

MARKET UPDATE

Americas

- Trade, offers pressure US caustic soda export values
- Supply length underpins lower caustic soda spot prices
- Chlorine markets slow with weak demand

Europe

- EU approves ADNOC-Covestro deal under conditions
- Germany discusses rollovers and marginal reductions for November
- Seaborne prices stable, but downward pressure lingers

Asia Pacific

- Export prices settled lower
- Export availability increased
- Falling prices attracted some buying support

AMERICAS

Plentiful US Gulf coast caustic soda availability pressured suppliers this week to cut offers to levels attractive to buyers as end-of-year destocking sales are poised to increase.

Fresh spot trade to Brazil and offers this week pressured prices to as low as \$340/dry metric tonne (dmt) fob US Gulf coast – the lowest level since July 2024, according to Argus data. Liquidity this week remained subdued despite sharply lower values because of well-stocked inventories, and stable price ideas early this week helped inform this week's high end at \$400/dmt fob.

Bearish supply and demand fundamentals have characterized the spot caustic soda export market in recent weeks because of well-supplied inventories and seasonably weaker demand following a season of eroded consumption. Domestic consumption is anticipated to retreat by 5-10pc from last year, mitigating in-season and late-year spot requirements, various sources said this quarter.

Destocking sales are expected to populate the spot market through the end of the year as suppliers aim to avoid carrying over higher-priced inventories into 2026.

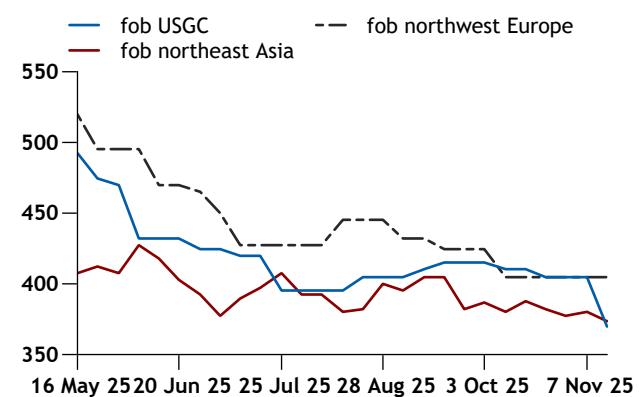
Domestically, barge values fell on fresh trade at \$475/dry short ton (dst) fob US Gulf coast for November and Decem-

MARKET PRICES

Key prices		Units	Timing	Low	High	±
Americas						
Caustic soda (30 Oct)	fob USGC contract	\$/dst	Oct 25	610	645	na
Caustic soda	fob USGC export	\$/dmt	week 46	340	400	-35.0
Caustic soda	North America barge	\$/dst	week 46	440	475	-12.5
Europe						
Caustic soda (30 Oct)	fd northwest Europe contract	€/dmt	Q4 2025	580	720	na
Caustic soda	fob northwest Europe export	\$/dmt	week 46	380	430	nc
Caustic soda	cfr Med and Black Sea import	\$/dmt	week 46	520	560	nc
Asia-Pacific						
Caustic soda export	fob northeast Asia	\$/dmt	week 46	373	375	-6.0
Caustic soda import	cfr southeast Asia	\$/dmt	week 46	425	435	-12.5
Caustic soda 50pc	ex-factory China	Yn/dmt	week 46	2,420	2,580	nc
Caustic soda 50pc month range (30 Oct)	ex-factory China	Yn/dmt	Oct 25	2,420	2,740	na
Caustic soda solid export	fob China	\$/t	week 46	480	485	-7.5

Global caustic soda export prices

\$/dmt



ber delivery. Argus assessed barge values this week from \$440-475/dst fob, down by \$12.50/dst on average from last week. Barge consumers and distributors said current demand levels remain largely met by contractual offtake, minimizing spot requirements to pad positions.

The domestic pulp and paper market is a leading driver in lower caustic soda consumption this year, with another batch of mill closures and idles this year contributing to an estimated 72,750 dmt/yr of lost caustic soda demand, according to Argus estimates.

Woodland Pulp in Maine will lay off two-thirds of its workforce later this month because of poor market conditions, according to a statement by Maine's Department of Labor. The layoff is expected to end on 16 December, according to the state's labor department.

The mill has the potential to consume an estimated 15,000-20,000 dmt/yr of caustic soda, according to Argus estimates.

More than an estimated 245,000 dmt/yr of caustic soda consumption has been lost since 2023 because of bevy of pulp mill closures throughout North America.

The full loss in caustic soda demand stemming from pulp mill closures during the last two years may not materialize if production assets are relocated to other mills or if companies ramp up operating rates at still-open locations.

Fundamentally, a layer of caustic soda price support could emerge next year through rising natural gas costs into electric utilities estimates. The Energy Information Administration (EIA) forecasts a near 11pc increase in average natural gas prices for power generation next year, bringing average values above \$4/mmBtu, according to the administration's latest Short-Term Energy Outlook (SEO). The expected increase is fueled by an anticipated increase in liquefied natural gas exports during a period of "flat production growth".

Electricity is a critical feedstock for the chlor-alkali production process, comprising about 70pc of estimated electrochemical unit (ECU) production costs at the US Gulf coast, according to Argus estimates. Swings in natural gas prices can influence ECU values, including caustic soda.

Slow derivative demand continues to exert pressure on chlorine prices. The market remains well-supplied despite several major plant turnarounds in October and November.

The merchant chlorine market for water treatment, which is the one derivative market that recorded stable-to-strong demand this summer, is seasonally weakening and eroding overall demand further.

Demand for hydrochloric acid (HCl) may slow in the coming year if demand from the oilfield services sector dries up. Global oil supply is becoming increasingly imbalanced as the

Organization of the Petroleum Exporting Countries (OPEC) states rapidly increased production during the third quarter after several years of mandated cuts in a move that outpaced global demand.

While US sanctions on Russian oil boosted prices in recent weeks, the looming oversupply will continue to pressure oil prices, according to the US Energy Information Administration's (EIA) SEO report. Lower oil prices could reduce oilfield services domestically, especially if prices remain in the low \$50s/bl range. Demand for oil well acidizing, one of the common uses of HCl, could see lower demand.

A slow homebuilding sector this year also dampened chlorine demand. Demand for polyvinyl chloride (PVC) and titanium dioxide (TiO2) building products, both are chlorine derived, has been anemic all year because of lower housing starts and permits.

Official US Census Bureau data for construction spending, housing starts and permits, was delayed because of the partial US federal government shutdown that ended today after six weeks – the longest shutdown in US history.

However, alternative indices showed persistently low consumer and homebuilder sentiment during the past quarter. Homebuilders remain slightly optimistic that a series of US Federal Reserve interest rate cuts will help boost demand in the second half of 2026, though.

EUROPE

Northwest European caustic soda remains in good supply as slowing demand appears to be keeping pace with production cuts. Some but not all producers still have some way to go to reach their year-end inventory targets, and they may look to achieve those by concluding a few more export deals as opposed to looking for domestic outlets for truck or rail business. Volume pressure in Germany and the Benelux market is, therefore, not particularly strong and some sellers are looking to roll over monthly prices in November. There is some evidence that some customers are indeed accepting stability in mid-November, but some customers are pushing back and are achieving marginal reductions instead.

Activity in the central and eastern European caustic soda market is slowing down ahead of the end of the year. Business is still seen at October levels, slightly above and below the €600/dmt fd mark, and producers seek to maintain these levels, although there is buy-side pressure to reduce prices in light of weakening demand. Lengthy supply favours buyers, but weak chlorine offtake as the PVC market enters its low season may mean reductions in operating rates. Other chlorine derivatives are struggling too, and European operat-

ing rates in September were already down by five percentage points compared with the summer months of July and August.

Prices appear to be easing in southern Europe, although a wide range of settlements is still seen, depending on location. Deals closing in Spain mid-month can be seen from the low €600s/dmt fd up to around €700/dmt fd, but market participant on both sides have shared doubts that the higher end of this range can hold for long. This is despite evidence of a month-long turnaround at a major Iberian site. The Italian market has proven slightly more stable, with prices still noted around and below the €600/dmt fd mark. But overall, both markets have prices under downward pressure and weakening demand. Inventory levels are comfortable and importers receive a good number of offers at stable pricing.

Seaborne prices are holding stable this week, but not firmly so as selling interest exceeds demand. Northwest Europe is still concluding deals within the \$380-430/dmt fob range and although some sellers are now sold out, meaning they are not actively looking to move product, others are still to decide their export allocation for December loading. Importers in the Mediterranean and Black Sea area remain on the sidelines. Offers continue to come in at \$520-560/dmt cfr and deals are materialising for Europe origin, but buying interest for US product has dissipated. Buying ideas for overseas material are well below the \$500/dmt cfr mark, including duty, but such offers are not usually available. Importers are also waiting to see whether the European Commission's proposal to remove the 5.5pc import duty for US product will receive approval, and so they prefer European-origin product in the meantime.

Ineos confirmed this week that it is preparing to file an anti-dumping case specifically for caustic soda, although the company has not confirmed which origins will be included in the claim. European producers have been known to take issue with the EU's approach to the chemical industry and to consider filing for an anti-dumping case for caustic soda for some time. Many feel support for energy-intensive businesses has been lacking, the transition to net zero is costly and puts businesses at an additional disadvantage compared with their global counterparts, and the proposed removal of the 5.5pc import duty for a wide range of US origin products, including inorganics, would further jeopardise the chemical industry's future.

The European Commission approved the acquisition of Covestro by ADNOC under the Foreign Subsidy Regulation with conditions. This comes after the Commission has found both companies were in receipt of foreign subsidies from the UAE and that these subsidies included an unlimited State guarantee, a committed capital increase by ADNOC into

Covestro as well as advantageous tax measures. It has been concluded that these may have deterred other investors from making an offer and that they would likely have resulted in a distortion of competition in the EU internal market. As a remedy, ADNOC has offered to effectively remove the unlimited state guarantee and to share Covestro's patents in the area of sustainability with certain market participants. The European Commission has found these to be sufficient in balancing out the negative effects of the acquisition on the EU market. The EU opened an in depth investigation into the €12bn deal in July after initially clearing the deal in May.

ASIA PACIFIC

Fob northeast Asia caustic soda prices were assessed lower week-on-week at \$373-375/dmt, following two fixtures of non-Chinese-origin cargoes for December loading, likely to be heading to southeast Asia. There was also an unconfirmed report of a fixture of around 7,000-8,000dmt of South Korean origin at \$390/dmt fob for late December loading that needed to be verified.

The caustic soda market remained largely quiet, and many buyers have opted to stay on the sidelines, while some were extra cautious, expecting a further decline in fob offers. The latest fob offers of Chinese and non-Chinese-origin were hovering at around \$375-380/dmt and far fewer fob fixtures were reported on the first half of November. A recent fall in these offers has also attracted some buying interest from alumina refineries. Two RFQs for MRV-sized spot requirements were released recently for December to January liftings.

Besides China, export availability of non-Chinese origin cargoes from northeast Asia has also increased significantly. Recently imposed tariff on caustic soda imports into the US West Coast have cut off the annual flow of close to 350,000dmt of caustic soda from northeast Asia into the region. These displaced volumes are likely to be diverted into other regions, especially southeast Asia and Australia.

Northeast Asia fob prices are expected to remain range bound in the near term with a little more downside as more producers are trying to liquidate additional spot cargoes into the export market. However, weak PVC prices also likely to support caustic soda prices as chlor-alkali producers look to mitigate poor chlorine netbacks.

Cfr southeast Asia caustic soda prices were assessed marginally lower at \$425-430/dmt, following two fixtures of 5,000dmt each of Japanese-origin cargo for December arrival. The latest offers emerging were wide, ranging \$430-470/dmt cfr as freight rates for outbound routes from north

China to Southeast Asia have also risen slightly in the recent weeks.

Market activity remained muted for much of the week as market participants awaited further pricing direction. Far fewer fixtures were reported. Two RFQs issued recently were deferred in anticipation of further price decline in the coming weeks. The market also saw an increase in export availability of Japan-origin cargoes offered into the region.

In China, the domestic liquid caustic soda market is slow, but largely stable. Mainstream ex-tank prices of 50pc grades were largely unchanged this week at Yn2,420-2,580/dmt (\$350/dmt) ex-plant, while ex-tank prices of 32pc grades inched down slight to Yn750-840/dmt (\$110/dmt). However, mainstream ex-tank prices remained under downward pressure as inventory builds up, with overall run rates maintained at higher levels of around 84-85pc.

Overall buying support across the broader downstream sectors is slowing in both alumina and non-alumina after the recent restocking. A recent fall in alumina ex-plant prices in China has also affected caustic consumption from the refineries. A decline in contractual prices for November delivery was dragging down mainstream ex-prices as well.

Ex-tank prices in east China settled broadly lower too, as buying support from the non-alumina sectors is dwindling, while some of the scheduled maintenance have not started, resulting in some inventory build-up in the region. Ex-tank prices are expected to see some short-term rebound as falling prices should attract some buying support to restock. However, the market remains unfavorable in a longer-term outlook.

In related markets, merchant chlorine markets in China were turning a little more positive as downstream consumption picked up and eased some of the inventory pressure. Overall run rates of the standalone plants are still relatively high. Ex-tank liquid chlorine prices in Shandong were positive at between Yn10/t and Yn100/t (+\$6/t), while ex-tank prices in east China were at between Yn150/t and Yn250/t (+\$28/t).

Indian domestic caustic soda prices were assessed largely unchanged at 36,000-37,000 rupees/dmt (\$411/dmt), excluding tax and delivery. The recent trade conflict has impacted the market sentiment of many of the downstream industries. Producers continued to hold on to their export offers of around \$400/dmt fob to compensate for their chlorine net-back, no export fixtures were reported this week.

Chinese caustic soda flake export prices continued to trend down this week at \$480-485/t fob in tandem with the continuous fall the domestic flake prices and liquid feedstock prices as producers were also trying to regain their lost market share. Cfr prices emerged in southeast Asia

region at \$500-510/t. These low prices have attracted strong buying support in the region that helped to deplete some of the existing export inventory in China.

A further fall in Chinese cfr prices has brought South Asian origin flake cfr prices to the same level. South Asian origin flake remained at around \$480-490/t fob and cfr offers across the region were hovering at around \$500-520/t. Chinese offers are expected to rebound in the second half of November as inventory pressure eases.

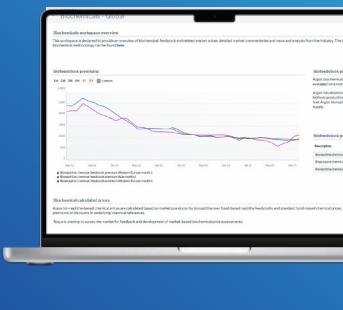
China's mainstream ex-plant flake prices continued to trend down this week as buying support slowed after their recent restocking. Ex-prices in Inner and Xinjiang have fallen further to Yn2,980-3,060/t, while Shandong ex-plant prices were unchanged at Yn3,150-3,350/t.

Argus Biochemicals coverage now available

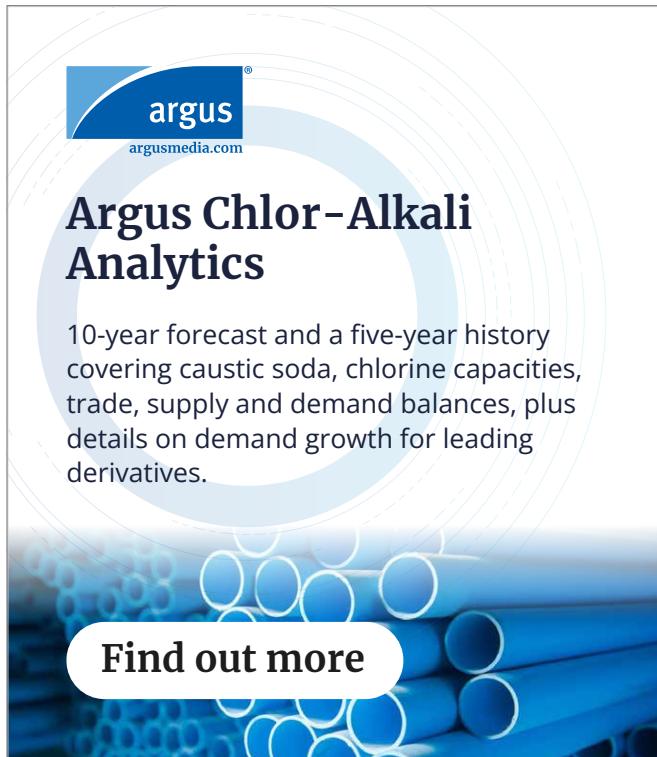
Explore calculated references for:

- bio-attributed ethylene
- bio-attributed propylene
- bio-attributed butadiene
- bio-attributed benzene

derived from bionaphtha using Argus methodology



Access now 



argus
argusmedia.com

Argus Chlor-Alkali Analytics

10-year forecast and a five-year history covering caustic soda, chlorine capacities, trade, supply and demand balances, plus details on demand growth for leading derivatives.

Find out more

ANNOUNCEMENT

All data change announcements can be viewed online at www.argusmedia.com/announcements.

Alternatively, to be added to the email distribution list for all announcements, please email: datahelp@argusmedia.com.



Argus Chlor-Alkali and Derivatives is published by Argus Media group

Registered office
Lacon House, 84 Theobald's Road,
London, WC1X 8NL
Tel: +44 20 7780 4200

ISSN: 2514-7773

Copyright notice
Copyright © 2025 Argus Media group
All rights reserved
All intellectual property rights in this publication and the information published herein are the exclusive property of Argus and/or its licensors (including exchanges) and may only be used under licence from Argus. Without limiting the foregoing, by accessing this publication you agree that you will not copy or reproduce or use any part of its contents (including, but not limited to, single prices or any other individual items of data) in any form or for any purpose whatsoever except under valid licence from Argus. Further, your access to and use of data from exchanges may be subject to additional fees and/or execution of a separate agreement, whether directly with the exchanges or through Argus.

Trademark notice
ARGUS, the ARGUS logo, ARGUS MEDIA, INTEGER, ARGUS CHLOR-ALKALI AND DERIVATIVES, other ARGUS publication titles and ARGUS index names are trademarks of Argus Media Limited. Visit www.argusmedia.com/Ft/trademarks for more information.

Disclaimer
The data and other information published herein (the "Data") are provided on an "as is" basis. Argus and its licensors (including exchanges) make no warranties, express or implied, as to the accuracy, adequacy, timeliness, or completeness of the Data or fitness for any particular purpose. Argus and its licensors (including exchanges) shall not be liable for any loss, claims or damage arising from any party's reliance on the Data and disclaim any and all liability related to or arising out of use of the Data to the full extent permissible by law.
All personal contact information is held and used in accordance with Argus Media's Privacy Policy
<https://www.argusmedia.com/en/privacy-policy>

Publisher
Adrian Binks
Global compliance officer
Vladas Stankevicius
Chief commercial officer
Martin Gijsel
President, Expansion Sectors
Christopher Flook
Global head of editorial
Neil Fleming
Editor in chief
Jim Washer
Managing editor
Andrew Bonnington

Contact
Connor Hyde
Tel: +1 713 400 7835
Chloralkali@argusmedia.com

Customer support and sales:
support@argusmedia.com
sales@argusmedia.com

London, Tel: +44 20 7780 4200
Houston, Tel: +1 713 968 0000
Singapore, Tel: +65 6496 9966



Chemicals
illuminating the markets®