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Argus Pine Chemicals

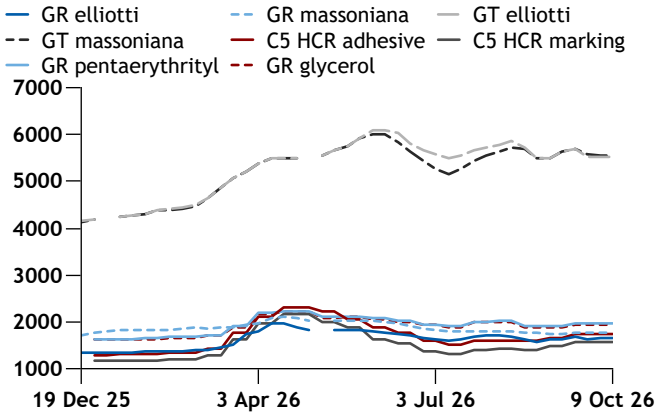
Issue 26-20 | Thursday 15 October 2026

OUTLOOK

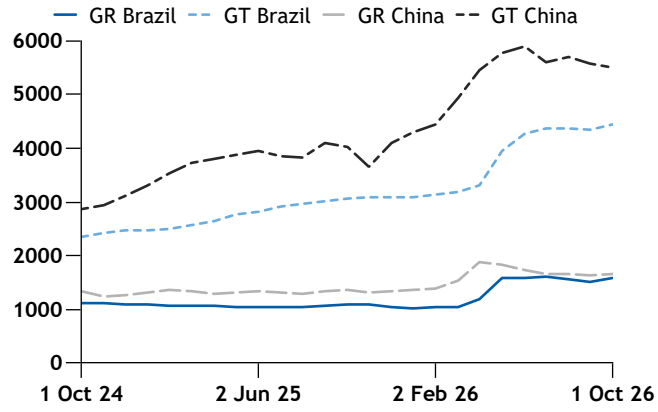
- Lawter to shut down New Zealand site
- New season to add more oleoresin volumes in Brazil
- Industry groups oppose classification of rosins and derivatives

HISTORICAL PRICING

China pinechem historical pricing, weekly prices $/t



Gum turpentine & gum rosin historical pricing $/t



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CTO and TOFA	5	Shipping and logistics	8

PRICES

China spot prices			$/t
	30-Sep	9-Oct	Δ
Pine oleoresin			
Pinus massoniana	1,833	1,834	▲+1
Pinus elliottii	2,146	2,147	▲+1
Pinus yunnanensis	-	-	-
Gum rosin (CGR)			
Pinus massoniana	1,768	1,775	▲+7
Pinus elliottii	1,649	1,656	▲+7
Gum turpentine (CGT)			
Pinus massoniana	5,558	5,562	▲+4
Pinus elliottii	5,514	5,517	▲+3

Local currency, daily and fortnightly prices are available on Argus Direct.

China spot prices			$/t
	4-Sep	18-Sep	Δ
Synthetics			
C5 HCR Adhesive	1,652	1,745	▲+93
C5 HCR Marking	1,473	1,566	▲+93
Esters			
GR Glycerol Ester	1,890	1,938	▲+48
GR Pentaerythrityl Ester	1,905	1,953	▲+48

Local currency, daily and fortnightly prices are available on Argus Direct.

Brazil spot domestic						
	Δ	R$/t		Δ	$/t	
Pinus elliottii						
Pine oleoresin ex-works	▲+50	7,000	7,200	▲+150	1,388	1,428
Gum rosin ex-works	◄►	7,500	8,200	◄►	1,488	1,626
Gum turpentine ex-works	◄►	21,000	22,000	◄►	4,165	4,364

Exchange Rate: $1 = 5.0416

Brazil spot export						
	Δ	$/t		Δ	¢/lb	
Pinus elliottii						
Gum rosin (BGR) fob	▲+70	1,550	1,650	▲+50	70.31	74.84
Gum turpentine (BGT) fob	▲+150	4,400	4,550	◄►	199.58	206.38

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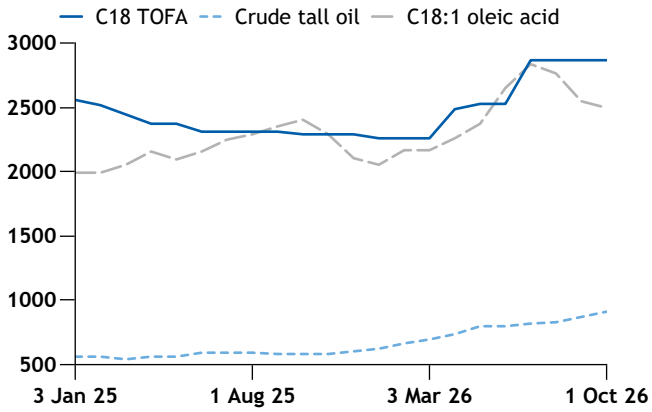
PRICES (CONTINUED)

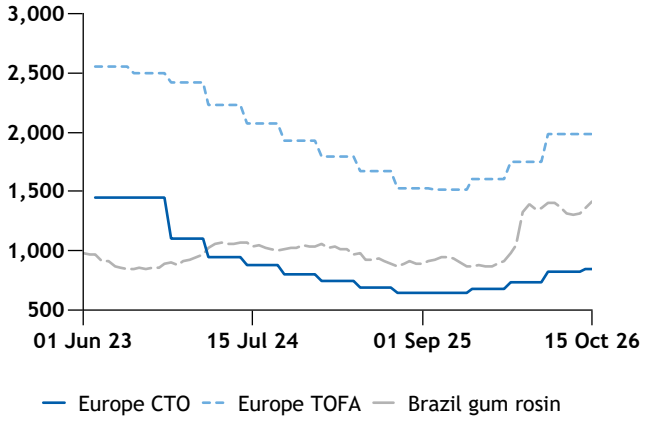
C18:1 oleic, TOFA, CTO historical pricing $/t



US contract price range	Δ	¢/lb		Δ	$/t	
C18 TOFA (Oct 26)						
Del US southeast	◄►	120.00	140.00	◄►	2,646	3,086
C18:1 oleic acid (tallow based) (Oct 26)						
Del US midwest	▼-1.00	108.50	118.25	▼-1.00	2,392	2,607

US spot price range	Δ	¢/lb		Δ	$/t	
Crude tall oil						
Fob port export	▲+0.57	40.82	42.50	◄►	900	937

Europe TOFA and CTO vs Brazil gum rosin historical pricing €/t



Europe 4Q26 contract price range	Δ	€/t		Δ	¢/lb	
C18 TOFA						
Del Europe	◄►	1,925	2,050	◄►	98.75	105.16
Crude tall oil						
Ex-mill northwest Europe	▲+25	800	900	▲+25	41.04	46.17

CHINA

Pine oleoresin

The ongoing peak tapping season in China should soon conclude with the arrival of colder weather conditions. In some northern Chinese provinces, tapping activity will likely decline.

Massoniana pine oleoresin supply reached peak levels in August and has since remained stable, but overall availability is considered less relative to 2025, especially in the provinces of Guangxi and Fujian.

Factories have been actively purchasing the *massoniana* material, and firm demand should support *massoniana* pine oleoresin at current or higher levels.

Pinus elliottii pine oleoresin supply is increasing relative to previous weeks.

In Jiangxi, China's largest *elliottii* pine oleoresin producing region, supply has increased towards mid-October after the local national holiday festivities at the beginning of the month.

As *elliottii* oleoresin supply continues to increase and is considered sufficient to address local demand, factories have become more cautious when placing orders.

More supply has entered the market in the province of Yunnan. The Yunnan season should start later this year and continue through 2027.

Gum rosin (CGR)

Chinese gum rosin markets were calm with little trading activity in early October because of the seven-day long national holiday.

Massoniana gum rosin markets are steady into mid-October while *elliottii* gum rosin has declined on mixed supply dynamics for both species.

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CHINA (CONTINUED)

While *massoniana* pine oleoresin supply has been stable, *elliottii* oleoresin availability has increased, supporting slightly softer markets.

With *massoniana* markets steady relative to *elliottii*, business sentiment has been positive within *massoniana* grade sectors, and participants expect pricing to remain stable in the coming weeks.

In contrast, ample *elliottii* gum rosin supply produced during peak season led sellers to lower prices in order to reduce stocks.

Although sufficient *elliottii* pine oleoresin supply could exert some downward pressure, firmer C5 hydrocarbon resin (HCR) markets should provide some support for *elliottii* gum rosin.

In the province of Yunnan, there is gradually more gum rosin being produced.

Chinese gum rosin imports in August were down from July levels, with most volumes coming from Vietnam, Uganda and Indonesia, the latest trade data shows.

Gum turpentine (CGT)

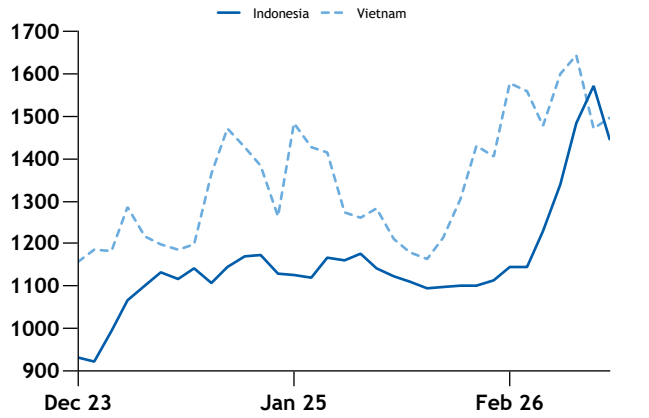
Chinese gum turpentine markets are steady to slightly firmer in mid-October following the extended national holiday.

Lower inventories and higher production costs have supported gum turpentine markets at current levels, but downstream demand has been limited since the holiday.

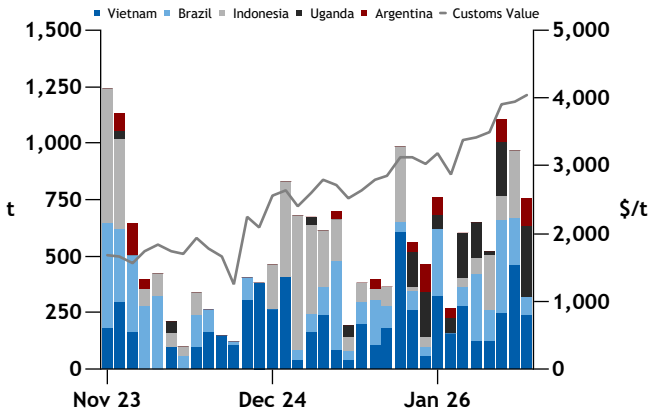
Because of constrained stocks, factories remain bullish and have maintained offers at firmer levels.

According to trade data, Chinese gum turpentine imports in August were down from July levels, with most volumes coming from Vietnam and Uganda.

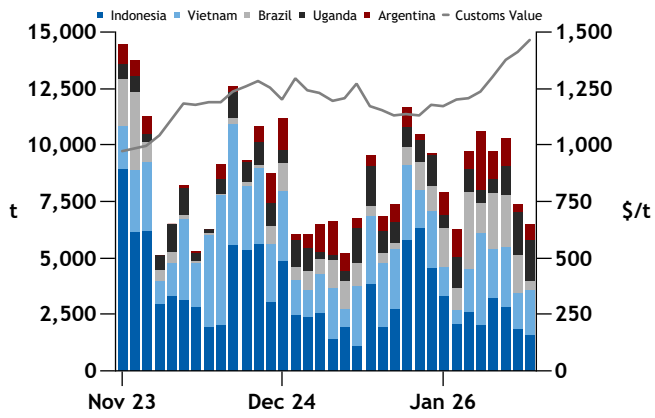
China gum rosin import prices $/t



China gum turpentine imports $/t



China gum rosin imports $/t



Rosin esters & C5 hydrocarbon resin

Chinese rosin ester markets are firmer in mid-October supported by rising C5 HCR prices.

Rosin esters will likely remain on a stable trajectory as competing HCR tackifiers remain at current levels.

In petroleum-based tackifier sectors, rising crude oil prices have placed upward pressure on C5 HCR. Demand across adhesive applications is flat on slightly less supply.

But with the winter approaching, demand for road marking applications is set to decline because of the colder weather conditions.

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BRAZIL AND ARGENTINA

Pine oleoresin

More pine oleoresin volumes should gradually enter the Brazilian market in the coming months as the country transitions from the offseason to the new 2026-27 tapping cycle.

Tapping in Sao Paulo state, Brazil's largest producing region, continues throughout the year, but productivity is less during the offseason, which runs from June until August or September, as the thicker oleoresin extracted during this period is more acidic and yields less gum turpentine.

Some expect productivity to increase but larger *elliottii* pine oleoresin volumes from Brazil will only enter the market in the first and second quarters of 2027.

Peak volumes in early 2027 and higher productivity could eventually exert downward pressure on local pine oleoresin, but the lack of skilled workers and thin stocks may limit, delay or even prevent a price decline.

One factory is believed to have scheduled end-year maintenance because of scarce pine oleoresin material during this time of the year.

Pine oleoresin costs rose through the offseason because of tight supply and continue to erode gum rosin margins, while factories try to secure higher-priced gum rosin and gum turpentine sales to preserve profitability.

Pine oleoresin prices are slightly up in mid-October as rosin run rates are mixed within factories and supply is yet to increase.

In politics, Brazil's presidential election will go to a run-off on 25 October with Bolsonaro leading the race.

Polls suggested a tight race and pointed towards current president Luiz Inacio Lula da Silva being a front-runner. But senator Flavio Bolsonaro – the son of former president, Jair Bolsonaro – ended the first round ahead with 47pc of valid votes against Lula's 45.16pc.

The Brazilian financial market welcomed the news based on rejections to the current administration's economic policies.

Both candidates are expected to seek more investment in oil and natural gas production alongside developing greener energy sources like biofuels, although their approaches may differ.

Lula, a statist, has indicated that state-controlled Petrobras would remain at the centre of Brazil's energy policy and has spoken of the state re-entering the fuel distribution market.

By contrast, Bolsonaro would likely pursue a more market-friendly route. He has spoken of revoking a temporary 12pc tax on crude exports — introduced by the Lula government to mitigate the price effect of the Middle East war — and of dropping the widespread production-sharing model of oil exploration contracts for the industry-preferred concession regime.

President Trump is a long-standing ally of the Bolsonaro family and has leaned on elections elsewhere in the region to help get allies into office.

Bolsonaro plans to join Trump's Shield of the Americas security alliance if elected and is perceived as a more pliable partner on matters like rare earths cooperation.

Trump said on 1 October that he is watching the Brazilian elections "very closely".

The Brazilian real has appreciated over the US dollar and was quoted at R4.99 on 7 October, days after the 4 October elections.

With most gum rosin produced in Brazil currently exported and paid in US dollars, factories may see their revenues in local currency decline, which could exert additional pressure for lower pine oleoresin prices, paid in cash in Brazilian reais.

Gum rosin (BGR)

Brazilian factories have maintained steady to slightly firmer offers in recent weeks as rising pine oleoresin feedstock costs continually pressure rosin margins.

But southern European rosin ester manufacturers have become flexible switching between the Brazil elliottii material and European tall oil rosin (TOR). Both can be used as feedstock for rosin esters production, and European TOR has been competitively priced for ongoing fourth quarter contracts. Southern Europe is a key destination for Brazilian gum rosin exports.

As a result, trading activity into this region has been mixed, with downstream buyers reluctant to pay higher prices for Brazil *elliottii* rosin relative to local TOR.

Several Brazil factories are closing smaller orders at higher prices to preserve margins, while larger deals are likely closing at the lower end of *Argus* published range.

With Brazil set to begin the new 2026-27 tapping cycle, more volumes could likely place downward price pressure on pine oleoresin.

Peak pine oleoresin volumes are only expected for the first and second quarters of 2027, but availability should gradually increase in the coming weeks.

Brazilian gum rosin export prices are slightly up in mid-October, reflecting elevated pine oleoresin feedstock prices.

Brazilian gum rosin exports in September hit the lowest level of the year so far. Portugal accounted for the most volumes, followed by Turkey.

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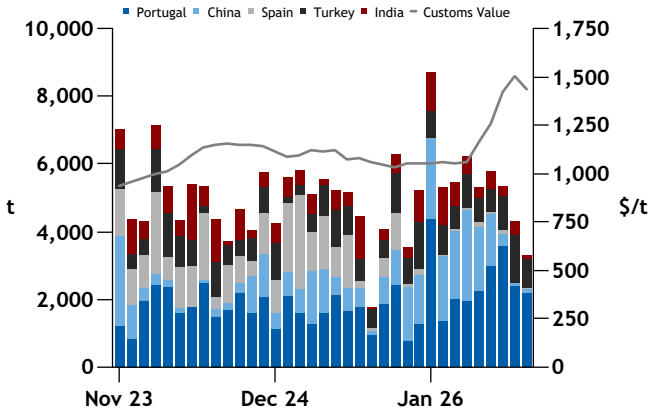
BRAZIL AND ARGENTINA (CONTINUED)

Brazil gum rosin exports $/t



Gum turpentine (BGT)

Brazilian gum turpentine availability remains constrained but gradually increasing volumes in the coming months because of the start of the new 2026-27 season could ease supply pressure.

Larger volumes are only anticipated for the first half of 2027 during peak season.

Fourth quarter contracts into India, Japan and Mexico are done with prices mixed, depending on volume and incoterm.

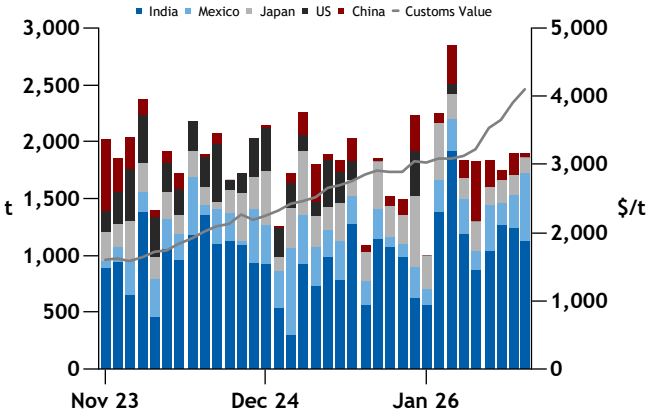
Spot material has been offered at slightly higher prices because of rising pine oleoresin feedstock costs and tight rosin margins.

Demand is steady to firm across key applications, with peak camphor season in India taking place.

Although participants label demand as strong, some noted customers are concerned it will become increasingly difficult to pass on higher prices to their downstream customers.

Brazilian gum turpentine exports in September are slightly down from August levels, with most volume destined to India.

Brazil gum turpentine exports $/t



CTO AND TOFA

North America

Industry groups have opposed a recommendation from ECHA's Risk Assessment Committee (RAC) to include rosins and selected rosin derivatives as toxic to reproduction under the European classification, labelling, and packaging (CLP) regulation. ECHA is the European Chemicals Agency.

RAC concluded on 8 September that harmonised classification as toxic to reproduction is warranted for eight substances:

Trade groups – the Hydrocarbon Resins, Rosin Resins and Pine Chemicals Producers Association (HARRPA), the Pine Chemicals Association (PCA) International and the H4R consortium, which handles European compliance for the segment – strongly disagree with RAC's recommendations.

"The pine chemicals industry remains of the view that no classification is the only justified scientific decision for these substances, except for rosin, maleated, as explained in detail in [a] previous communication."

Substance	*DS Proposal*	*RAC Final Opinion*	*HARRPA-PCA-H4R position*
Rosin (EC 232-475-7, CAS 8050-09-7)	Cat 1B (H360Df)	Cat 2 (H361fd)	No classification
Rosin, hydrogenated (EC 266-041-3, CAS 65997-06-0)	Cat 2 (H361f)	Cat 2 (H361f)	No classification
Rosin, oligomers (EC 500-163-2, CAS 65997-05-9)	Cat 1B (H360Df)	Cat 1B (H360Df)	No classification
Rosin, fumarated (EC 266-040-8, CAS 65997-04-8)	Cat 2 (H361f)	Cat 2 (H361fd)	No classification
Rosin, maleated (EC 232-480-4, CAS 8050-28-0)	Cat 1B (H360D)	Cat 2 (H361d)	Cat 2 (H361d)
Fatty acids, tall-oil, oligomeric reaction products with maleic anhydride and rosin, calcium magnesium zinc salts (EC 500-451-8, CAS 160901-14-4)	Cat 2 (H361f)	Cat 2 (H361f)	No classification
RARA, fumarated, esters with glycerol (EC 307-051-0, CAS 97489-11-7)	Cat 2 (H361d)	Cat 2 (H361d)	No classification
RARA, maleated, esters with pentaerythritol (EC 305-516-2, CAS 94581-17-6)	Cat 2 (H361fd)	Cat 2 (H361f)	No classification

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CTO AND TOFA (CONTINUED)

The RAC opinions publication should take place in the coming months, the joint statement said.

After publication, the European Commission (EC) will consult with member states and stakeholders, including HARRPA and H4R, in 2027 on the inclusion of rosins and rosin derivatives in annex 6 of CLP Regulation, the statement added.

A final decision is expected by end 2027, with publication anticipated for early 2028. "As transition periods apply, any change to the classification and labelling of rosins and rosin derivatives will take effect by 2030," the statement said.

The industry groups said RAC considered information submitted during the RAC opinion development process.

"It appears that these additional studies submitted by H4R and PCA have contributed to the removal of the proposed 1B classification for reprotoxicity for Rosin (EC 232-475-7) and Rosin, maleated (EC 232-480-4).," the groups said.

"If adopted as proposed, these substances will remain outside the scope of Reach Restriction Entry 30 and, consequently, can continue to be supplied to the general public in Europe. This is a significant step in the right direction and an important achievement for the pine chemicals industry and its downstream users."

The three industry bodies believe the proposed classification is "unjustified" as the effects observed can be explained by maternal undernutrition and not real reproductive effects.

"Consequently, HARRPA, H4R and PCA will remain committed to working towards non classification, including generating new data to support our scientific position," they said.

In CTO markets, participants note some CTO volume agreement discussions for 2027 are taking place.

US spot export CTO markets are steady to slightly firmer as domestic fractionation rates are active and Europe lacks volumes of its own.

Buyers report a mix of spot, quarterly contract and formula-based deals, with smaller isotank shipments less common and likely set at much higher prices. Prices do not reflect long-term or multi-year agreements.

Europe

European fourth quarter contracts for CTO, TOR, TOR esters and tall oil fatty acids (TOFA) have all been set in early October, with participants attentively eyeing supply-demand developments and the market outlook for 2027.

Some expect shorter Nordics CTO supply relative to Europe's installed tall oil refining capacity across both traditional and biofuel-focused fractionation to drive further upward pressure into 2027. Customers across certain TOFA and TOR ester applications have struggled to pass on higher pricing to their end users, and some consider reformulating away from pine chemicals where possible.

European CTO supply has been less relative to the region's installed tall oil refining capacity, with constrained Nordics availability, which accounts for most of the higher-quality volumes for the region. This has led some refiners to import more US volumes.

The possibility of more CTO refining in the US following a recent plant acquisition could further drive global tall oil supply and demand balances shorter, with Europe likely scrambling to secure constrained US volumes.

CTO refining rates have varied among suppliers, depending on product mix and sourcing strategy.

Uneven fractionation rates and tighter CTO supply have made TOFA availability shorter this year, and some expect mixed fractionation rates to continue affecting TOFA supply heading into 2027.

European TOR remains competitively priced relative to Brazilian *elliottii* gum rosin at the beginning of the quarter, which will result in lower-priced European TOR esters over locally-produced gum rosin esters.

Rising pine oleoresin costs in Brazil have placed upward pressure on the *elliottii* feedstock. Gum rosin can be replaced with TOR in several applications and southern European rosin ester manufacturers have become flexible switching feedstocks, depending on market dynamics.

While European TOR trades quarterly, Brazilian gum rosin sells on the spot market.

Looking to the Asia-Pacific, Lawter, a global supplier of pine derived materials and part of Japan-based Harima Chemicals Group, will close its Mount Maunganui manufacturing facility in New Zealand, Lawter said in a recent statement.

The shutdown will be phased out over the next 18 months and is expected to affect 39 employees, it said. The first phase is planned to take place from 1 February 2027, and closure is anticipated for 30 April 2028, the statement said.

"The decision follows a detailed review of the plant's ongoing viability in the face of sustained commercial pressures,

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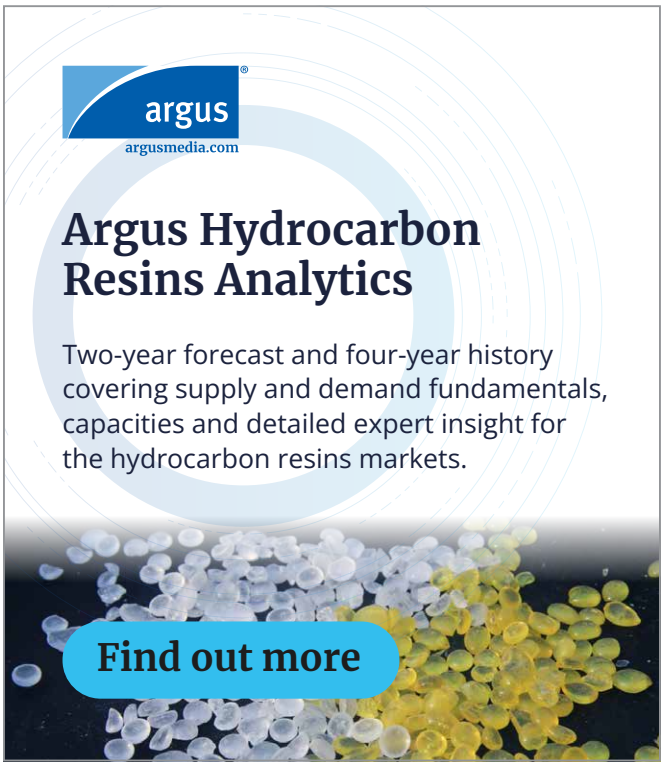
CTO AND TOFA (CONTINUED)

including steep increases in utility costs, continued strain on supply chains and raw material availability, and a highly competitive market," Lawter said.

"These factors have significantly increased the cost of operating the facility and placed considerable pressure on the plant's ability to remain commercially sustainable."

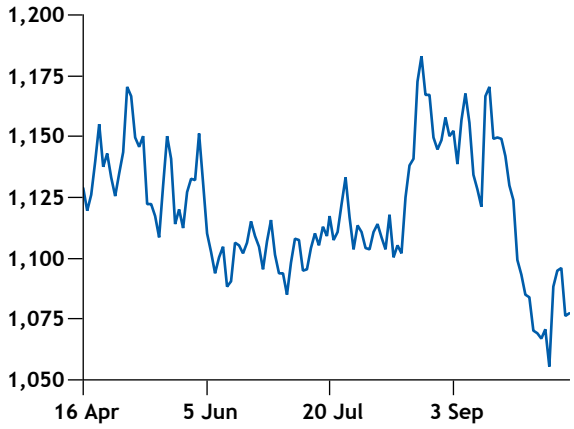
In a separate document filing, Harima Chemicals Group said the site will be temporarily used as a logistics hub within the group.

According to a Harima website, the Lawter Mount Maunganui location produces TOR, ink resins, adhesive resins and turpentine derivatives. The Lawter New Zealand website said the facility is the only site within Harima to process crude turpentine and then produce pine oil, which is used in household cleaning agents, and myrcene. The latter is used to produce synthetic menthol, as well as in the fragrances sector.



TROPICAL OILS

Palm oil futures $/t



Tropical and key edible oils weekly pricing $/t	2 Jan 26	2 Oct 26	9 Oct 26	Weekly Trend
Fats and greases				
Crude palm oil fob Malaysia	971.18	1,069.43	1,094.66	▲
Crude palm kernel oil fob Malaysia	1,671	1,498	1,569	▲
Coconut oil cif Rotterdam	2,198	2,022	2,001	▼
RBD palm olein fob Malaysia	1,000	1,115	1,131	▲
Palm fatty acid distillate fob Malaysia	995	1,075	1,043	▼
RBD palm stearin fob Malaysia	980	1,075	1,081	▲
Rapeseed oil fob Dutch mill	1,216	1,385	1,381	▼
Soybean oil futures CBOT	1,073	1,486	1,507	▲
Bleached fancy tallow del Chicago	1,168	1,532	1,532	◂ ▸
Used cooking oil				
Used cooking oil cif ARA	1,129	1,308	1,293	▼
Used cooking oil fob China bulk	1,077	1,180	1,180	◂ ▸

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ECONOMIC VIEW

As reporting season in the US approaches, energy companies are expected to post bumper profits thanks to the spiralling energy prices triggered by the closure of the strait of Hormuz.

A 30pc jump in the price of West Texas Intermediate oil in the third quarter means US-listed energy majors are expected to report a 114pc year-on-year jump in quarterly earnings growth, up from a forecast of 79pc growth at the end of June, according to data provider FactSet.

Heading east, economists predict that China's economy grew 4.4pc during the third quarter, a marginal increase from the previous quarter, as strong exports and AI related sectors were not enough to offset continued sluggishness in real estate and consumer spending.

But, a new outlook from the Peterson Institute for International Economics expects China's economic growth to slow further next year as export strength fades and weak domestic demand persists, even as the global economy remains resilient.

The think tank projects China's GDP will grow 4.6pc this year and 4.3pc in 2027, down from 5pc growth in 2025.

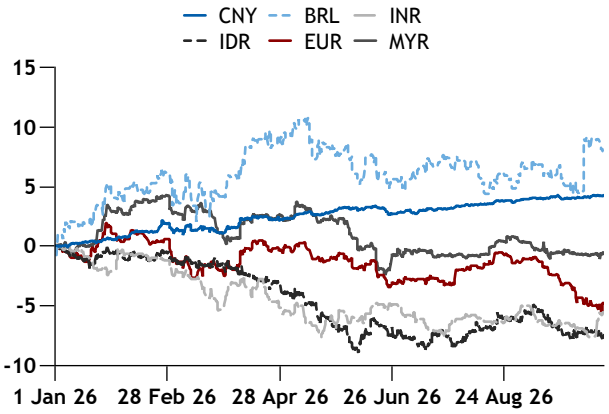
The report said overcapacity and the property slump continue to weigh on domestic demand while export strength is expected to fade.

Meanwhile, the World Trade Organisation has upgraded its forecast for volumetric growth in merchandise trade in 2026 from 1.9pc to 3.9pc year-on-year. It highlighted a stronger than anticipated surge in AI-related capital investment and the impact this has had so far in offsetting commodity trade disruption in the Middle East and Russia.

Currency

The US dollar continues to hover near an 18-month high, as an escalating Middle East conflict kept investors cautious ahead of the release of key US inflation data.

Key oleochemical currencies' performance vs $ ±%YTD



SHIPPING AND LOGISTICS

Strikes on tankers travelling via strait of Hormuz increased in early October, with the UK Maritime Trade Organisation (UKMTO) reporting at least five attacks against tankers on the US-protected lane along the coast of Oman since 3 October.

Many vessel owners remain hesitant to transit the strait of Hormuz because of the US blockade, concerns about US sanctions, and vessel attacks in the region. Tanker freight rates remain at elevated levels because of higher additional war risk premiums and vessel idling costs, further deterring buyers from making bookings.

Meanwhile, US President Donald Trump has said the US will not resume hostilities against Iran before the 3 November midterm congressional elections. The US is "having productive discussions" with Iran but the US naval blockade and campaign of economic pressure against Iran will continue, Trump said in a social media post.

Trump's statement is not an ironclad assurance that direct hostilities between the US and Iran will not resume any time soon. Tehran has confirmed continued indirect dialogue with the US, through mediators, but chances of a diplomatic breakthrough appear low. While Iran has increased the pace of its attacks against commercial shipping, challenging the Trump administration's claim that it had restored oil flows through the strait of Hormuz to pre-war levels.

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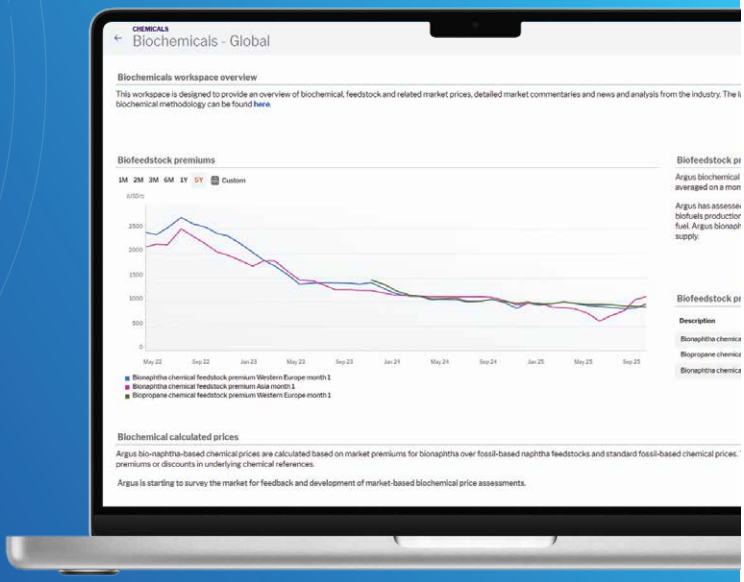
Argus Biochemicals coverage now available

Explore feedstock premiums for bionaphtha, biopropane and biomethanol



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ISSN: 2756-2344

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