

Business Analyst Chlor-alkali

Anshu is the lead analyst for Argus' chlor alkali and derivatives services and supports fundamentals and outlook services. Prior to joining Argus, she worked in research and development on projects associated with hydrogen storage and environmental assessment of fuels. Anshu holds a master's degree in Chemical Engineering.

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Argus Chlor-alkali Outlook

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Registered office
Lacon House, 84 Theobald's Road, London, WC1X 8NL
Tel: +44 20 7780 4200
Email: sales@argusmedia.com

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Publisher
Adrian Binks

Global compliance officer
Vladas Stankevicius

Chief commercial manager
Martin Gijssel

Consulting Services, SVP
Lloyd Thomas

SVP Chemicals
Chuck Venezia

Customer support and sales

Technical queries
technicalsupport@argusmedia.com
All other queries
support@argusmedia.com

London, UK Tel: +44 20 7780 4200
Astana, Kazakhstan Tel: + 7 7172 72 92 94
Beijing, China Tel: +86 10 8535 7688
Dubai Tel: +971 4434 5112
Houston, US Tel: +1 713 968 0000
New York, US Tel: +1 646 376 6130
Sao Paulo, Brazil Tel: +55 11 3235 2700
Singapore Tel: +65 6496 9966
Tokyo, Japan Tel: +81 3 3561 1805

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