



Chemical Market Q4 Outlook

Ongoing geopolitical tensions and production outages continue to disrupt global chemical trade flows, keeping feedstock costs and freight rates elevated.

China's aggressive PE and PP capacity expansion is intensifying competition across Asia.

Diversified sourcing and improving Middle East supplies could enhance chemical availability in India.

The global chemical market is shifting from supply-driven price volatility toward demand-led price weakness, with continued margin pressure and selective buying opportunities in Q4 2026.



Global Chemical Markets: Q4 2026 Outlook

Middle East Supply Risk

~25% of global commodity chemical exports at risk

Global Overcapacity

186 million tonnes potential excess by 2026

Chinese Export Surge

PP exports up +47% YoY (Jan–Sep 2026)

Demand-Constrained Pricing

Fastest price surge since 2007, then sharp reversal

India Diversification

Expanding alternative sourcing, especially methanol



Product-Wise Outlook

Polyolefins

Volatile: US/China supplies offset Middle East; limited price recovery.

MEG

Downward pressure: Middle East cargoes returning to China weigh on prices.



Methanol

Supply recovery may ease prices as alternative sourcing normalizes.

PX / PVC / PET

Mixed outlook: shifted aromatics flows; logistics and weak demand press margins.



Regional Implications





Q4 2026 Watchlist & Bottom Line

Five Factors to Watch



Strait of Hormuz

Will reopened routes restore normal shipments?



Chinese Exports

Will rising PE/PP exports keep pressuring prices?



Naphtha & LPG Costs

Will high costs force further cuts to runs?



Downstream Demand

Will restocking return or cautious buying persist?

