Argus China Petroleum

News and analysis on oil markets, policy and infrastructure

argusmedia.com

Volume XX, 8 | August 2026

November rainmaker?

China's near-withdrawal from international crude markets was central to mitigating the global price effects of Iran's initial closure of the strait of Hormuz. Its return to market may worsen the crude shortages that pushed Asian prices back above $100/bl at points in August. Equally, China's return could alleviate the diesel shortages that are keeping prices elevated.

In July, Beijing relaxed the export policy controls it had imposed in March, which were responsible for the bulk of its swingeing crude import cuts during February-May. Exports of clean products may hit 1mn b/d in August, *Argus* surveys show. State-run firms account for nearly all of China's products exports but they probably did not produce the bulk of what is being exported — much of this came from Shandong's independent refiners. The latter have drained their fuel tanks to cater to their larger peers' export requirements, but are now running low on the Iranian crude that has been their base-load feedstock, because of the US blockade of Iranian exports in the Gulf of Oman.

State-controlled firms will need to revive refinery runs and reverse a prolonged downturn in crude purchasing if they wish to maintain high levels of exports. China's August receipts were still 4mn b/d lower than pre-war imports, data from oil analytics firm Vortexa show. Any uptick in state-run firms' oil buying now would show up in their rate of crude buying for November delivery. There is little indication that this is happening yet, according to *Argus* deal tracking.

There are compelling incentives for Chinese firms to keep exports high. Global diesel shortages and China's own shrinking market for transport fuels mean Chinese refiners are making more money from exports of refined products than from sales in the domestic market in August. This is all the more stark when considering that, in volume terms, China's domestic consumption is five times larger than its exports (*see graph: Products margins, weighted by sales*).

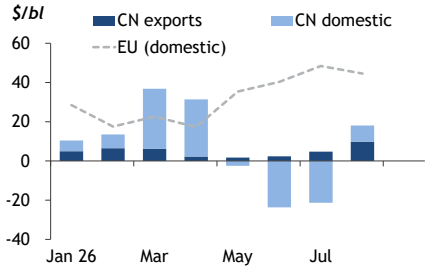
The relative strength of export margins for gasoline, diesel and jet fuel is a salutary demonstration of how weak domestic Chinese oil demand is. The global diesel shortage means European refiners may be earning more than twice as much as Chinese firms. This would normally make it harder for Chinese refiners to out-bid other crude importers for cargoes (*see graph: Crude east-west arbitrage*).

But crude supply is not Europe's problem. Saudi Arabia is diverting crude to the Mediterranean and CPC Blend loadings are back up. Pricey freight costs mean it is cheaper for US crude exporters to supply Europe than Asia. What Europe lacks is spare refining capacity. Some 2mn b/d of crude distillation capacity in the Middle East remains off line because of the Hormuz crisis. Russia has banned diesel exports. India has hiked diesel export duties to more than $40/bl.

Crude shortages and diesel shortages are normally symptoms of the same problem, but they are now in tension. With more diesel than they need, Chinese firms can enjoy surging export margins and alleviate global shortages. But their hesitance to commit to crude restocking is a reminder that Beijing's opaque thinking on energy security and environmental policy — often expressed through fuel export allowances — is as much a wildcard as US military adventurism for oil markets. It would require rare optimism for oil firms to buy crude at $100/bl without knowing if regulators will rain on their parade in November.

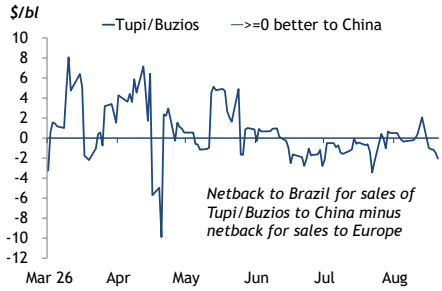
EDITORIAL: Chinese firms' hesitance to commit to crude restocking points to opaque government thinking on energy security

Products margins, weighted by sales



CN export margins are calculated as cracks to Dubai crude and hedged in the Dubai crude / Singapore swap market; CN domestic margins are calculated with a rolling Ice Brent crude hedge vs a domestic GPW; EU margins are calculated as crack hedges for diesel/LSFO against Buzios crude

Crude east-west arbitrage



CONTENTS

Demand starts slow recovery	2
China buys prompt crude	3
US steps up Iran isolation	4
Run rebound accelerates stockdraw	5
State-run firms hike fuel exports	6
Naphtha cracking back in favour	7
ICE vehicle fleet at turning point	8
China's 'fire and ice' economy	9
Market data and pricing	*10-19*

Copyright © 2026 Argus Media group

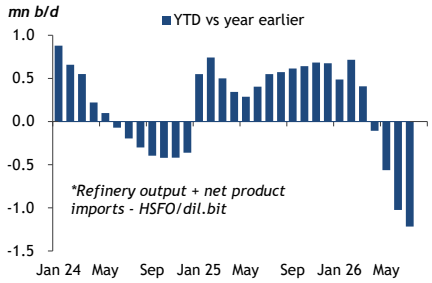
Licensed to: Juana Wong, Argus Media Limited (London)

Available on the Argus Publications App

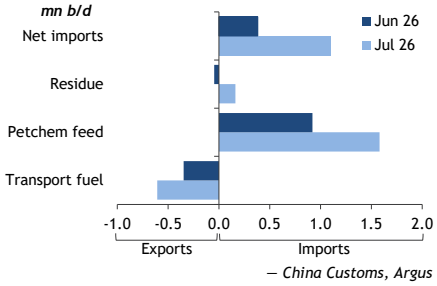
DEMAND

Export demand for Chinese products is compensating for sustained weakness in the domestic road fuel market

Finished products supply

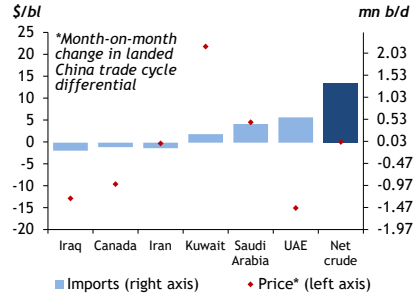


China products trade



— *China Customs, Argus*

China crude imports Jul vs Jun



Chinese demand starts slow recovery

Chinese oil demand strengthened in July for the first time since the start of the US-Iran war, as stronger demand for petrochemical feedstocks boosted China's products imports.

Finished products supply — refinery output plus net products imports — rebounded to 14.23mn b/d in July, a rise of almost 1mn b/d from June. Demand, however, remains more than 3mn b/d below its pre-war peak in February.

Refinery runs are yet to recover, despite a late-month rebound as state-controlled refiners increased throughputs to supply export markets. Crude runs edged only marginally higher from June to 12.51mn b/d. Demand was instead supported by a substantial rise in net imports, notably of petrochemical feedstocks. China is taking more ethane from the US in response to disruptions to Mideast Gulf supplies. LPG imports surged to a 12-month high of almost 1.3mn b/d in July, as lower prices, easing Middle East supply constraints and surging wholesale margins in China encouraged importers to build stocks. Operating rates at naphtha-fed steam crackers also edged up in July, sending imports of naphtha to a four-month high.

Refinery runs are on course to rebound in August, as Beijing continues to grant state-controlled refiners access to export markets. Clean products exports rose by 75pc on the month to 600,000 b/d in July, and could hit around 1mn b/d in August and September, according to *Argus* forecasts. China's export mix continues to be dominated by jet fuel, including supplies in bonded warehouses that are used to fuel international flights. But gasoline and diesel accounted for almost half of China's clean product exports in July, up sharply from recent months. State-controlled refiners are meeting the rise in demand by buying from independents and by increasing their own run rates, but rapidly depleting stocks in Shandong and a squeeze on Iranian crude exports are threatening to call time on the former strategy. The draw of export markets is finally translating into an increase in run rates — throughputs are likely to have risen by around 560,000 b/d to 13.1mn b/d in August, as state-controlled refiners boost runs and more capacity returns from maintenance.

Export demand for China's products is compensating for sustained weakness in the domestic road fuel market. Gasoline demand dipped slightly from June to fall below 3mn b/d for the first time since the height of the zero-Covid lockdowns in late 2022. Diesel demand has held steady throughout the summer but remains pressured by weakness in the construction sector.

Taking stock

China's crude imports rebounded last month, supported by a rise in deliveries from the Middle East, which hit a four-month high. Saudi and UAE supplies rose strongly, boosted by a brief peace dividend of cargoes that escaped the Mideast Gulf during the short-lived ceasefire agreed between Washington and Tehran in mid-June. This pressured delivered prices of Mideast grades. Middle East supplies accounted for more than a quarter of China's total imports, their biggest share since March. And around 71pc of China's Middle East crude imports originated from within the Gulf in July, up from 56pc in June, according to trade analytics platform Kpler.

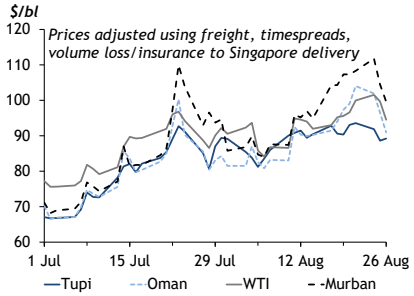
State-controlled refiners are turning to crude stocks to support the rise in run rates need to maximise clean product exports. Commercial crude stocks fell by more than 730,000 b/d in August and the draw could accelerate in September, *Argus* estimates. But Beijing's insistence that refiners maintain adequate inventory levels means this may not be sustainable, at least without a return to the large-scale crude purchases that so far show no signs of materialising.

Copyright © 2026 Argus Media group
Licensed to: Juana Wong, Argus Media Limited (London)

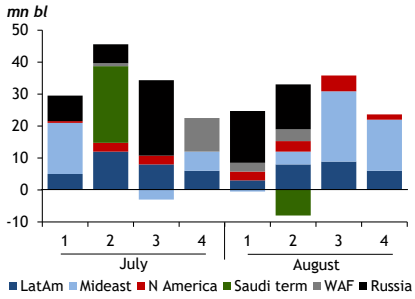
CRUDE

Chinese firms remain interested in prompt-arriving crude cargoes, but demand for November deliveries is scant

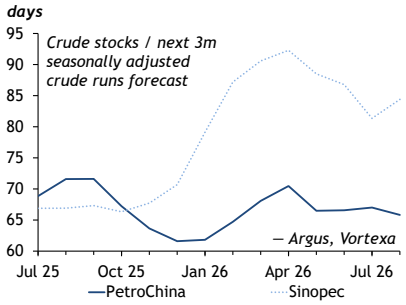
Crude delivered Singapore



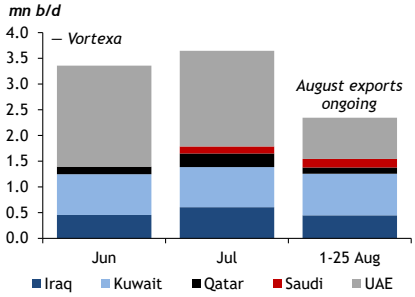
China pace of crude buying



Crude inventory forward cover



Strait of Hormuz exports



China buys prompt crude as stockdraws accelerate

China's state-controlled refiners are running down crude stocks to produce fuel for export, and trying to replenish their stocks with prompt-arriving cargoes.

Sour crude markets have strengthened dramatically against sweet prices. Physical North Sea Dated fell by more than $8/bl between 31 July and 26 August, while cash Dubai rose by $7.68/bl to $91.62/bl. Sour crude spot differentials are also looking increasingly pricey on a delivered-China basis. UAE light sour Murban climbed by $13.80/bl to $16.64/bl against Ice January Brent. Differentials for west African grades, popular in India, Europe and China, increased by around $5/bl over the same basis. But those for Brazilian Tupi, a grade chiefly popular in China, fell by 40¢/bl to $8.30/bl on an Ice Brent basis over August.

Chinese buyers in particular are unwilling to charter vessels to collect term cargoes from ports on the Red Sea or inside the strait of Hormuz. They appear not to be buying any October-arriving Saudi crude under term contracts from Yanbu or Ras Tanura. This is encouraging producers to shuttle crude out of the strait of Hormuz into the Gulf of Oman, and sell it there through spot tenders. Iraqi oil marketer Somo issued its first Gulf of Oman spot tender closing on 28 August.

Chinese mega-refiner Rongsheng cancelled plans to take 8mn bl of Saudi crude from the Red Sea in August and instead bought 4mn bl sold on a spot basis through ship-to-ship (STS) transfer. State-controlled PetroChina and Sinochem bought 6mn bl from Saudi state-controlled Aramco and 10mn from the UAE's Adnoc. Sinochem bought 2mn bl of UAE Das for delivery to PetroChina's Wepec refinery, suggesting PetroChina is planning to reopen its Dalian refinery and divert Russian crude there from Wepec. China bought a total 28mn bl of Saudi, Qatari and UAE crude through spot tenders in August, much of which will arrive in September. In addition, China bought 15mn bl of October-arriving west African crude, 4mn bl more than for September. West African crude arriving in October is likely to cost around $2/bl less than Saudi term cargoes and does not oblige Chinese firms to brave Bab el-Mandeb, where Houthi militants are targeting Saudi oil assets.

Oman and the sea

Middle Eastern producers may be selling more crude in the Gulf of Oman but the amount escaping the strait of Hormuz is not growing. The scale of oil flows out of Hormuz is difficult to pin down because vessels tend to switch off their signalling equipment. Still, Saudi and UAE crude exports appeared to decrease by 740,000 b/d on the month in August, data from analytics firm Vortexa indicate. Iran threatened to seize or detain 45 vessels designated as non-compliant on 24 August. The majority are those named are involved in STS shuttling operations, ferrying 1mn b/d out of the strait in June-July but 620,000 b/d over 1-25 August, Vortexa data show. Upper Zakum sold on a STS basis is trading at around $10/bl below Oman crude, indicating pronounced demurrage risks attached to STS trade.

Chinese firms bought 31mn bl of Brazilian crude in July but just 23mn bl over 1-25 August. Key buyer Sinopec has been notably quiet. It bought little through spot tenders and sold in the Platts Dubai partials market in August — including 1mn bl of October-loading Oman crude to trading firm Mercuria. Sinopec is raising refinery runs to capitalise on strong products export margins, but is presently on course to receive two-thirds of its usual crude deliveries in September-November, *Argus* surveys suggest. Failure to replenish stocks could leave Sinopec in a tight spot. State-controlled refiners' commercial stocks are already drawing at a rate of 730,000 b/d and may drop by 910,000 b/d in September, *Argus* estimates. Beijing insists that oil firms maintain products stocks at pre-war levels in order to qualify for export allowances. It may make similar requirements of crude inventories.

Copyright © 2026 Argus Media group
Licensed to: Juana Wong, Argus Media Limited (London)

CRUDE

Many Shandong refiners ramped up run rates in August but are now on course to exhaust their crude stocks by October

Shandong squeezed as US steps up Iran isolation

The US' latest effort to apply economic pressure against Tehran follows a familiar strategy of threatening punishment against Iran's foreign economic partners.

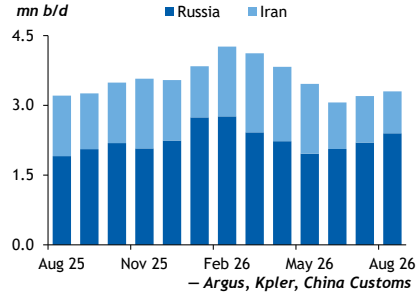
President Donald Trump's administration "is no longer managing the Iranian threat — we are ending it", treasury secretary Scott Bessent said on 24 August, when announcing the latest measures from the Treasury Department's sanctions enforcement arm, OFAC. Dubbed "economic D-day" by Bessent, Operation Economic Outcast aims to cut off Iran's financial lifeline to the world.

The measures include sanctions against shipping companies based in the UAE, Singapore and Hong Kong, and six tankers owned by those entities. OFAC also imposed sanctions on French biofuels plant La Nivernaise De Raffinage and its Singapore-based parent company, Wellbred. OFAC accuses Wellbred of being under the control of Iranian businessman Mohammad Hossein Shamkhani, whom the US previously accused of trading oil and products on behalf of Tehran.

The new sanctions may prove mainly performative. Bessent describes them as "unprecedented" in scope, but Washington has been targeting Iran's energy sector and other areas of its economy non-stop since Trump vowed to reduce the country's crude exports to zero in May 2019. The US' existing blockade of Iranian ports is already limiting Iran's ability to reach key oil customers in China's Shandong province, curbing Tehran's oil revenue.

Next-to-no shipments of Iranian crude have left the Mideast Gulf since mid-July, satellite tracking data show. Around 40mn bl of Iranian crude may be offshore Malaysia and Indonesia, according to trade analytics platform Kpler, but as much as 30mn bl of that has been pre-sold to refiners in China, traders say. Spot offers for Iranian Light crude have risen to more than $5/bl over Ice November Brent for delivery to China in September, from an average discount of $4.50/bl to October futures for August cargoes. And there are, as yet, no offers of October cargoes. Independent refiners have not run out of crude so far, because the brief reopening of the strait of Hormuz in mid-June to mid-July allowed Iran to send a torrent of cargoes east. But independent refiners hiked refinery throughputs in August to capitalise on strong demand for products from state-controlled firms, putting many on course to exhaust their crude stocks by October.

China crude imports



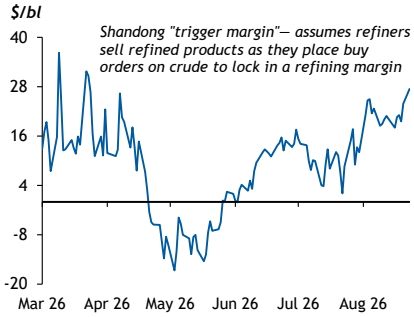
Blend trend

Some Shandong refiners have taken to blending more Russian M100 fuel oil into crude, but supplies of fuel oil are also running tight, largely due to Ukrainian drone attacks on Russia's refining and export infrastructure. And less Russian ESPO Blend crude is available to Shandong firms as state-controlled refiners have stepped up purchases of the grade. ESPO Blend's September and October loading programmes sold out almost entirely within a week of being announced. October ESPO Blend cargoes are averaging around $1.5/bl over Ice December Brent, compared with an average discount of $2.7/bl to November futures for September cargoes.

A rally in Chinese refining margins has prompted some independents to consider buying pricier, unsanctioned crude (*see graph: Shandong trigger margin*). Shandong Qirun has bought 1mn bl of heavy Brazilian Lapa crude for October arrival. And Shandong firms have bought around 2mn bl of Canadian TMX crude for November delivery. However, some Shandong refiners may cut run rates in September, as the state-controlled firms to which they are selling a large portion of their output plan to increase their own throughputs next month.

The new OFAC measures include fresh warnings against co-operating with Tehran's Persian Gulf Strait Authority (PGSA). In response, the PGSA warned that vessels breaching its strait of Hormuz transit rules could face fines or be seized.

Shandong trigger margin



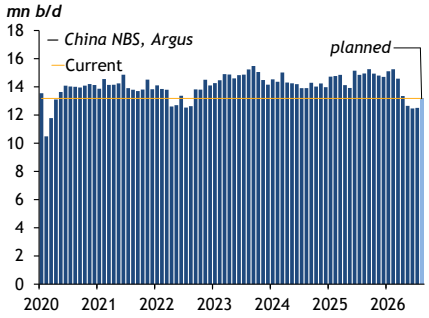
Copyright © 2026 Argus Media group

Licensed to: Juana Wong, Argus Media Limited (London)

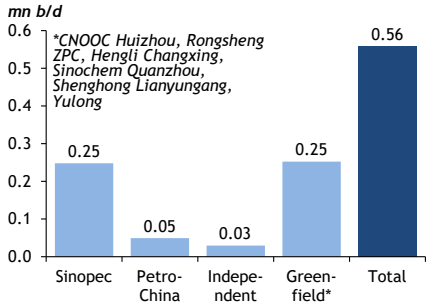
THROUGHPUTS

Refiners are drawing on stocks but will have to increase crude purchasing soon if they want to maintain current processing rates

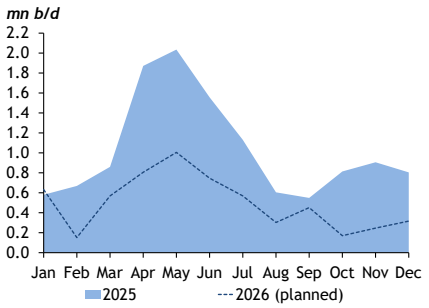
China crude runs



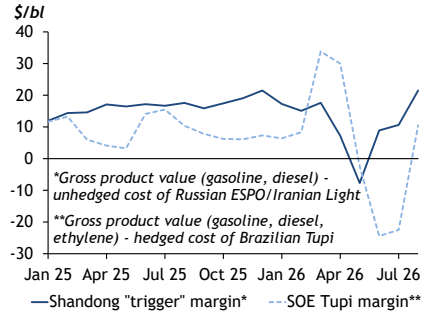
Crude runs Aug vs Jul



China CDU capacity off line



Refining margins



Refinery run rebound accelerates crude stockdraw

Chinese state-controlled and large private-sector refiners increased run rates sharply in August, to rebuild fuel stocks and take advantage of lucrative export opportunities. But slow crude arrivals meant refiners drew heavily on stocks.

China's crude throughputs rose by around 560,000 b/d from July to 13.1mn b/d in August, *Argus* surveys indicate. State-controlled Sinopec accounted for around half of the increase, raising runs by 250,000 b/d to 4.70mn b/d. Fellow oil giant PetroChina raised throughputs by 50,000 b/d to 3.70mn b/d.

Beijing kept its export policy in place in August, allowing refiners with export quotas to ship products overseas — where demand is considerably higher than domestically — on condition that they maintain products stocks at pre-Iran war levels. State-controlled diesel inventories are now near that mark, but gasoline stocks have dipped below it, *Argus* estimates. Sinopec raised production and continued to buy products from independent refiners this month, to rebuild and maintain its fuel stocks. The return of Sinopec's 200,000 b/d Shijiazhuang refinery from maintenance also contributed to higher runs. PetroChina's smaller month-on-month increase in run rates follows a more substantial rise in late July, soon after the relaxation of government export restrictions.

Refining economics also strengthened sharply in August. The margin between the hedged cost of Brazilian Tupi crude in China and its gross product worth widened to around $10/bl this month from a negative $23/bl in July, as domestic fuel prices increased. Refining margins remained stronger for diesel than for gasoline, and both state-controlled and Shandong independent refineries ramped up diesel output to a greater extent than gasoline. Chinese spot diesel prices remain $40/bl below Singapore prices, while gasoline prices are just $7/bl below their Singapore equivalents. The upcoming September-October peak diesel demand season encouraged Shandong refiners to raise diesel output.

But higher refinery runs are translating into deep crude stockdraws, as crude processing outpaces fresh deliveries. Much of the crude arriving in China in August was bought in June, when purchasing appetite was low due to high crude prices, weak refining margins and sluggish fuel demand. China is set to receive 8.5mn b/d of crude in August, compared with pre-war imports of 12.2mn b/d in January and 12.7mn b/d in February, according to trade analytics platform Kpler and customs data. Crude stocks are falling by about 730,000 b/d — the fastest pace since March.

Recovery position

Shandong independent refinery runs rose by around three percentage points to 57pc in August, with the Lianhe and Changyi refineries returning on line following maintenance and other plants raising runs on the back of stronger margins.

China's four private-sector mega-refiners — 800,000 b/d Rongsheng ZPC, 400,000 b/d Hengli, 320,000 b/d Shenghong and 400,000 b/d Yulong — increased runs by a combined 270,000 b/d in August. Hengli had cut throughputs significantly after US sanctions limited its access to discounted feedstock, but it raised them to 95pc of capacity in August as domestic margins rebounded. Shenghong resumed operations after a full plant turnaround in July. And the easing of export restrictions prompted Rongsheng to restart a 200,000 b/d crude unit following maintenance, raising overall plant utilisation to 75pc from 65pc.

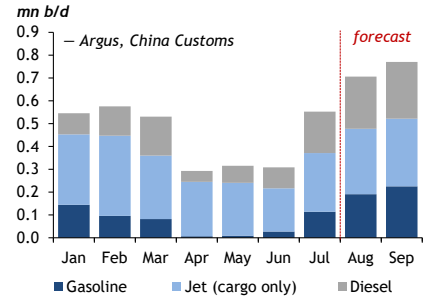
But the improvement in refining economics earlier in August has started to reverse, as crude prices rise faster than domestic fuel prices. Gasoline and diesel crack spreads fell from around $8/bl and $16/bl, respectively, at the start of August, to a negative $1/bl and $8/bl by 20 August. The renewed margin pressure could limit further run rate increases, particularly among independent refiners.

Copyright © 2026 Argus Media group
Licensed to: Juana Wong, Argus Media Limited (London)

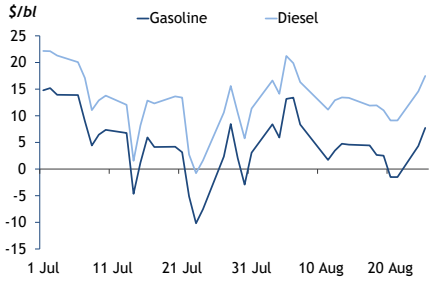
PRODUCTS

Chinese transport fuel exports may hit 1mn b/d in September, but refiners will need to secure more crude to sustain this rate

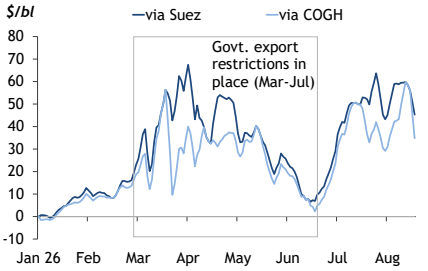
China transport fuel exports



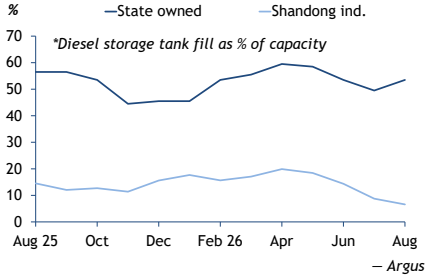
Bohai bay crack spreads



China diesel arbitrage to Europe



China diesel stocks



China hikes fuel exports as Beijing eases controls

China's major refiners are set to raise fuel exports for a third consecutive month in September, to capture strong export margins. State-controlled firms are replenishing their depleted inventories by raising runs and buying from independent refiners.

Combined fuel exports are expected to rise by 70,000 b/d from August to 1mn b/d in September, market participants say. Gasoline exports may rise by 40,000 b/d to 225,000 b/d, as the summer driving season winds down and greater use of new energy vehicles cuts domestic demand further. Diesel exports will rise by just 20,000 b/d to 250,000 b/d in September, as refiners hold onto supplies to cater to any seasonal increase in demand from China's domestic fishing, construction and farming sectors. Jet fuel exports are likely to hit 530,000 b/d, of which 300,000 b/d will be shipped to overseas markets while the remainder will go to bonded warehouses for use on international flights (*see chart: China transport fuel exports*).

Domestic refining margins have finally turned positive. Even so, their weakness relative to export margins makes the latter far more lucrative. Export margins for gasoline, diesel and jet fuel hedged on a crack basis to Dubai crude reached $48/bl, $88/bl and $102/bl, respectively, in August, *Argus* estimates. State-controlled refiners are likely to make as much, or slightly more, revenue from their exports than they will from sales into the far larger domestic market in August. China's top economic planning body, the NDRC, loosened its Hormuz-crisis export restrictions in July — to the benefit of chronically tight global diesel markets.

Europe has been pulling large amounts of diesel transatlantic ever since Iran shut the strait of Hormuz in late February, bidding diesel cargoes away from Brazil — which sought US diesel after Russia banned diesel exports in July. But shipping diesel from the US to Europe and Brazil turned uneconomical in August. Meanwhile, it has become viable to send diesel from China to Europe since Beijing loosened its export controls. State-controlled Sinopec's trading arm, Unipec, chartered the *Cape Athos* to transport 670,000 bl (90,000t) of ultra-low sulphur diesel from Qingdao to the UK on 18 August. It may need to travel around the Cape of Good Hope to reach Europe, because of the risks to shipping in the Red Sea from Yemen's Houthi militants (*see graph: China diesel arbitrage to Europe*).

Quota lot left

National energy security remains the NDRC's primary concern and it has instructed state-controlled refiners to keep their clean product inventories above pre-war levels. Even so, the NDRC is expected to continue easing export restrictions in the fourth quarter, market participants say. Chinese firms will still have 34mn bl of export quotas left from their first two batches by the end of September, and a third batch of 73mn bl is expected in late September or October.

Sinopec raised its crude runs by 250,000 b/d in August and simultaneously increased its purchases of fuel from Shandong refiners in the Bohai bay spot market. Around 170,000 b/d of diesel and 150,000 b/d of gasoline traded in the Bohai market from 1-25 August, roughly three times more than in May or June, when export controls caused a dramatic slowdown. As a result, state-controlled firms have managed to rebuild their fuel inventories, albeit at the expense of independent refiners' stocks (*see graph: China diesel stocks*).

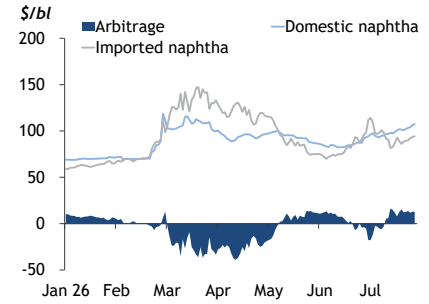
China's diesel markets are now tightening, prompting some refiners to suspend offers to sell cargoes. Whether exporters can maintain overseas sales at current levels in October remains uncertain. Crude shortages may begin to squeeze independent refiners' run rates in late September, reducing the quantity they are able to sell to their state-controlled peers. The latter may even face crude shortages themselves, unless they pick up their pace of crude buying.

Copyright © 2026 Argus Media group
Licensed to: Juana Wong, Argus Media Limited (London)

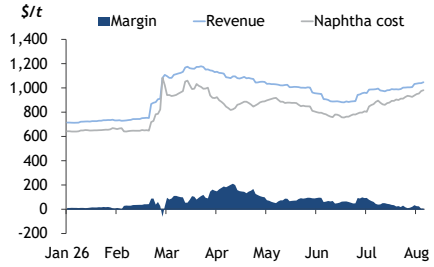
PRODUCTS

Cracking more ethane and less naphtha has tightened supply of naphtha derivatives in the Chinese market

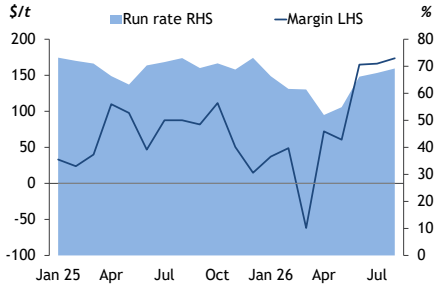
China naphtha import economics



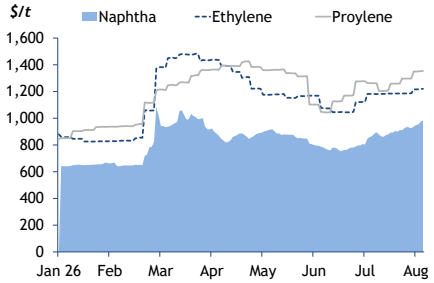
China naphtha cracking



China PDH runs, margins



Naphtha vs olefins



Naphtha cracking back in favour on co-product strength

Chinese refiners increased naphtha-fed steam cracker run rates in August to capture stronger margins for co-products propylene and butadiene, rather than the primary cracking output, ethylene.

Chinese naphtha-fed steam cracker operating rates increased by about one percentage point on the month to 75pc in August. This is well below the pre-Iran war average of around 90pc, but still indicative of recent increases in the prices of naphtha derivatives — which are making naphtha import economics more attractive to Chinese naphtha crackers (*see graph: China naphtha import economics*). Chinese naphtha-fed steam cracker cash margins — domestic revenue minus domestic naphtha and fixed costs — averaged $21/t in August, up from a negative $7/t a year earlier (*see graph: China naphtha cracking*).

But the recent strength in naphtha cracking margins was driven by higher prices for naphtha cracking co-products instead of its primary output, ethylene. Steam cracking naphtha typically yields 35pc ethylene, 15pc propylene and 6pc butadiene. Propylene prices rose by $400/t from a year earlier to $1,300/t in August, butadiene prices increased by $360/t to $1,673/t, while ethylene prices rose by $220/t to $1,196/t. Chinese domestic naphtha costs rose by $200/t ($23/bl) year on year.

Ethylene's recent price gains have been smaller than those of its co-products, as China's ethylene output has shot up in recent months. China's steam cracking feedstock has shifted in favour of ethane over naphtha this year, owing to disruptions to Mideast Gulf naphtha exports and the ready availability of US ethane. Ethane has a higher ethylene yield than naphtha, and so the feedstock switch led to a 110,000 b/d year-on-year increase in ethylene production in China in January-July, weighing on prices. By contrast, cracking ethane has lower yields of co-products than cracking naphtha, leading to a reduction in supply of propylene and butadiene — strengthening margins for the two products.

Propylene supply has also tightened as a result of lower refinery run rates after Beijing restricted exports of transport fuel in response to the Hormuz crisis. Around a fifth of China's propylene production originates from refinery fluid catalytic cracking units, while 30pc comes from naphtha-fed steam crackers.

Beijing began unwinding its export controls in July and state-controlled Sinopec raised crude throughputs by 250,000 b/d to 4.69mn b/d in August — but primarily to produce gasoline, diesel and jet fuel for export, rather than to produce naphtha for its steam crackers. The oil giant has been buying in naphtha for its crackers at Maoming, Tianjin and for its 1mn t/yr Hainan cracker. Hainan shut for maintenance in mid-June and is scheduled to restart in September.

Full steam ahead

Sinopec also increased procurement of LPG as a supplementary cracking feedstock, receiving 30,000t for its 800,000 t/yr Gulei cracker in August and 90,000t in July. Gulei reopened in mid-July after a four-month turnaround. Cracking propane yields 40pc ethylene and 15pc propylene, while steam cracking butane yields 30pc ethylene and 18pc propylene. Propane dehydrogenation (PDH) plants, which crack propane into propylene, are also increasing output in response to tighter propylene markets. PDH unit run rates increased to 70pc in August from 50pc in April-May.

Strengthening olefins prices have been good news for petrochemical producers with access to naphtha and LPG — Sinopec's chemical business has returned to profit — but bad for those dependent on steam cracker derivatives such as butadiene. Tighter supply of olefins has driven up the cost of producing industrial plastics such as acrylonitrile butadiene styrene (ABS), narrowing margins for ABS and styrene-butadiene-styrene.

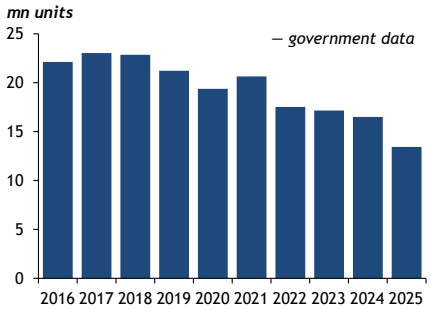
Copyright © 2026 Argus Media group
Licensed to: Juana Wong, Argus Media Limited (London)

POLICY

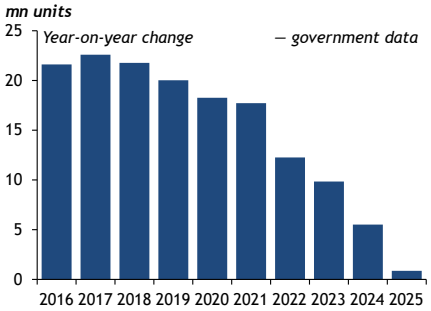
China's combustion vehicle fleet at turning point

Slowing sales of conventional vehicles are poised to push China's ICE fleet into outright decline this year

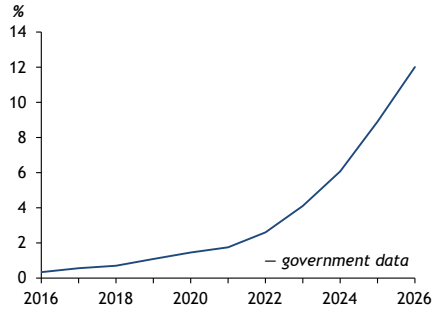
Net passenger car fleet change



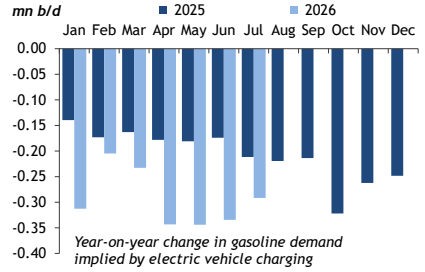
ICE fleet ownership growth



NEV share of total fleet



China gasoline demand losses



China's fleet of internal combustion engine (ICE) vehicles is on course to peak this year because of slowing demand and relentless competition from new energy vehicles (NEVs), cementing a structural decline in gasoline consumption.

China's fleet of ICE vehicles increased by 860,000 units, or 0.2pc, to 322.1mn vehicles last year, according to *Argus* analysis of registration data from the public security ministry. This was the smallest increase on record and the eighth annual slowdown, after growth of 22.6mn vehicles in 2017. The NEV fleet — comprising battery electric, plug-in hybrid and fuel-cell vehicles — rose by 8.9pc to 44mn units last year and now accounts for 12pc of China's total 366.1mn vehicle fleet.

Weakening sales of conventional vehicles are poised to push the ICE fleet into outright decline this year. Total retail passenger vehicle sales shrank by 20pc from a year earlier to 10.2mn units in January-July, according to the China Passenger Car Association (CPCA). Sales of ICE vehicles fell by 41pc on the year in July, while NEVs accounted for a record-high 65pc of retail sales.

The CPCA sharply downgraded its outlook for 2026 earlier in the summer and it is now forecasting a 14pc drop in retail sales growth for all vehicle types this year, its most pessimistic mid-year projection on record.

Around 11.7mn ICE vehicles were scrapped in 2025, more than double the 5.6mn retired in 2022, *Argus* analysis shows. China's vehicle trade-in programme, which has been extended through to the end of 2026, received applications to scrap around 3.4mn vehicles from 1 January-22 October last year, according to the most recent data from the commerce ministry.

Falling registrations and rising retirements are likely to shrink the total ICE vehicle fleet this year, ending a more than three-decade expansion. Rising NEV use is already pressuring Chinese gasoline demand — NEVs displaced around 640,000 b/d of gasoline in 2025 and this could rise to around 1.8mn b/d by 2030, if Beijing achieves its target to increase NEVs' share of the vehicle fleet to 30pc by then, according to *Argus* estimates.

But the road ahead is bumpy. China does not impose mandatory scrappage deadlines on privately owned passenger vehicles, limiting the speed at which older cars leave the road. And gasoline demand is finding some support from the use of plug-in hybrid and range-extending electric vehicles, which together accounted for 31pc of the NEV fleet in January-June.

Retiring overseas

Not all of the vehicles retired from China's fleet end up in the scrapyard. China exported 750,000 used vehicles in 2025, up by 72pc on the year, and it shipped a further 325,000 units in the first half of 2026. Most were ICE vehicles sent to Russia, central Asia, Africa and the Middle East, where they are likely to remain on the road for years to come.

China's exports of newly made vehicles are far larger. Passenger vehicle exports rose by 89.7pc on the year to 918,000 units in July, while NEV shipments increased by 148pc to 540,000, according to CPCA data. Exports of all types of vehicles reached 5.2mn units in January-July, up by 73.9pc from a year earlier. China's exports of battery electric vehicles, plug-in hybrids and electric two-wheelers since 2017 are currently displacing around 270,000 b/d of global gasoline demand, according to *Argus* estimates. The pace of displacement accelerated following the surge in fuel prices sparked by the US-Iran conflict.

Trade policy is a key uncertainty. The EU wants to achieve "tangible" progress in negotiations with China by October, as Brussels seeks to address a widening trade imbalance and growing tensions over Chinese vehicle exports.

Copyright © 2026 Argus Media group
Licensed to: Juana Wong, Argus Media Limited (London)

GEOPOLITICS

Fire and ice

China's stagnating economy is a far cry from the dynamic growth seen in the 1990s and early 2000s

Is China's economy broken? Industry, investment and consumption continue to stagnate, while policy makers are unwilling — and possibly unable — to make the fundamental changes needed to generate sustainable demand.

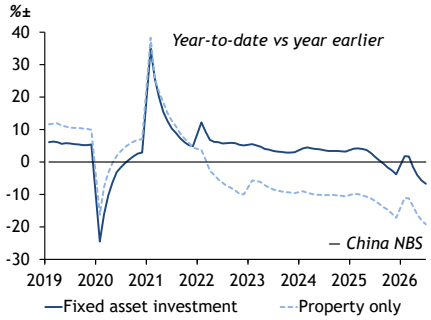
Oil demand is being squeezed from all sides. July data point to weakness in oil-intensive industrial and manufacturing sectors, as well as the continued absence of any pick-up in consumer spending. New energy vehicles — battery-electric, plug-in hybrid and fuel-cell vehicles — accounted for a record-high 65pc of China's total vehicle sales in July, putting ever more pressure on gasoline consumption. Weak construction activity is undercutting diesel demand. Only the petrochemicals sector offers scope for longer-term growth, and even this is threatened by carbon levies and stricter tax enforcement.

Exports continue to provide an outlet for China's refining and manufacturing overcapacity, but the risk of policy change is ever present. China's goods exports surged in July, while clean products exports accounted for more than 2mn b/d of the country's crude demand in August, *Argus* calculations show. Manufacturing exports have overtaken housing as a source of growth, globalising China's economic imbalances in a way that housing did not. China's trade surplus approached $700bn in January-July, accentuating the risk of a backlash.

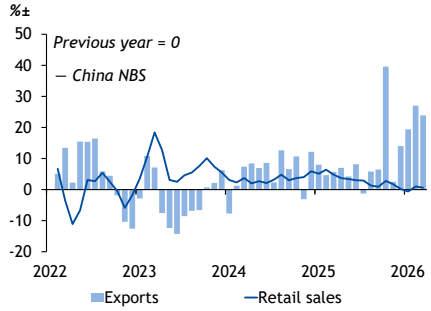
The sustainability of China's K-shaped economy — with fast growth in artificial intelligence, semiconductors and advanced manufacturing but weakness elsewhere — is a major source of debate among economists. China's economy is split between "fire and ice", retired Tsinghua University professor Sun Liping says. The link between the productive and stagnating parts is broken, so investment in the former is failing to generate any sustained rise in employment or consumption, Sun says.

Just as the government's policy options are shrinking, so is its willingness to absorb the social consequences of the major reforms that many argue are needed. The dynamism of the 1990s and early 2000s — an era recalled by the death of ex-premier Zhu Rongji this month — has dissipated. Today's economy is "cold all over", Tsinghua University economist Li Daokui says.

China infrastructure investment



Chinese consumption vs exports



Zhu diligence

Zhu's reforms helped spark double-digit GDP growth for much of the 1990s, thanks in great part to the expansion of China's private sector. Economic policy under President Xi Jinping has very different priorities, even if some of the major issues are familiar. Overcapacity was also a key concern for Zhu, prompting the smashing of China's so-called iron rice bowl — absolute job and social security — through the abrupt restructuring of state-owned enterprises, with the loss of around 30mn jobs. China's current leaders are acutely conscious of high rates of youth unemployment and have no such tolerance for risk. As a result, excess capacity in refining, solar power, batteries and other industries is being addressed through output quotas and industry self-discipline measures rather than large-scale closures.

Local governments' concern over jobs and revenue is drawing out the process of reforming China's refining sector. Zhu's reforms, including levying consumption taxes on oil products, effectively directed tax proceeds to the central government while forcing local governments to generate their own revenue, notably from land sales — turning the property sector into the backbone of local government finance. The ensuing real estate bubble, and the sector's sharp contraction in recent years, remains the biggest drag on the wider economy and on diesel demand. The shadow of these reforms continues to encourage invoice switching and tax evasion in Shandong's refining sector, despite long-standing plans to shift tax collection downstream and share revenue locally.

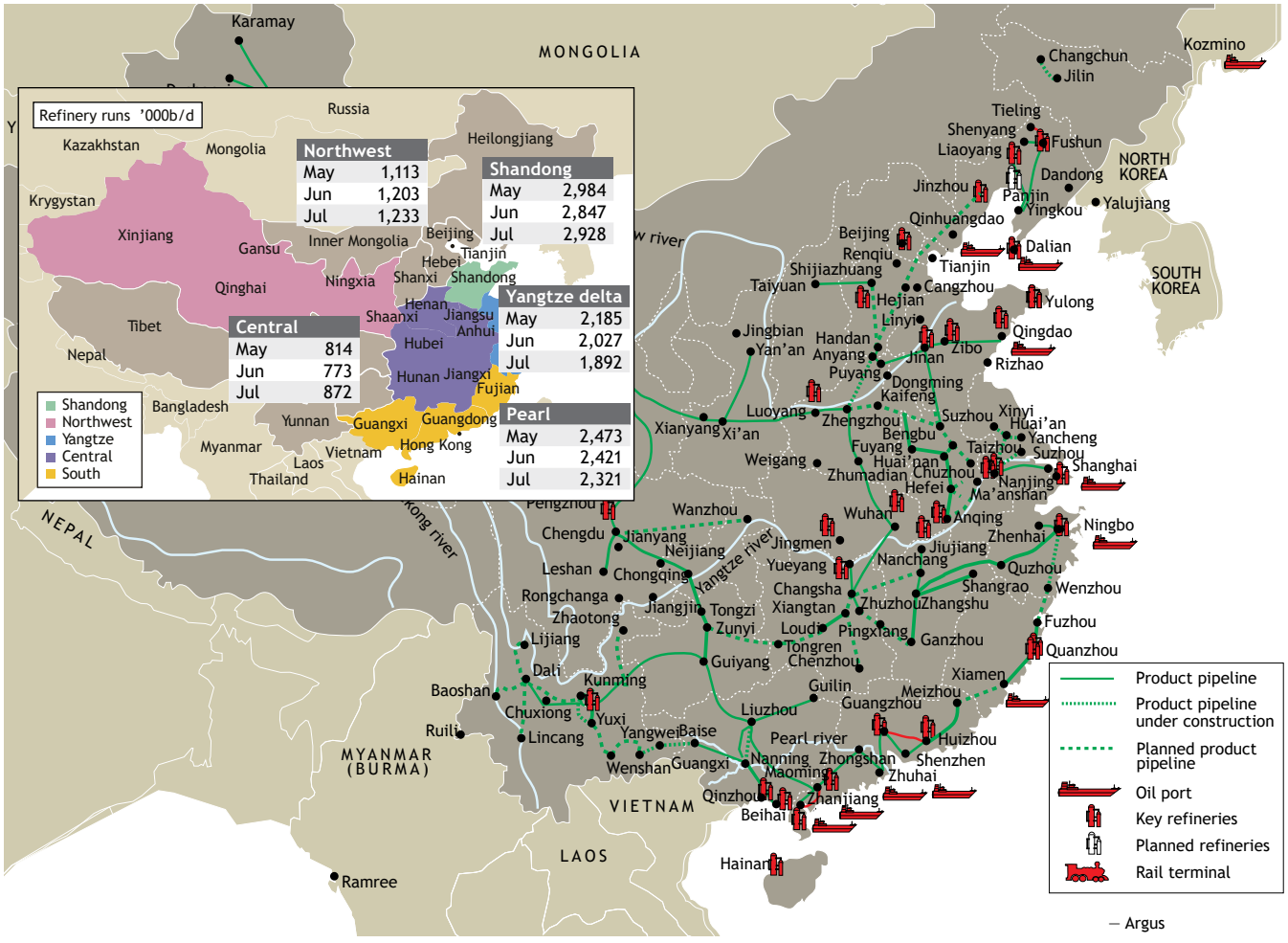
Copyright © 2026 Argus Media group
Licensed to: Juana Wong, Argus Media Limited (London)

PRODUCTS

Refinery production						'000 b/d
	Refinery runs	Gasoline	Jet-kerosine	Diesel	Fuel oil	LPG
Aug 25	14,945	3,673	1,413	4,105	715	1,681
Sep	15,254	3,730	1,395	4,332	772	1,726
Oct	14,937	3,668	1,312	4,255	666	1,752
Nov	14,801	3,511	1,225	4,287	712	1,664
Dec	14,707	3,436	1,140	4,262	706	1,740
Jan 26	15,105	3,734	1,325	3,961	680	1,736
Feb	15,249	3,770	1,337	3,999	686	1,753
Mar	14,523	3,622	1,276	3,971	696	1,651
Apr	13,298	3,274	955	3,752	639	1,604
May	12,651	3,023	1,027	3,193	603	1,545
Jun	12,468	3,027	1,056	3,202	594	1,494
Jul	12,507	3,069	1,200	3,297	592	1,380

— *China NBS*

China downstream infrastructure

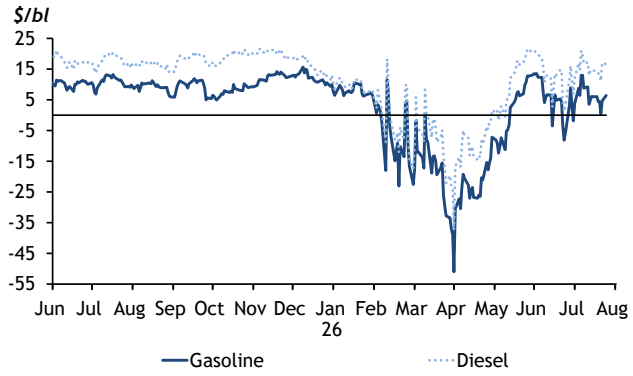


— Argus

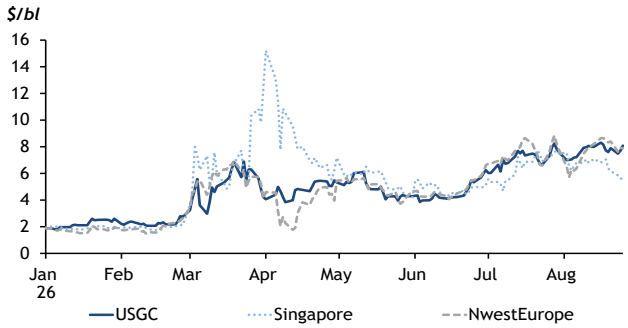
Copyright © 2026 Argus Media group
Licensed to: Juana Wong, Argus Media Limited (London)

PRODUCT PRICES

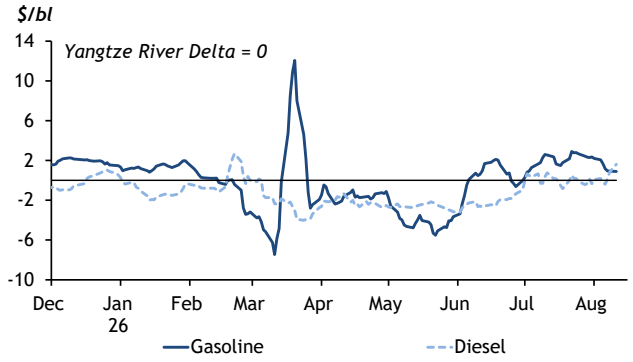
China, Bohai bay crack spread



Regional refining margins



China domestic arbitrage



Chinese gasoline/diesel prices				$/bl, exc. Tax
	08 Jul	22 Jul	05 Aug	19 Aug
Argus China Diesel (Bohai)	88.3	104.4	103.8	112.3
Argus China Diesel (YRD)	88.2	107.3	103.9	114.6
Bohai-YRD freight (diesel)	2.2	1.6	1.6	2.2
Bohai-YRD arbitrage, diesel	2.3	-1.3	1.5	-0.1
Argus China Gasoline (Bohai)	81.6	96.5	95.7	103.8
Argus China Gasoline (YRD)	80.1	101.2	99.2	105.9
Bohai-YRD freight (gasoline)	1.9	1.4	1.4	1.9
Bohai-YRD arbitrage, gasoline	3.4	-3.3	-2.1	-0.2

Prices are a volume-weighted average of deals done for fuels meeting the China 6 national standard in the Bohai / Yangtze river delta (YRD) markets, net of tax

Chinese retail price caps				Yn/t
	92 Ron gasoline^		10ppm diesel^	
	26 Aug	26 Jul	26 Aug	26 Jul
Northeast: Heilongjiang	10,140	10,370	9,065	9,285
Jilin	10,140	10,370	9,065	9,285
Liaoning	10,140	10,370	9,065	9,285
North: Beijing‡	10,175	10,405	9,100	9,320
Tianjin	10,140	10,370	9,065	9,285
Hebei	10,140	10,370	9,065	9,285
Shanxi	10,210	10,440	9,120	9,340
Hohhot	10,155	10,385	9,080	9,300
East: Shanghai	10,155	10,385	9,070	9,290
Jiangsu	10,195	10,425	9,105	9,325
Zhejiang	10,195	10,425	9,120	9,340
Shandong	10,150	10,380	9,075	9,295
Central: Hubei	10,165	10,395	9,090	9,310
Hunan	10,205	10,435	9,150	9,370
Henan	10,160	10,390	9,085	9,305
Anhui	10,190	10,420	9,115	9,335
Jiangxi	10,195	10,425	9,125	9,345
South: Guangdong	10,220	10,450	9,135	9,355
Fujian	10,215	10,445	9,130	9,350
Hainan	10,285	10,515	9,200	9,420
Guangxi	10,285	10,515	9,200	9,420
Southwest: Chongqing	10,355	10,585	9,275	9,495
Chengdu, Sichuan*	10,360	10,590	9,300	9,520
Chongqing, Sichuan*	10,355	10,585	9,275	9,495
Guiyang, Guizhou*	10,320	10,550	9,225	9,445
Kunming, Yunnan*	10,350	10,580	9,255	9,475
Northwest: Xinjiang	9,920	10,150	8,960	9,180
Xi'an, Shaanxi*	10,125	10,355	9,075	9,295
Xining, Qinghai*	10,105	10,335	9,110	9,330
Gansu	10,125	10,355	9,085	9,305
Ningxia	10,145	10,375	9,065	9,285

**Prices are for the listed city, not the province. NDRC guidelines stipulate that the highest wholesale prices must be at least Yn400/t below maximum retail prices. ‡Beijing has stricter vehicle emissions standards. Prices listed are for China 4. ^Prices apply to fuel compatible with China 4 vehicle emissions standards.* — *NDRC*

Shandong independent/official price comparison						$/bl
		10 Jul	17 Jul	24 Jul	31 Jul	14 Aug
Gasoline, 90 Ron						
Lijin*	Ex-refinery prices	133.79	136.18	145.09	145.59	148.09
	± NDRC wholesale cap	-21.92	-23.48	-15.35	-26.63	-20.35
	% of wholesale cap	85.92	85.29	90.43	84.54	87.92
Dongming†	Ex-refinery prices	135.55	139.68	151.06	149.44	150.90
	± NDRC wholesale cap	-20.16	-19.99	-9.39	-22.78	-17.55
	% of wholesale cap	87.05	87.48	94.15	86.78	89.58
Diesel, 500ppm						
Lijin*	Ex-refinery prices	151.54	152.28	163.95	143.88	145.68
	± NDRC wholesale cap	-4.79	-8.50	2.38	-30.46	-24.55
	% of wholesale cap	96.94	94.71	101.48	82.53	85.58
Dongming†	Ex-refinery prices	129.21	135.07	152.23	147.25	147.07
	± NDRC wholesale cap	-27.12	-25.71	-9.34	-27.09	-23.15
	% of wholesale cap	82.65	84.01	94.22	84.46	86.40
Crude price						
Shengli**	Ex-field prices	93.51	92.74	93.19	106.54	106.70

*Independent differential to NDRC price caps assumes a Yn400/t wholesale discount to retail cap. *The 70,000 b/d Lijin refinery runs a blend of imported straight-run fuel oil and domestic crude, producing China 6 standard gasoline and diesel since January 2018. †The 160,000 b/d Dongming refinery produces China 5 and 6 standard gasoline, but mainly China 5 road diesel. **Sinopec produces 540,000 b/d of heavy, sour Shengli crude in Shandong. Since November 2015, it has set prices retrospectively.*

Copyright © 2026 Argus Media group
Licensed to: Juana Wong, Argus Media Limited (London)

PRODUCT MARKETS

Independent refiner crude import quotas				'000 b/d
Refinery	**Province**	**CDU cap.**	**2025 YTD**	**2026***
Hengli	Liaoning	400	400	40
Rongsheng	Zhejiang	800	800	15
ChemChina	Shandong	466	464	0
Huajin	Liaoning	120	166	0
Dongming	Shandong	150	150	15
Panjin North Asphalt	Liaoning	140	0	0
Hongrun	Shandong	114	106	11
Wanda Tianhong	Shandong	100	88	6
Wonfull	Shandong	116	0	0
Qingyuan	Shandong	164	0	0
Xinhai	Hebei	120	74	0
Yanchang	Shaanxi	348	72	0
Lijin	Shandong	70	70	7
Hengyuan	Shandong	70	0	0
Tenglong Aromatic	Fujian	127	80	0
Jingbo	Shandong	70	66	6
Haiyou	Shandong	70	0	0
Jincheng	Shandong	118	60	6
Dongfang Hualong	Shandong	60	60	5
Qingyishan	Shandong	60	0	0
Dongying Lianhe	Shandong	118	56	0
Yatong	Shandong	70	55	0
Luqing	Shandong	164	52	5
Kenli	Shandong	60	50	0
Shenchi	Shandong	52	50	2
Wudi Xinyue	Shandong	48	48	5
Hubei Jinao	Hubei	100	46	3
Jiangsu Xinhai	Jiangsu	60	46	5
Henan Fengli	Henan	52	44	1
Qirun	Shandong	44	44	4
Shengxing	Shandong	44	44	4
Haike Ruilin	Shandong	46	42	0
Chengda New Energy	Shandong	60	0	0
Zibo Xintai	Shandong	44	40	0
Wantong	Shandong	130	39	2
Zhonghai Jingxi	Shandong	46	0	0
Rizhao Lanqiao	Shandong	70	36	0
Hualian	Shandong	80	34	0
Fuyu	Shandong	44	0	0
Qicheng	Shandong	70	32	0
Kelida	Shandong	44	0	0
Yuhuang	Shandong	60	0	0
Haike Chemical	Shandong	44	0	0
Zhanjiang Dongxing	Guangdong	100	0	0
PetroChina International	na	na	12	0
Dalian Jinyuan	Liaoning	44	16	0
Sinochem Energy	Shandong	na	0	0
Khorgos PetroChina Int,	Xinjiang	na	6	0
Sinopec International	na	na	0	0
Huayue Group	Shandong	na	5	0
Guangxi PetroChina Int.	Guangxi	na	0	0
Alashankou PetroChina Int.	Xinjiang	na	4	0
CNOOC Beijing Trading	Beijing	na	4	0
Erlian City Gaolu	Inner Mongolia	na	4	0
CPC Fuel oil	na	na	0	0
China United Energy Trading	na	na	0	0
Heilongjiang Lianhe	Heilongjiang	na	0	0
Fujian Lianhe	Fujian	na	2	4
Zhenhua	na	na	0	0
Baota	Ningxia	150	0	0
Shenghong	Jiangsu	320	320	2
Guanghui	Xinjiang	na	6	0
Yulong	Shandong	400	350	0
CNOOC Daxie	Zhejiang	160	60	0
Total		**5,847**	**4,205**	**148**

**Early batch issued 26 November 2025*

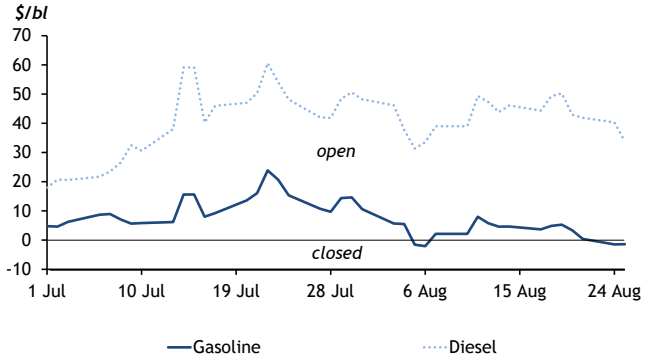
Product prices* (week ending)				
	31 Jul	**7 Aug**	**14 Aug**	**21 Aug**
China		*Yuan/t*		
HSFO (cracked) fob south China barges (STS)	5,312	5,446	5,619	5,502
		$/t		
VLSFO 0.5% 380 Zhoushan Bunker dob	755.80	766.70	791.50	786.00
HSFO 180 c+f south China (month 1)	556.00	550.74	583.05	622.76
HSFO 180 c+f south China (month 2)	533.90	521.09	551.61	584.66
HSFO 180 c+f south China (month 3)	516.20	497.19	522.30	561.26
South Korea/Japan		*$/t*		
HSFO 180 fob South Korea	556.00	550.80	583.06	622.75
Naphtha c+f Japan	848.20	746.80	784.66	809.40
Singapore		*$/bl*		
Gasoil 0.5%	147.79	136.92	148.48	152.12
Gasoil 0.005%	158.29	147.85	159.48	163.12
Gasoil 0.005% diff to MOPS	6.28	6.33	5.14	4.23
Gasoil 0.001%	158.74	148.30	159.93	163.57
Gasoil 0.001% diff to MOPS	6.73	6.78	5.59	4.68
Gasoline 92R	115.77	104.95	111.40	113.73
Naphtha	96.22	84.45	86.44	88.97
Jet-kerosine	151.60	140.95	152.51	154.78
HSFO 180 ($/t)	545.00	539.80	572.06	611.75

*$1 = Yn 6.73298 21 Aug *Average weekly prices*

Product prices						$/bl
	Mar 26	**Apr**	**May**	**Jun**	**Jul**	**Aug***
Singapore						
Gasoil 0.005%	193.04	191.69	152.63	124.27	141.91	156.23
Gasoil 0.005% diff to MOPS	37.19	26.56	2.66	0.90	3.30	4.85
Gasoil 0.001%	193.36	194.53	155.62	125.98	142.62	156.68
Gasoil 0.001% diff to MOPS	37.51	29.40	5.65	2.61	4.01	5.30
Gasoline 92R	128.67	127.80	129.70	107.70	106.82	110.19

** month to date*

Product arbitrage: China to Singapore



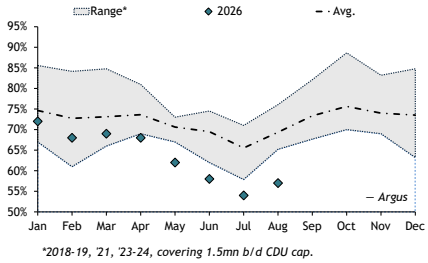
Singapore cargo - (lowest cost source of supply in the Chinese market + 35,000t clean freight to Singapore)

Copyright © 2026 Argus Media group

Licensed to: Juana Wong, Argus Media Limited (London)

PRODUCTS

Shandong independent run rates



'2018-19, '21, '23-24, covering 1.5mn b/d CDU cap.

Shandong throughputs rebound on stronger margins

Shandong independent refinery run rates increased in August as refining margins strengthened and several plants resumed operations following maintenance.

The weighted average crude unit utilisation rate of 15 independent refiners in Shandong province, with a combined processing capacity of around 1.5mn b/d, rose by three percentage points from a multi-year low in July to 57pc in August — although this was still nine percentage points below August 2025. An uptick in export demand prompted state-owned oil companies to purchase more oil products from Shandong refiners, encouraging the latter to raise runs, market participants say.

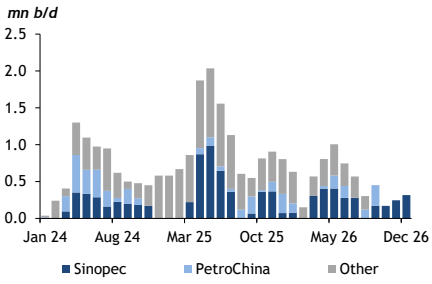
Independent refiner Dongming raised runs at its 150,000 b/d Heze refinery by around 35 percentage points from July to 95pc in August. The 52,000 b/d Shenchi refinery in Dongying increased throughputs by 10 percentage points on the month and is now operating at full nameplate capacity. Fuhai's 100,000 b/d Lianhe refinery resumed operations in mid-August following a full plant turnaround since the end of June. And Hongrun restarted its 120,000 b/d Changyi refinery in late August after a nearly two-month maintenance closure.

But feedstock availability remains tight, which could force refiners to cut operating rates towards the end of the third quarter or later this year, traders say.

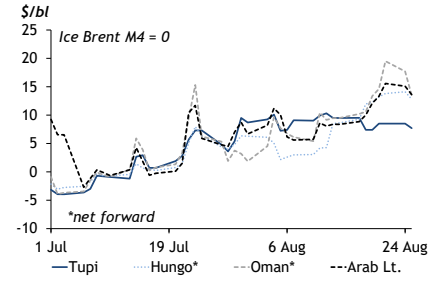
Ongoing maintenance is also limiting throughput growth in the region. The 70,000 b/d Lijin refinery shut for planned maintenance in mid-August. Wanda's 100,000 b/d Tianhong refinery was off line for most of the month, owing to planned maintenance from late July-late August. And the 48,000 b/d Xinyue refinery in Binzhou experienced an equipment failure in July and will remain closed for unplanned repair works until September.

CRUDE

China CDU shutdowns



Crude delivered China



Prices rise as supply disruptions continue

Benchmark crude prices climbed higher due to sustained supply disruptions. Traffic remained limited through both the strait of Hormuz and the Bab el-Mandeb strait in the Red Sea, weighing on Middle East exports. Attacks on Russian crude infrastructure tightened supplies of Russian Urals, and the US' blockade on Iran stemmed Iranian crude flows, supporting the market for medium sour grades.

Atlantic basin benchmark North Sea Dated rose by $3.23/bl to $88.74/bl from 28 July-25 August. Mideast Gulf medium sour Dubai surged by $16.61/bl to $96.07/bl.

Seaborne exports of Russian crude to China increased by 23.5pc on the month to 1.7mn b/d (7.4mn t) in July, preliminary data from oil analytics firms Vortexa and Kpler show. Shipments could be even higher, as the final destinations are still unknown for a further 928,000t of Russian crude that loaded for Asia-Pacific in June-July. Chinese demand rebounded as refiners replenished crude stocks and increased runs. Competitive prices for Russian crude provided further incentive.

Waterborne Canadian crude exports out of the 890,000 b/d Trans Mountain pipeline system averaged 535,000 b/d in July — up by nearly 2pc from June and the highest since November, according to Kpler and Vessel Tracker. China was the largest destination for Trans Mountain cargoes in July, taking 7pc more than in June and receiving a three-month high of 309,000 b/d.

Exports of Iraqi Basrah crude averaged 1.35mn b/d in July, *Argus* tracking data show. This was almost four times higher than the 367,000 b/d exported in June but far below the 3.4mn b/d shipped in January-February. Basrah crude was exported to China for the first time since March, after stock drawdowns and weak refining margins curbed appetite in previous months. July flows of Basrah to China amounted to 258,000 b/d.

Copyright © 2026 Argus Media group

Licensed to: Juana Wong, Argus Media Limited (London)

CRUDE MARKETS

Crude Prices							*$/bl*
Benchmark	**Basis**	**Mar 26**	**Apr**	**May**	**Jun**	**Jul**	**Aug***
North Sea Dated		103.84	120.36	107.31	85.17	83.39	90.86
Ice Brent M1		99.86	103.38	104.78	84.60	83.41	87.81
Ice Brent M2		95.40	96.85	100.66	83.58	81.71	85.87
Ice Brent M3		91.04	91.96	96.78	82.36	80.17	83.79
IFAD Murban		110.75	104.44	101.48	80.01	79.07	90.40
Dubai swap M1		98.39	96.42	97.20	77.37	76.21	81.29
Dubai swap M2		90.75	91.79	93.82	77.02	75.37	78.66
Dubai swap M3		87.29	88.49	90.96	76.79	75.00	76.99
DME Oman M1		124.05	104.73	102.00	79.09	76.36	87.22
WTI Cushing		91.16	98.63	99.08	81.91	79.44	82.39
Brent-Dubai EFS	Dubai	9.12	11.58	11.06	7.12	8.04	9.38
China/Asia Pacific	**Basis**	**Mar 26**	**Apr**	**May**	**Jun**	**Jul**	**Aug***
Djeno des Shandong	Ice Brent	18.83	25.96	8.78	2.12	-1.06	5.25
ESPO Blend des Shandong	Ice Brent	2.64	8.76	3.97	0.20	-3.00	1.06
Johan Sverdrup des Shandong	Ice Brent	23.94	32.38	13.27	4.11	1.18	7.35
Oman des Shandong	Ice Brent	-6.04	1.55	1.24	-1.33	-4.06	-2.34
Tupi des Shandong	Ice Brent	19.52	24.85	13.76	4.66	1.67	7.85
ESPO Blend fob Kozmino	Dubai swap M2	-8.66	-2.24	-1.68	-4.98	-8.07	-6.00
WTI CFR South Korea	Dubai swap M2	16.11	21.88	19.79	15.71	12.47	17.21
North Sea	**Basis**	**Mar 26**	**Apr**	**May**	**Jun**	**Jul**	**Aug***
Urals CIF NWE	North Sea Dtd	na	na	na	na	na	-22.08
Forties fob NWE	North Sea Dtd	3.07	14.37	2.36	0.12	0.10	2.33
Johan Sverdrup fob NWE	North Sea Dtd	7.06	11.01	2.39	2.77	2.39	1.14
Mideast Gulf	**Basis**	**Mar 26**	**Apr**	**May**	**Jun**	**Jul**	**Aug***
Basrah Medium fob Iraq	OFP	0.70	-11.06	-24.00	-24.00	-14.44	-25.29
Basrah Heavy fob Iraq	OFP	1.35	-10.41	-23.35	-23.35	-17.09	-28.09
Upper Zakum fob UAE	Dubai swap M2	8.68	2.98	0.82	-1.88	-4.75	-6.75
Murban fob UAE	Dubai swap M2	20.12	12.67	8.25	4.19	3.78	12.31
West Africa	**Basis**	**Mar 26**	**Apr**	**May**	**Jun**	**Jul**	**Aug***
Bonny Light fob Nigeria	North Sea Dtd	1.38	6.72	4.30	3.30	0.05	3.69
Cabinda fob Angola	North Sea Dtd	1.51	9.00	0.48	-2.39	-7.82	-2.84
Girassol fob Angola	North Sea Dtd	0.60	8.20	0.42	-0.69	-3.62	0.53
Djeno fob Congo	North Sea Dtd	-0.63	4.60	-4.44	-8.10	-13.55	-8.34
Doba fob Chad	North Sea Dtd	-0.61	3.98	-0.05	-2.03	-4.04	-3.61
Americas	**Basis**	**Mar 26**	**Apr**	**May**	**Jun**	**Jul**	**Aug***
WCS fip Houston	Nymex CMA	-4.06	-6.41	-5.59	-3.44	-5.67	-8.12
WTI fob Houston	Ice Brent	1.03	9.11	2.22	-1.02	-1.89	-2.17
Castilla Blend fob Colombia	Ice Brent	-9.68	-7.64	-10.08	-11.93	-9.95	-11.44
Medanito fob Argentina	Ice Brent	-0.01	6.33	3.65	-0.80	-5.24	-2.43

** month to date*

Calendar month average

Copyright © 2026 Argus Media group

Licensed to: Juana Wong, Argus Media Limited (London)

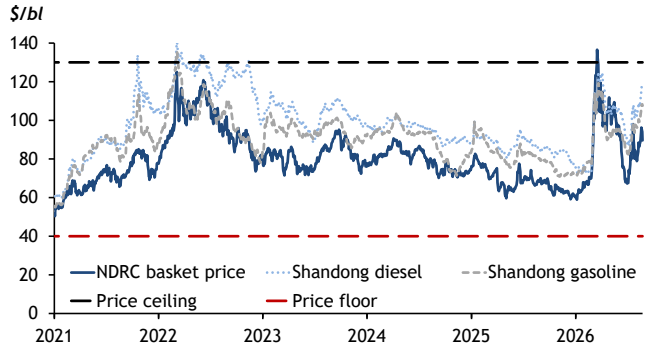
CRUDE MARKETS

Spot crude: Des Shandong				$/bl
Date	**Grade**	**Delivery**	**± Ice Brent**	**Outright**
8 Jul	Djeno	Sep 26	-4.40	72.46
22 Jul	Djeno	Sep 26	3.70	90.89
5 Aug	Djeno	Oct 26	0.00	77.37
19 Aug	Djeno	Oct 26	9.10	96.80
8 Jul	ESPO Blend	Aug 26	-4.00	73.44
22 Jul	ESPO Blend	Sep 26	-2.50	84.69
5 Aug	ESPO Blend	Sep 26	-1.00	77.61
19 Aug	ESPO Blend	Oct 26	2.50	90.20
8 Jul	Tupi	Sep 26	-1.20	75.66
22 Jul	Tupi	Oct 26	5.70	90.43
5 Aug	Tupi	Oct 26	6.30	83.67
19 Aug	Tupi	Nov 26	7.40	93.30
8 Jul	Johan Sverdrup	Sep 26	-1.70	75.16
22 Jul	Johan Sverdrup	Oct 26	5.20	89.93
5 Aug	Johan Sverdrup	Oct 26	5.80	83.17
19 Aug	Johan Sverdrup	Nov 26	6.90	92.80
8 Jul	Oman	Jul 26	-3.50	74.43
22 Jul	Oman	Aug 26	-5.00	85.47
5 Aug	Oman	Aug 26	-5.30	74.80
19 Aug	Oman	Sep 26	1.00	90.72
8 Jul	Urals	Aug 26	-5.00	72.44
22 Jul	Urals	Sep 26	-3.20	83.99
5 Aug	Urals	Sep 26	-3.20	75.41
19 Aug	Urals	Oct 26	-2.50	85.20
8 Jul	TMX high TAN	Sep 26	-6.80	70.06
22 Jul	TMX high TAN	Oct 26	-4.50	80.23
5 Aug	TMX high TAN	Oct 26	-4.50	72.87
19 Aug	TMX high TAN	Nov 26	-5.50	80.40

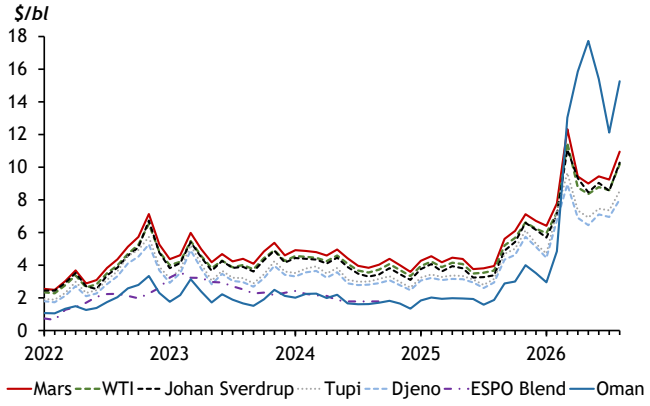
Formula pricing					$/bl
	May 26	**Jun**	**Jul**	**Aug**	**Sep**
Saudi Arabia fob Ras Tanura to Asia-Pacific: average Oman/Dubai					
Arab Super Light	+21.15	+17.15	+11.15	+0.15	-0.35
Arab Light	+19.50	+15.50	+9.50	-1.50	-2.00
Arab Medium	+17.75	+13.75	+7.75	-3.25	-2.00
Arab Heavy	+16.40	+12.40	+6.40	-4.60	-3.35
Iran: fob Kharg Island: average Oman/Dubai					
Iranian Light	+15.40	+13.00	+7.15	-4.35	-4.70
Iranian Heavy	+13.50	+11.10	+5.30	-6.50	-6.90
Iraq to Asia-Pacific: average Oman/Dubai					
Basrah Medium	+17.30	+4.30	+0.30	-6.50	-4.00
Basrah Heavy	+15.20	+2.20	-1.80	-8.80	-7.30
Kuwait: average Oman/Dubai					
Kuwait	+17.00	+12.75	+5.25	-5.00	-3.75
Yemen: North Sea Dated					
Masila	na	na	na	na	na
Nigeria: North Sea Dated					
Bonny Light	+6.86	+5.27	+3.06	+0.32	na

Official selling prices						$/bl
	Feb 26	**Mar**	**Apr**	**May**	**Jun**	**Jul**
Middle East						
Oman						
Oman MOG	62.09	62.17	68.15	124.05	104.73	102.00
Asia-Pacific						
Indonesia						
Minas	70.23	103.08	119.52	107.64	85.77	83.28
Duri	67.95	101.15	117.76	108.15	87.37	86.76
Malaysia						
Tapis	74.07	106.99	123.68	122.26	98.17	92.17
Opec basket	**67.90**	**116.36**	**108.79**	**114.55**	**89.75**	**na**
Japanese Crude Cocktail	65.74	68.86	101.89	114.60	na	na

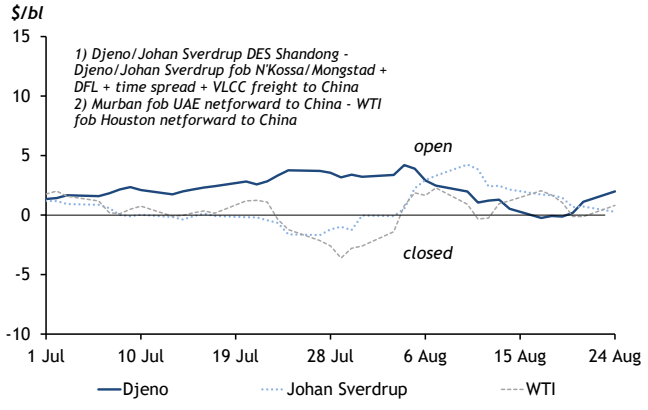
NDRC crude basket vs spot prices



China freight rates



Crude arbitrage: Atlantic basin to China



Copyright © 2026 Argus Media group
Licensed to: Juana Wong, Argus Media Limited (London)

REFINERY THROUGHPUTS

Refinery throughputs, Aug 26 (plan)

	Province	Owner	Capacity†		Crude sources	Shut-downs	Aug (plan)			± Jul
			mn t/yr	*'000 b/d*		*'000 b/d*	*'000t*	*'000 b/d*	*% util.*	*'000 b/d*
Northeast*			**82.2**	**1,640**	**Local, some Russian rail**	**0**	**6,069**	**1,427**	**87**	**+1**
Dalian (PetroChina)	Liaoning	PC	0.0	0	Daqing, Russian rail, West Africa	0	0	0	-	+0
Daqing petrochemical	Heilongjiang	PC	9.5	190	Local (Daqing), some Russian rail	0	710	167	88	+2
Daqing refining & chemical	Heilongjiang	PC	5.5	110	Local (Daqing), some Russian rail	0	462	109	99	+0
Fushun	Liaoning	PC	11.5	230	Local (Daqing 85%, Fushun 15%)	0	772	182	79	+0
Harbin	Heilongjiang	PC	5.0	100	Daqing, Russian rail 20%	0	361	85	85	+1
Jilin petrochemical	Jilin	PC	10.0	200	Local (Daqing, Jilin), Russian rail 20%	0	837	197	99	+0
Jinxi	Liaoning	PC	6.5	130	Domestic, Imports 10%	0	469	111	85	+2
Jinzhou	Liaoning	PC	9.0	180	Domestic, Imports 30% (Chad, Russia etc)	0	503	119	66	+2
Liaohe, Panjin	Liaoning	PC	5.2	100	Local (Liaohe)	0	367	83	83	+0
Liaoyang	Liaoning	PC	10.0	200	Local (Liaohe, Daqing) Russian rail 20%	0	790	186	93	-2
Wepec Dalian	Liaoning	W	10.0	200	Mideast sour imports only	0	798	188	94	-4
Northwest*			**49.5**	**995**	**Xinjiang, local, Kazakh rail/pipeline**	**120**	**3,143**	**745**	**75**	**-69**
Changqing, Xianyang	Shaanxi	PC	5.0	100	Local (Changqing)	0	386	91	91	+1
Dushanzi	Xinjiang	PC	9.9	200	Xinjiang, Kazakh (40pc)	0	756	180	90	+8
Karamay	Xinjiang	PC	5.0	100	Xinjiang	120	51	12	12	-85
Lanzhou	Gansu	PC	10.5	211	Xinjiang, local	0	817	194	92	+6
Tahe	Xinjiang	S	4.7	94	Local (Tahe)	0	318	74	79	+0
Urumqi	Xinjiang	PC	9.4	190	Xinjiang, Kazakh	0	610	146	77	+1
Xian	Shaanxi	S	2.5	50	Local (Yanchang)	0	0	0	-	+0
Yumen	Gansu	PC	2.5	50	Xinjiang, local	0	204	48	96	+0
North*			**55.7**	**1,099**	**50:50 seaborne imports:domestic**	**0**	**2,966**	**689**	**63**	**+31**
Beijing Yanshan	Beijing	S	13.5	270	Daqing, some imports	0	539	127	47	-5
Cangzhou	Hebei	S	3.6	71	Domestic 50%, Imports (Oman etc) 50%	0	248	58	82	+0
Dagang	Tianjin	PC	5.1	98	Local (Dagang)	0	361	82	84	+0
Huabei, Renqiu	Hebei	PC	10.2	200	Local (Huabei)	0	713	165	83	+4
Shijiazhuang	Hebei	S	8.1	160	Local (Huabei), Russian rail 30%	0	124	29	18	+29
Tianjin	Tianjin	S	15.2	300	Local (Dagang) 50%, Imports (sweet) 50%	0	981	228	76	+3
East*			**136.7**	**2,710**	**2/3 imports**	**0**	**7,995**	**1,866**	**69**	**+115**
Jinan	Shandong	S	8.3	160	Local (Shengli)	0	465	105	66	-2
Qilu, Zibo	Shandong	S	12.7	250	Local 50%, Imports (ME, Waf) 50%	0	905	210	84	-3
Qingdao	Shandong	S	10.0	200	Imports only (Mideast sour crude)	0	744	175	88	+0
Qingdao Petrochemical	Shandong	S	5.0	100	Imports only (Mideast sour crude)	0	348	82	82	+0
Yangtze river delta			100.7	2,000	2/3 imports	0	5,532	1,294	65	+120
Gaoqiao, Shanghai	Shanghai	S	13.1	260	Imports (sweets) 50%, local	0	923	216	83	-3
Jinling, Nanjing	Jiangsu	S	19.1	380	Imports 50%	0	1,106	259	68	+30
Shanghai (Jinshan)	Shanghai	S	16.1	320	Imports (light & medium) 75%	0	889	208	65	+3
Yangzi, Nanjing	Jiangsu	S	14.1	280	Imports (sours) 60%, Shengli	0	0	0	-	+0
Zhenhai, Ningbo	Zhejiang	S	38.3	760	Imports; over 2/3 sour	0	2,614	611	80	+90
Central*			**51.6**	**1,022**	**40-50% imports (Angola etc)**	**0**	**3,519**	**820**	**80**	**+31**
Anqing	Anhui	S	9.1	180	Imported sours, Shengli, Daqing	0	587	136	76	+16
Changling, Yueyang	Hunan	S	0.0	0	Shengli 60-70%, imports	0	0	1	-	+1
Jingmen	Hubei	S	5.7	112	Domestic 50%, imports 50%	0	464	108	96	+1
Jiujiang	Jiangxi	S	10.0	200	Shengli (60-70%), imports	0	595	140	70	+8
Luoyang	Henan	S	8.1	160	Imports (Oman/Russia) 50%+, domestic	0	628	146	91	-4
Wuhan	Hubei	S	8.6	170	Domestic, imports	0	548	127	75	+5
Hunan Petrochemical	Hunan	S	10.1	200	Shengli, Daqing, imports	0	696	162	81	+4
South*			**73.3**	**1,474**	**100% imports**	**0**	**4,589**	**1090.0**	**74**	**-7**
Fujian, Quanzhou	Fujian	S	14.0	280	Imports (Yemen, Oman etc)	0	820	193	69	+11
Hainan	Hainan	S	8.0	160	Imports (Mideast, Angola)	0	0	0	-	-32
Qinzhou	Guangxi	PC	9.6	200	Imports (Light, sweet Angolan/Australian)	0	815	201	101	+0
Pearl river delta			41.7	834	100% imports	0	2,953	696	84	+14
Guangzhou	Guangdong	S	13.2	264	Imports (Angola, Oman etc)	0	807	190	72	+2
Maoming	Guangdong	S	23.5	470	Imports (Mideast sour crude)	0	1,776	419	89	+10
Zhanjiang Dongxing	Guangdong	S	5.0	100	Imports (Libya, Angola etc)	0	369	87	87	+2
Southwest			**23**	**460**			**2,048**	**483**	**105**	**+27**
Anning	Yunnan	PC	13.0	260	Imports (Mideast Guilf)	0	1,071	253	97	+13
Pengzhou	Sichuan	PC	9.7	200	Imports /Light, sweet Kazakhstan)	0	977	230	115	+14
Total Sinopec*			**321.4**	**6,383**		**0**	**17,497**	**4,367**	**68**	**168**
Total PetroChina*			**186.5**	**3,729**		**120**	**13,374**	**3,632**	**97**	**11**
Total above 47 refineries			**449.0**	**9,400**		**120**	**28,280**	**6,637**	**71**	**102**
Total China*†◊			**801.9**	**16,037**		**303**	**55,974**	**13,181**	**82**	**674**
PetroChina + S'pec % of total China				**63**				**61**		
Above 47 refineries % of total China				**59**				**50**		

**China total and company totals include plants not listed. Regional totals are for listed plants only. PC total includes refineries under CNPC and Wepec. †China total refinery capacity includes 46 major PC/S-owned plants identified as well as 730,000 b/d of, smaller plants operated by the two oil giants. ◊ Additionally, it includes CNOOC's Huizhou refinery in Guangdong and 10 of the country's largest teakettle refineries totalling 1.36mn b/d.*
PC=PetroChina W=Wepec S=Sinopec

Copyright © 2026 Argus Media group

Licensed to: Juana Wong, Argus Media Limited (London)

REFINERY THROUGHPUTS

Refinery throughputs, Jun 26

	Jun 26			May 26			Jan-Jun			± 2025	
	'000t	'000 b/d	%util.	'000t	'000 b/d	%util.	'000t	'000 b/d	%util.	'000 b/d	%
Northeast*	**5,756**	**1,403**	**86**	**5,878**	**1,386**	**85**	**34,726**	**1,397**	**85**	**-102**	**-7**
Dalian (PetroChina)	0	5	-	0	4	-	0	0	-	-194	-
Daqing petrochemical	687	167	88	702	165	87	4,048	163	86	+22	+14
Daqing refining & chemical	445	108	98	455	107	97	2,671	108	98	+3	+3
Fushun	747	182	79	752	177	77	4,212	170	74	-17	-10
Harbin	341	83	83	357	84	84	2,069	83	84	+6	+7
Jilin petrochemical	810	197	99	832	196	98	4,880	197	98	+9	+5
Jinxi	438	107	82	447	105	81	2,683	108	83	+41	+38
Jinzhou	450	110	61	459	108	60	2,789	112	63	-2	-2
Liaohe, Panjin	346	81	81	353	80	80	2,281	88	89	-3	-3
Liaoyang	740	180	90	764	180	90	4,528	183	91	+10	+6
Wepec Dalian	752	183	92	764	180	90	4,565	184	92	+24	+13
Northwest*	**3,053**	**747**	**75**	**3,107**	**737**	**74**	**19,002**	**772**	**78**	**+6**	**+1**
Changqing, Xianyang	362	88	88	374	88	88	2,247	91	91	+6	+7
Dushanzi	666	164	82	679	162	81	4,065	166	83	+10	+6
Karamay	414	101	101	423	100	100	2,491	101	101	-3	-3
Lanzhou	727	178	84	729	173	82	4,319	175	83	+12	+7
Tahe	308	74	79	276	65	69	1,646	66	70	-5	-8
Urumqi	576	142	75	592	141	74	3,498	143	75	+6	+4
Xian	0	0	0	0	0	0	0	0	0	0	-
Yumen	0	0	0	34	8	16	736	30	60	-20	-67
North*	**2,683**	**644**	**59**	**2,700**	**627**	**57**	**17,202**	**684**	**62**	**-56**	**-8**
Beijing Yanshan	499	122	45	573	135	50	3,037	122	45	-19	-16
Cangzhou	237	57	80	229	53	75	1,315	52	74	0	0
Dagang	353	83	85	361	82	84	2,101	82	84	-3	-4
Huabei, Renqiu	658	157	79	595	138	69	3,899	154	77	+2	+1
Shijiazhuang	0	0	0	0	0	0	1,499	60	38	-65	-108
Tianjin	937	225	75	942	219	73	5,351	213	71	+28	+13
East*	**7,169**	**1,729**	**64**	**8,225**	**1,921**	**71**	**47,697**	**1,907**	**70**	**+21**	**+1**
Jinan	450	105	66	451	102	64	2,701	104	65	+22	+21
Qilu, Zibo	855	205	82	894	208	83	5,242	209	83	+50	+24
Qingdao	710	173	87	734	173	87	4,195	169	85	-4	-2
Qingdao Petrochemical	329	80	80	327	77	77	2,027	82	82	-2	-2
Yangtze river delta	**4,825**	**1,166**	**58**	**5,818**	**1,361**	**68**	**33,532**	**1,343**	**67**	**-44**	**-3**
Gaoqiao, Shanghai	883	213	82	901	211	81	5,273	211	81	+85	+40
Jinling, Nanjing	967	234	62	1,034	242	64	6,210	249	66	-70	-28
Shanghai (Jinshan)	820	198	62	834	195	61	4,785	192	60	-58	-30
Yangzi, Nanjing	0	0	0	886	207	74	4,361	175	62	-47	-27
Zhenhai, Ningbo	2,155	521	69	2,162	506	67	12,902	517	68	+47	+9
Central*	**3,110**	**749**	**73**	**3,221**	**756**	**74**	**20,037**	**799**	**79**	**+24**	**+3**
Anqing	572	137	76	572	5	3	3,463	138	77	+2	+2
Changling, Yueyang	0	0	-	0	5	-	0	0	-	0	-
Jingmen	440	106	95	450	105	94	2,609	104	93	+1	+1
Jiujiang	526	128	64	535	126	63	3,214	130	65	+27	+21
Luoyang	444	107	67	476	110	69	3,547	141	88	-35	-25
Wuhan	495	119	70	526	122	72	3,197	127	75	-28	-22
Hunan Petrochemical	633	152	76	662	154	77	4,007	159	80	+56	+35
South*	**4,744**	**1,164**	**79**	**2,073**	**1,156**	**78**	**29,163**	**1,186**	**81**	**-147**	**-12**
Fujian, Quanzhou	713	174	62	713	168	60	4,315	174	62	+4	+2
Hainan	526	128	80	557	131	82	3,234	131	82	+5	+4
Qinzhou	781	199	100	803	198	99	4,673	197	99	+28	+14
Pengzhou	888	216	108	866	204	102	5,313	222	107	+26	+12
Pearl river delta	**2,724**	**663**	**80**	**2,797**	**659**	**79**	**16,940**	**684**	**82**	**+12**	**+2**
Guangzhou	694	169	64	740	174	66	4,631	187	71	-39	-21
Maoming	1,680	409	87	1,697	400	85	10,202	412	88	+51	+12
Zhanjiang Dongxing	349	85	85	361	85	85	2,108	85	85	+1	+1
Southwest	**1,860**	**453**	**99**	**1,871**	**441**	**96**	**10,802**	**443**	**95**	**+6**	**+1**
Anning	972	237	91	1,005	237	91	5,489	221	85	-20	-9
Pengzhou	888	216	108	866	204	102	5,313	222	107	+26	+12
Total Sinopec*	**17,356**	**4,223**	**66**	**18,665**	**4,395**	**69**	**111,858**	**4,480**	**71**	**+47**	**+1**
Total PetroChina*	**14,487**	**3,525**	**95**	**14,642**	**3,448**	**93**	**88,186**	**3,557**	**95**	**-56**	**-2**
Total above 47 refineries	**18,966**	**6,436**	**69**	**19,386**	**6,583**	**70**	**117,314**	**6,746**	**72**	**-254**	**-4**
Total China*†◊	**59,539**	**13,056**	**81**	**59,541**	**13,628**	**85**	**357,237**	**14,408**	**-**	**0**	**0**
PetroChina + S'pec % of total China		**59**			**58**			**56**			
Above 47 refineries % of total China		**49**			**48**			**47**			

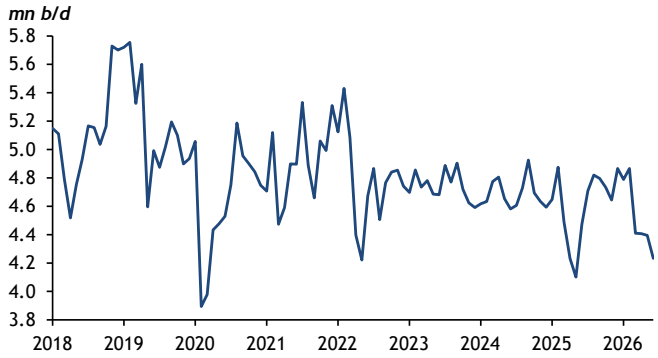
**China total and company totals include plants not listed. Regional totals are for listed plants only. PetroChina total includes refineries under CNPC and Wepec. †China total refinery capacity includes 46 major PetroChina/Sinopec-owned plants identified as well as 730,000 b/d of, smaller plants operated by the two oil giants. ◊ Additionally, it includes CNOOC's Huizhou refinery in Guangdong and 10 of the country's largest teakettle refineries totalling 1.36mn b/d.*

Copyright © 2026 Argus Media group

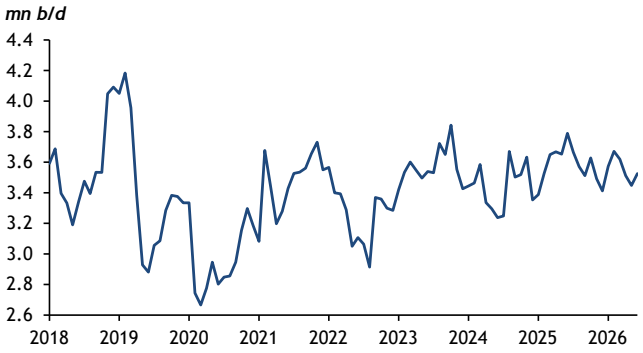
Licensed to: Juana Wong, Argus Media Limited (London)

REFINERY THROUGHPUTS

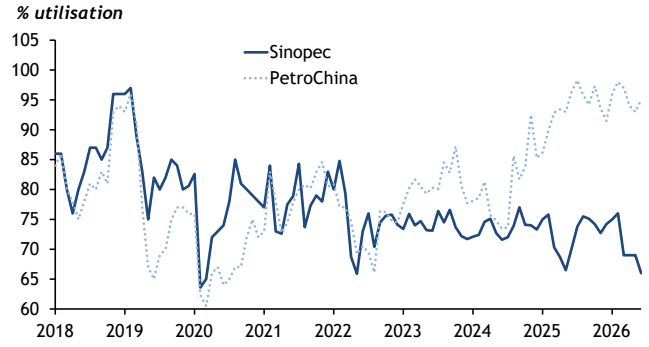
Sinopec total runs



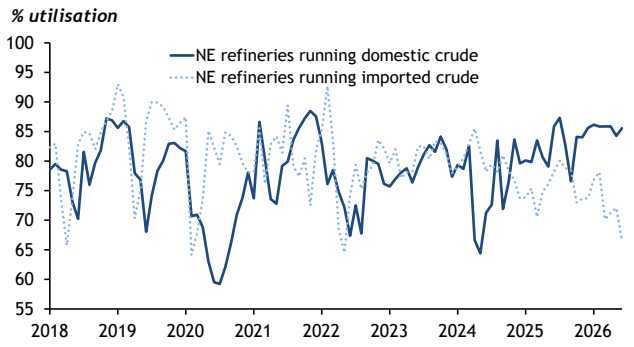
PetroChina total runs



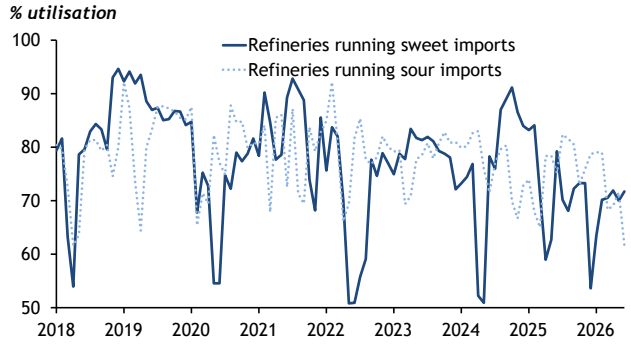
Sinopec vs PetroChina runs



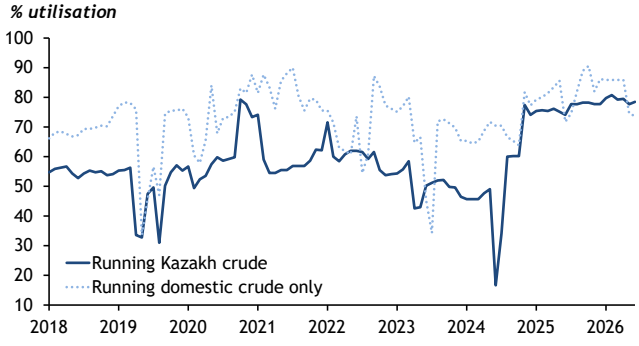
Domestic vs import economics



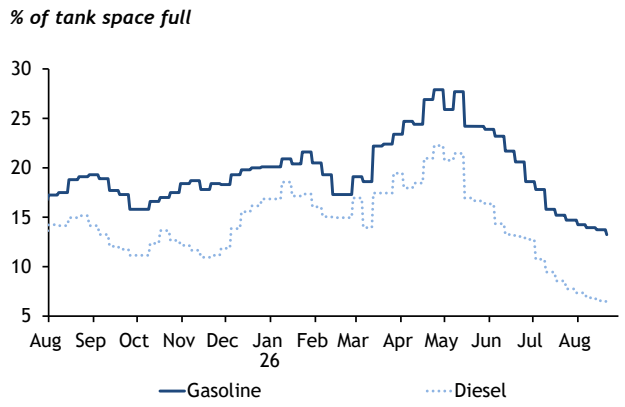
Sweet vs sour imports



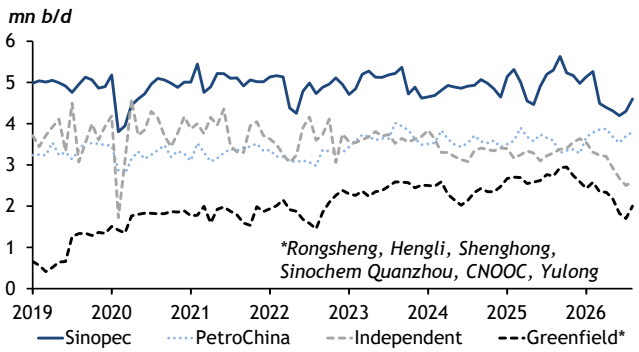
NW China refinery runs



Bohai independent, product storage tank



China: Crude throughputs

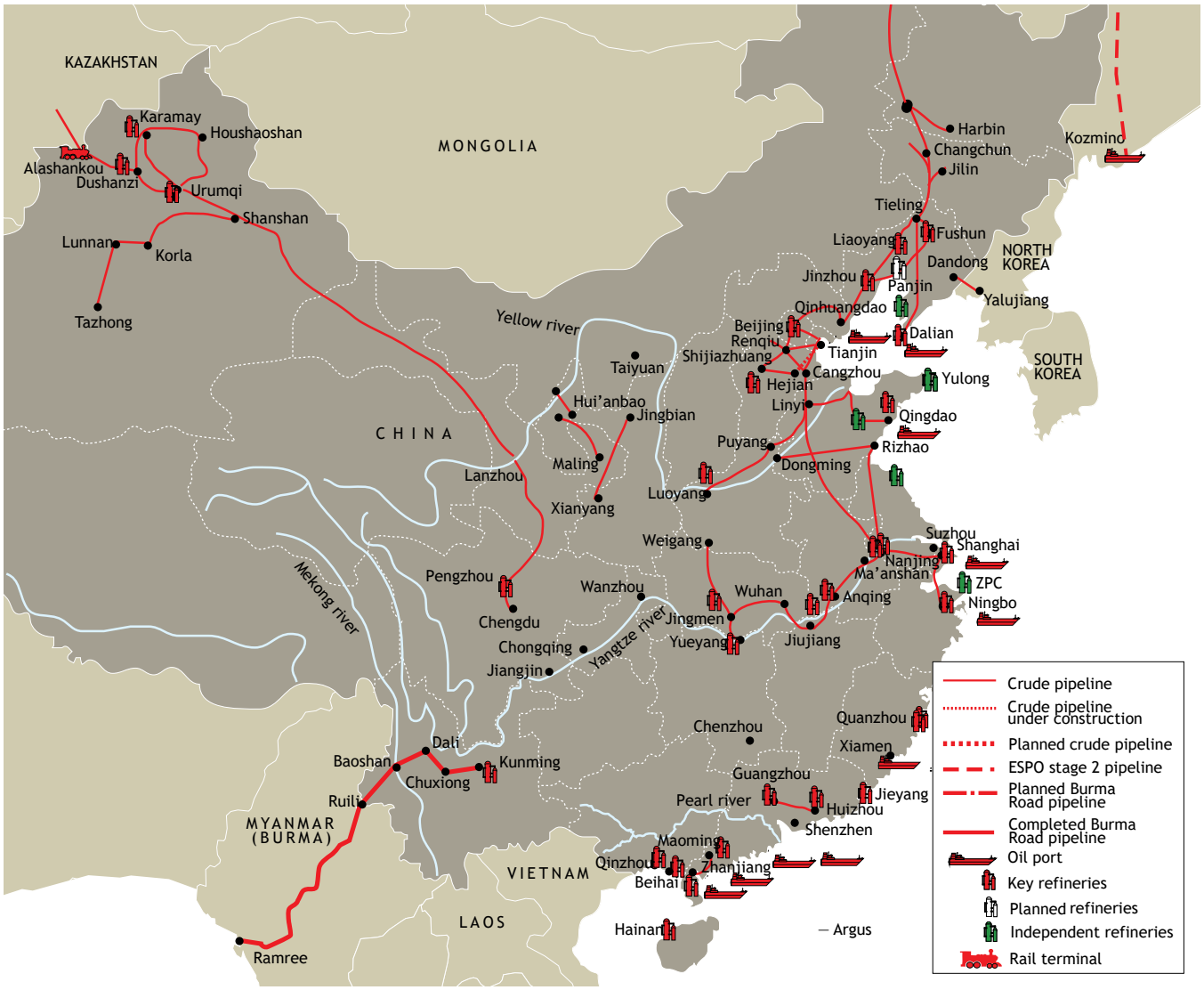


Copyright © 2026 Argus Media group

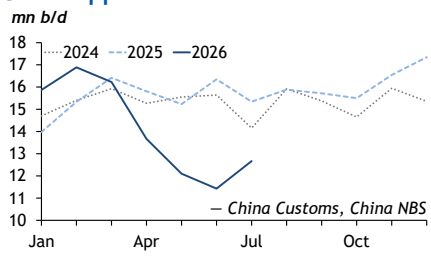
Licensed to: Juana Wong, Argus Media Limited (London)

MAP AND GRAPHS

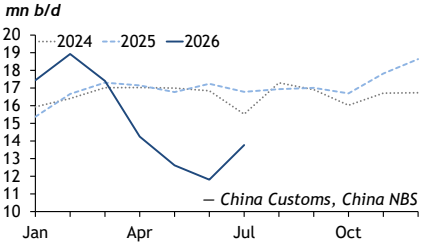
China crude infrastructure



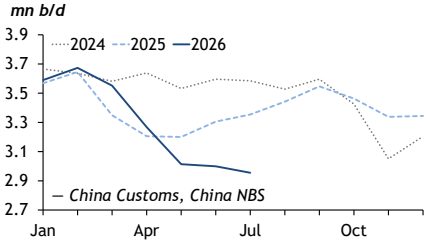
Crude apparent demand



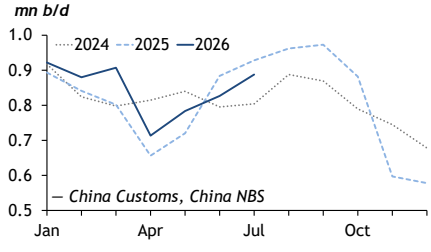
Petroleum apparent demand



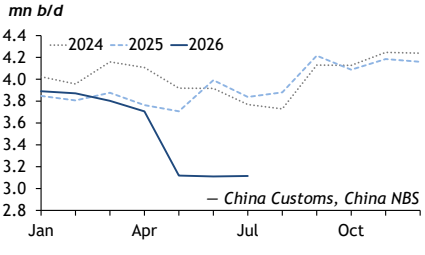
Gasoline apparent demand



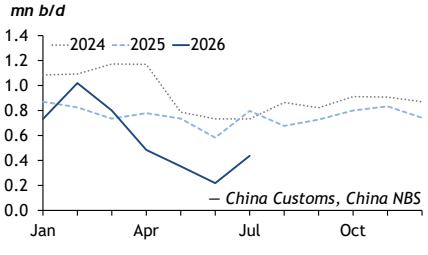
Jet-kero apparent demand



Diesel apparent demand



Fuel oil apparent demand



Copyright © 2026 Argus Media group

Licensed to: Juana Wong, Argus Media Limited (London)

Argus China Petroleum Data & Downloads

Argus China Petroleum subscribers can access the full range of data available to the service through the Data & Downloads section of Argus Direct, or by clicking on the relevant link below.

- Apparent products demand
- Crude imports and apparent oil demand
- Crude import quotas
- Crude production by province / company
- Crude storage capacity
- Crude throughputs survey
- Independent oil firm product stocks
- INE crude stocks
- LNG supply and demand
- Oil company results
- Power data
- Refinery expansions
- Refining margins
- Refinery runs / output by province
- Shandong independent CDU capacity
- Shandong oil infrastructure map
- Spot crude trade
- Thermal coal generation
- Zero Covid

Argus *China Petroleum* is published by Argus Media group

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

ISSN: 1753-6286

Copyright notice
Copyright © 2026 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 CHINA PETROLEUM, 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 Gijssel

President, oil
Christopher Flook

Global head of market reporting
Andrew Bonnington

Editor in chief
Jim Washer

Managing editor
Claudia Perotti

Editor
Tom Reed
Tel: +44 20 7780 4200
acp@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

Petroleum
illuminating the markets®

Licensed to: Juana Wong, Argus Media Limited (London)