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Argus Chlor-Alkali and Derivatives

Weekly price supplement and market update

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MARKET UPDATE

Americas

- Bids from importers strong for US Gulf coast product.
- Turnarounds squeeze fourth-quarter spot supplies.
- Isocyanate output rebounds, consuming more chlorine.

Europe

- NWE sees wide range of outcomes.
- CEE sees ample supply but higher energy costs.
- Import prices rise at midpoint.

Asia Pacific

- Asian export prices continued to trend down.
- Spot export demand remained weak.
- Freight rates have risen further.

AMERICAS

Global caustic soda importers and traders bidding for US Gulf coast volumes were met with dwindling fourth-quarter availability this week, as major producers undertake planned maintenance while others replenish depleted inventories following unplanned production disruptions from the third quarter.

Curtailed production in Europe and limited supplies in Mexico continued to channel spot demand to US Gulf coast suppliers, which has supported near-term market firmness even as seasonal demand weakens during the fourth quarter.

European and Latin America demand is competing with strong consumption from Caribbean alumina producers, who are consuming more caustic soda because of poor bauxite quality, a source said.

Argus assessed spot caustic soda exports stable from $405-470/dry metric tonne (dmt) fob US Gulf coast on sustained, supply-driven market firmness in the absence of fresh trade.

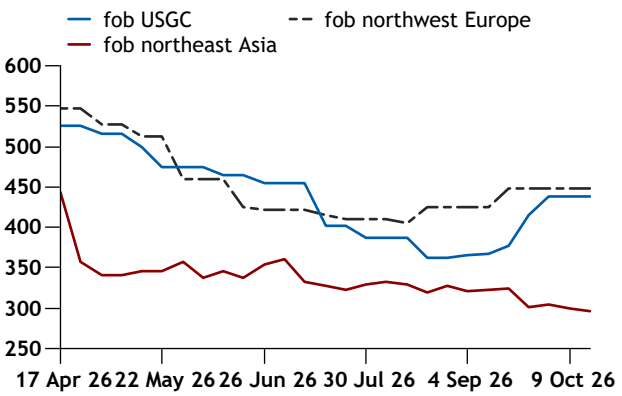
Demand outlets outside residual Mediterranean and Latin America consumers are limited for US suppliers, especially as Brazil — the largest offshore consumer of US caustic soda — remains well supplied. One offer from the US Gulf coast to Brazil emerged at $600/dmt cfr, netting back to the US near this week's low end.

MARKET PRICES

Key prices

		Units	Timing	Low	High	±
Americas						
Caustic soda (25 Sep)	fob USGC contract	$/dst	Sep 26	640	680	-10.0
Caustic soda	fob USGC export	$/dmt	week 42	405	470	nc
Caustic soda	North America barge	$/dst	week 42	440	495	nc
Europe						
Caustic soda	fd northwest	€/dmt	3Q26	550	720	nc
Caustic soda	fob northwest Europe export	$/dmt	week 42	445	450	nc
Caustic soda	cfr Med and Black Sea	$/dmt	week 42	590	610	+15.0
Asia-Pacific						
Caustic soda	fob northeast	$/dmt	week	290	302	-4.0
Caustic soda import	cfr southeast Asia	$/dmt	week 42	365	365	-2.5
Caustic soda 50pc	ex-factory China	Yn/dmt	week 42	1,920	2,040	-10.0
Caustic soda 50pc month	ex-factory China	Yn/dmt	Sep 26	1,940	2,090	-15.0
Caustic soda solid export	fob China	$/t	week 42	395	400	-2.5
Caustic soda India domestic	ex-tank India	Rs/dmt	week 42	33,000	34,000	nc

Global caustic soda export prices $/dmt



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Brazil's alumina and pulp and paper sectors have consumed less spot material this year, and end-users have managed inventories to meet as-needed requirements. Imports continue to discharge at a steady pace, outweighing demand requirements. US exports to Brazil have dropped by 2pc through August at 1.12mn dmt as regional distributors have managed well-supplied inventories for much of the year, and sellers outnumber buyers for spot needs, one major buyer said this week.

Freight rates continue to challenge spot liquidity, as rallying fuel costs underpin higher logistics prices, one supplier said. *Argus* estimates caustic soda freight from the US Gulf coast to Brazil climbed by 33pc during the last week based on a rally in clean taker freight costs. Bunker fuel costs have also climbed further since late September, with Chinese costs up another 3pc and Singapore fuel oil prices rising by another 8pc, *Argus* data show. Bunker fuel prices at Houston increased by 5pc within the same window but remain more than $100/metric tonne (t) below costs in Asia.

Domestic US spot caustic soda demand remained tepid, with no fresh inquiries emerging this week. Prices remain supported by the slate of planned maintenance through November, and *Argus* assessed prices stable.

On the other side of the electrochemical unit (ECU), chlorine consumption into water treatment remains buoyed by above-average temperatures. Temperatures are poised to trend above historical averages through 24 October, data from the National Oceanic and Atmospheric Administration's (NOAA) show.

Water treatment consumption this year has been regionally defined, with demand in the Midwest supported by high temperatures and steady precipitation this summer whereas drought conditions in the south crimped usage in some areas, sources said.

Temperatures in November are expected to remain above average for much of the US, aside from southern and southwestern states forecast for seasonal temperatures, potentially extending the water treatment season further, NOAA data show.

Water treatment is a minor demand outlet for chlorine suppliers, comprising about 7pc of total US chlorine consumption, data from *Argus Chlor-Alkali Analytics* show.

Isocyanate production, which accounts for about 10pc of total US chlorine demand, increased this month following a prolonged period of supply constraints stemming from a feedstock supply disruption. The US MDI market has shifted from short supply structure, where many buyers were placed on allocation, to an increasingly longer supply balance that has placed spot prices at a discount to contract levels.

Chlorine consumption into the vinyl chain rebounded last month on increased polyvinyl chloride (PVC) operating rates, preliminary data collected by Vault Consulting for the American Chemistry Council (ACC) show. Operating rates in September climbed by 4.4 percentage points from August to 89.4pc of capacity, as producers increased rates to meet strengthening offshore demand.

Domestic PVC sales increased 6pc in September from a year earlier, while exports fell by 24pc from September 2025 — indicating stronger domestic demand relative to exports. Exports accounted for 34pc of total sales in September, down from 42pc a year earlier. Year-to-date domestic sales remained above 2025 levels, while exports continued to trail the prior year.

PVC operating rates, though, are not expected to climb further in October as major producers undertake turnarounds during the fourth quarter, and domestic demand seasonally weakens with the onset of winter.

EUROPE

Northwest European contract negotiations are well underway after producers had individually approached customers with increases of up to €200/dmt. Whilst it is certain that prices are moving up on average, a wide range of movements and prices is emerging with some triple digit as well as smaller increases from October. Producers insist that higher energy prices will require substantially higher caustic soda prices in order to sustain operations, but consumption is weak, some competition from lower priced imports remains as does some pressure to retain market share. It is not yet clear if or by how much the outcome varies across the individual markets and we will monitor the region for the next two weeks to narrow that down.

Chlor-alkali output remains lower than during much of the third quarter as producers cut rates beyond the effects of weak chlorine offtake. This is because spot electricity prices remain elevated into the high €100s/MWh and sellers limit their exposure to these as long as they view caustic soda prices to not be keeping up with the rise in costs. Spot and export availability is now notably limited, but contractual supplies continue as normal. Operations are otherwise as planned. In Belgium, Vynova is returning from a planned outage at Tessenderlo this week.

In southern Europe, the market continues to digest weak demand and producers attempting price rises. There are signs that increases Italy may not be able to reach levels that producers are hoping for with discussions for prices between €660-680/dmt fd, lower than the €700/dmt fd that some producers have aimed for in some cases. *Argus* continues to screen the market for further settlements, noting

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that much business has still yet to be concluded for October. In Iberia, a plant is heard to be on turnaround and, as is the case in Italy, energy prices remain elevated, costing producers. Pulp and paper demand is flat.

In central and eastern Europe, price increases are gradually being accepted although appear to not be in the triple-digits, with some producers still maintaining a push for this. Elevated energy costs mean that if this increase does not go through to a certain price level, producers would be forced to cut operating rates, they say. Demand in eastern Europe is flat. As is the case in all markets, *Argus* is continuing to screen the markets for movements.

Our Mediterranean and Black Sea import price range has narrowed to $590-610/dmt cfr with recent transactions understood to be higher than the mid $500s/dmt cfr. This reflects a rise in export prices locally and of US Gulf origin as well as a renewed increase in freight costs. US Gulf freight rates to southern Europe have recently exceeded the $200/dmt threshold with exact levels depending on vessel size and the number of loading and discharge ports. US offers are now being seen slightly above our range, but still below the mid $600s/dmt cfr. Traders continue to monitor northeast Asian export prices as well as freight rates, which sit at around $290-302/dmt fob and $300-350/dmt respectively. Lead times are longer than from the US Gulf, where recovering output after outages is expected to boost supplies from November. Some importers thus wait to see if US export prices may retreat again and so there is still resistance to levels above $610/dmt cfr. In northwest Europe, producers remain absent from the export market as selling ideas at $500/dmt fob and above are not achievable in the target markets. High spot electricity prices continue to prompt producers to keep output to a minimum and mitigate their exposure to the spot power market, leaving the seaborne markets largely dry.

ASIA PACIFIC

Northeast Asia fob caustic soda prices continued to trend lower week on week, assessed at $290-302/dmt, following two China-origin export fixtures. The final destinations of these cargoes have yet to be confirmed.

Offers, particularly from Chinese suppliers, were heard at $290-310/dmt fob, as several producers continued to grapple with elevated inventories and sought to clear remaining export-grade volumes. Some producers were also encouraging buyers to adopt index-linked pricing mechanisms to reduce exposure to market volatility.

Trading activity remained subdued as arbitrage opportunities into deep-sea destinations and southeast Asian markets narrowed considerably because of rising freight costs. Despite the sharp decline in northeast Asia fob prices, cfr offers have remained relatively firm because of elevated freight rates, which have offset lower cargo values. Vessel space availability for caustic soda exports also remained tight.

Outside of China, producers largely refrained from issuing fresh fob offers because of the ongoing price decline. Several major integrated producers have even reduced operating rates to around 50-60pc to curb further margin erosion. Some producers have also delayed negotiations for 2027 term supply contracts because of continued market uncertainty and weaker netback.

Looking ahead, fob prices are expected to remain under pressure in the near term as producers continue to liquidate excess export inventories. Production cutbacks outside China have so far failed to improve market sentiment. Export demand is also expected to remain weak, with buyers continuing to push for lower prices. The loss of export opportunities to deep-sea markets has weighed heavily on overall sentiment across the region.

Southeast Asian cfr caustic soda prices were assessed marginally lower week on week at $365-365/dmt following one new cfr fixture of southeast Asian origin. Buying interest for imports slowed, however two request for quotation (RFQ) were issued for December arrival. At the same time, southeast Asian producers have priced themselves very competitively against northeast Asian origin cargoes and prevented them from entering into the region due to logistic advantage and better netback.

However, intra-regional freight rates have also risen sharply despite of very short sailing time among the southeast Asian main ports. Some of the freight rates for a 5,000-6,000lmt cargo size have even risen to above $90-110/dmt

China's liquid caustic soda ex-tank prices edged lower this week because of subdued downstream demand and weak buying sentiment. Mainstream ex-tank prices for 50pc liquid caustic soda were assessed at Yn1,920-2,040/dmt (around $297/dmt), while 32pc liquid caustic soda prices slipped to Yn590-645/lmt across most provinces.

Ongoing maintenance shutdowns reduced chlor-alkali operating rates to around 74-75pc, tightening supply and providing some short-term support to prices. However, the market continued to lack meaningful buying interest, with producers relying largely on existing orders to sustain shipments.

Pre-holiday restocking activity has largely concluded, while post-holiday demand recovery from both alumina and non-alumina sectors remained sluggish, weighing on market

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sentiment. Declining prices in northern China also exerted downward pressure on ex-tank prices in east China and other regions.

Looking ahead, domestic demand is expected to remain weak in the near term. Softer export demand and lackluster domestic consumption are likely to continue weighing on sentiment. In addition, several major chlor-alkali plants are scheduled to resume operations next week following maintenance turnarounds, potentially increasing supply and further pressure on an already oversupplied market.

China's fob caustic soda flake export prices declined further week on week to $395-400/t, as weakening demand continued to pressure the market. Producers and traders lowered offers to alleviate mounting inventory pressure, particularly among inland producers. Despite the decline in fob values, elevated containerised freight rates continued to support cfr offers.

China's merchant liquid chlorine market strengthened this week, supported by tighter supply resulting from maintenance outages at upstream chlor-alkali facilities. At the same time, chlorine consumption from propylene oxide (PO) and epichlorohydrin (ECH) producers remained relatively stable, lending further support to merchant prices.

In Shandong, merchant liquid chlorine prices increased to Yn190-360/t (around $41/t) ex-plant, while prices in east China rose to Yn140-370/t (around $40/t) ex-plant. The firmer pricing environment reflects improved supply-demand fundamentals in the domestic merchant chlorine market.

India's domestic caustic soda prices were assessed firm week on week at Rs33,000-34,000/dmt (around $346/t), excluding taxes and delivery costs. Recent export fixtures totalling around 30,000dmt for October loading helped keep the market relatively balanced, despite the absence of a clear recovery in caustic soda demand following the end of the monsoon season.

Indian-origin cargoes have increasingly become the preferred sourcing option for buyers in the Middle East and Africa, supported by geographical advantages and more attractive netbacks compared with northeast Asian origins. Renewed export buying interest is expected to support higher domestic parity values and improve producer netbacks, providing additional support to the Indian caustic soda market.

ANNOUNCEMENTS

Proposed change to Brazil caustic soda coverage

Argus proposes to change its monthly cfr Brazil caustic soda import price to the range of the lowest low and highest high of new weekly cfr Brazil spot price assessments.

The new assessments, which will begin on 20 November, will be the price of at least 1,000 dry metric tonnes (dmt) traded for delivery within 45 days of the date of publication.

Argus will accept comments on this change until 30 October. To discuss comments on this proposal, please contact Connor Hyde at connor.hyde@argusmedia.com. Formal comments should be marked as such and may be submitted by email to chloralkali@argusmedia.com and received by 30 October. Please note, formal comments will be published after the consultation period unless confidentiality is specifically requested.

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ANNOUNCEMENTS

Proposal to change US chlor-alkali methodology

Argus proposes to introduce new assessments for the monthly movement in US chlorine, caustic soda, hydrochloric acid (HCl) and potassium hydroxide (KOH) contract settlements to better align with the industry's focus on monthly price movements.

Argus will publish an assessment of the monthly price movement for each product and region. *Argus* will continue to publish outright contract prices but proposes to change the methodology so that the outright price assessment moves in line with the new contract delta assessments each month, except for the final publication of December each year when an annual assessment of contract prices will be made.

The methodology change and the outright price adjustment would take effect on 23 December 2026, when the final monthly *Argus Chlor-Alkali and Derivatives* report is published.

The list of affected PA codes and price names include:

Caustic soda

- North America domestic contract fob USGC (PA0020378)
- Northeast US contract ex-works (PA0020380)
- Southeast US contract ex-works (PA0020381)
- Midwest US contract ex-works (PA0020382)
- West coast US contract ex-works (PA0020383)

Chlorine

- US domestic contract fd (PA0020401)

KOH

- Midwest US contract ex-works (PA0024620)
- East coast US contract ex-works (PA0024621)

HCl

- US west coast contract free delivered (PA0024615)
- US Gulf coast contract free delivered (PA0024616)
- Northeast US contract free delivered (PA0024617)
- Southeast US contract free delivered (PA0024618)
- US Midwest contract free delivered (PA0024619)

Argus will accept comments on these changes up to 30 October 2026. To discuss comments on this proposal, please contact Connor Hyde at connor.hyde@argusmedia.com or +1 (713) 400-7835. Formal comments should be marked as such and may be submitted by email to chlor-alkali@argusmedia.com or by post to Connor Hyde, *Argus* Media, 2929 Allen Parkway, Ste. 18, Houston, Texas 77019.

Please note, formal comments will be published after the consultation period unless confidentiality is specifically requested.

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