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Argus Chlor-Alkali and Derivatives

Weekly price supplement and market update

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MARKET UPDATE

Americas

- Rising spot freight costs dampen spot caustic soda trade
- Chemtrade rezoning application denied in Vancouver
- US homebuilder confidence weakens on rising costs

Europe

- NWE settles with triple digit increases from April
- CEE prices rise on supply shortages
- Renewed shipping interest from Asia to Med

Asia Pacific

- Caustic soda export prices have fallen further
- Northeast Asia's export availability increased
- Many buyers have opted to stay on the sidelines
- More traders are taking short positions

AMERICAS

Domestic caustic soda exporters are facing prohibitive spot freight costs that have hampered arbitrage opportunities into destinations facing decreasing inventories, as competition for chemical tanker space and longer transits push logistics costs higher.

Spot trade activity has slowed from the US Gulf coast as buyers balk at delivered prices buoyed by climbing freight prices. Spot freight to Brazil this week reached \$210/dry metric tonne (dmt), 16pc higher than [costs immediately after](#) the joint US-Israel attack on Iran on 28 February, sources said. Meanwhile, spot freight for a transatlantic parcel into the Mediterranean was indicated at \$240/dmt.

The effective closure of the strait of Hormuz curtailed shipments from the Middle East. The closure also redrew trade lanes and funneled global import interest to the US Gulf coast. Heightened demand for limited vessel capacity coupled with rallying global energy prices drove bunker and operational costs higher during the last two months of war.

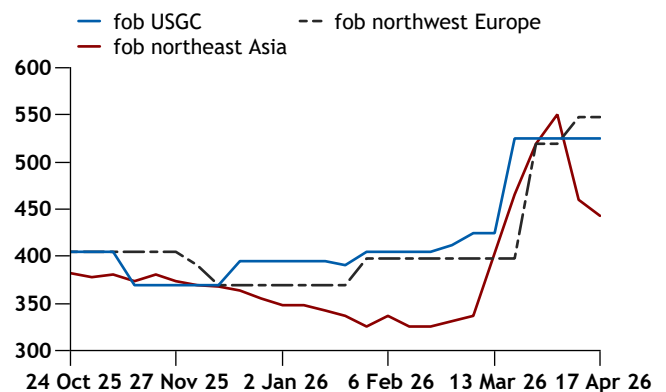
Argus assessed spot caustic soda exports at the US Gulf coast flat from \$510-540/dmt fob this week, supported by stable offers, flat indications and limited liquidity. But spot values face near-term headwinds stemming from tempered

MARKET PRICES

Key prices						
		Units	Timing	Low	High	±
Americas						
Caustic soda (27 Mar)	fob USGC contract	\$/dst	Mar 26	625	660	na
Caustic soda	fob USGC export	\$/dmt	week 16	510	540	nc
Caustic soda	North America barge	\$/dst	week 16	485	505	nc
Europe						
Caustic soda (27 Mar)	fd northwest Europe contract	€/dmt	Q1 2026	550	690	na
Caustic soda	fob northwest Europe export	\$/dmt	week 16	535	560	nc
Caustic soda	cfr Med and Black Sea import	\$/dmt	week 16	750	800	nc
Asia-Pacific						
Caustic soda export	fob northeast Asia	\$/dmt	week 16	420	465	-17.5
Caustic soda import	cfr southeast Asia	\$/dmt	week 16	500	500	-70.0
Caustic soda 50pc	ex-factory China	Yn/dmt	week 16	2,490	2,650	-40.0
Caustic soda 50pc month range (27 Mar)	ex-factory China	Yn/dmt	Mar 26	1,980	2,810	na
Caustic soda solid export	fob China	\$/t	week 16	470	480	-17.5

Global caustic soda export prices

\$/dmt



trade activity. Some fully integrated chlor-vinyl producers delayed planned maintenance from the first half of the year to the summer to capitalize on polyvinyl chloride (PVC) and ethylene dichloride (EDC) spot prices at multi-year highs. Delayed chlor-alkali plant turnarounds and PVC operating rates above year-ago levels could add to US caustic soda inventories, even with Olin facing an extended turnaround at its Freeport, Texas, facility.

The potential for increased caustic soda supplies would occur when domestic caustic soda consumption is also facing nominal retraction from last year, primarily in the pulp and paper sector.

Domtar will indefinitely idle its Coosa Pines, Alabama, fluff pulp mill in May, removing an estimated 19,000 dmt/yr of caustic soda consumption, *Argus Chlor-Alkali Analytics* estimates. Domtar's Coosa Pine closure is the second hit to domestic pulp production this year after Ahlstrom announced it will close pulp production at its Mosinee, Wisconsin, mill. The Mosinee pulp mill consumed 4,000 dmt/yr of caustic soda, *Argus* estimates.

Barge consumers remain sidelined and comfortably supplied by contractual deliveries, and no spot trades closed this week. *Argus* assessed spot barges stable from \$485-505/dry short ton (dst) fob US Gulf coast.

Canada-based producer Chemtrade Logistics faces an uncertain future in the west coast merchant chlorine market after the District of North Vancouver Council rejected a rezoning request that would have allowed it to make chlorine at its Vancouver, British Columbia, chlor-alkali plant after 2030.

Chemtrade last year sought a lease extension at its Port of Vancouver site and began preparing the rezoning application that would have secured its ability to manufacture, store and ship chlorine from Vancouver beyond 2030. Chemtrade produces an estimated 210,000 metric tonnes (t)/yr of chlorine at its Vancouver chlor-alkali facility, *Argus* data show.

Chemtrade in the initial proposal said it would potentially abandon a new lease agreement if the rezoning application was denied.

Chemtrade's operations are divided between leased land from the Port of Vancouver and owned property. The plant supplies more than 70pc of the liquid chlorine used to treat municipal drinking water in British Columbia and Alberta, Chemtrade said. The plant also supplies 60pc of chlorine for water treatment in the western US.

Current chlorine production is located on land leased to Chemtrade from the Port of Vancouver, which intends to remove manufacturing sites from its land by 2030 to prioritize uses more closely related to trade and shipping, according to

District of North Vancouver public hearing minutes from 24 February. Keeping chlorine liquefaction capacity at Vancouver would require rezoning to consolidate the plant on Chemtrade-owned property.

Even as demand for US polyvinyl chloride (PVC) exports remain strong, traders face increased Chinese exports at lower prices. Chlorine values in the vinyl chain are still elevated, and ethylene dichloride (EDC) demand is also strong.

Producers must weigh a market that is pressured by weak domestic demand for PVC building products, though.

The National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) fell to 34 for its April reading, down from 38 in March and below 40 a year earlier. The HMI is a weighted average of US homebuilders' views on present single-family home sales, expected sales during the next six months, and traffic of prospective buyers on a scale of 100. Readings above 50 show generally bullish sentiment.

The expected sales component of the index dropped by seven points to 42, its lowest level since June 2025.

The US housing market outlook faces significant headwinds for 2026. Consumer confidence slipped to an all-time low in April as concerns stemming from the war in the Middle East and short-term inflation widen, data from the University of Michigan's Index of Consumer Sentiment survey show.

EUROPE

Northwest European buyers are accepting large price increases, with many seeing upward movements of more than €100/dmt from April for quarterly and monthly business. In Germany, prices have moved into the €700s/dmt fd for all types of business, albeit with evidence that some early conclusions were still in the high €600s/dmt fd and some customers even paying in the low €800s/dmt fd. Prices in the Benelux and north France area moved to the mid-to-high €600s/dmt fd at the low end, whilst higher levels are also seen depending on the location.

Second-quarter negotiations in the Nordic region continued this week as the gap between selling and buying ideas has yet to close. Besides the usual cost and margin arguments, suppliers have pointed to escalating freight rates for overseas imports, which they expect to limit US supplies to contract volume and will increase buyers' reliance on European-origin product. This is prompting them to insist on increases in excess of €100/dmt, and customers are now working to mitigate the magnitude of the increase. Spot deals have recently settled around €600/dmt fob northwest Europe from the mid €500s/dmt fob in March.

April monthly contract prices are settling with increases in central and eastern Europe. *Argus* understands settlements are being done in a wide range of prices, depending on source and timing, but all above the March levels of €500-550/dmt fd. While some settlements were seen as high as the mid-€700s/dmt fd at the start of the month, some business negotiated mid-month is now settling in the low-to-mid-€600s/dmt fd. Supply disruptions at the start of the month in Poland and Germany led some buyers to close deals at higher levels to secure volumes, but production has since increased and material imported from outside of Europe from the east via truck has started to be offered in the region at these lower levels. Local suppliers are understood to be looking to compete with these price levels going forwards. Demand remains flat, although there is evidence of some demand lost in specific end uses affected by raw material issues. Some concerns have arisen too regarding the metals sector in eastern Europe, due to upcoming regulatory changes. The number and volume of quarterly arrangements is decreasing, with the recent volatility leading some suppliers to withdraw from this type of business altogether and focusing on monthly business instead. But some buyers, particularly those with lower caustic soda intake, still prefer not to negotiate every month. While the full range of quarterly settlement prices is still unclear, *Argus* understands business is settling higher than first quarter levels in the majority of cases.

In southern Europe, demand appears to be stable, after picking up slowly following the Easter break. Prices have risen in similar ways to the rest of Europe. Demand is stable in Spain and Italy in particular. Some deals have been seen in the high €600s to low €700s/dmt fd in Spain, while business in Italy appears to be settling at slightly higher levels, up to the mid-€700s/dmt fd, despite attempts by some sellers to raise prices even further. But buyers still see product availability and are beginning to push back on such increases. Some have avoided purchasing, waiting for the market to settle back down again and it remains unclear whether prices will hold throughout the month.

The seaborne markets are seeing no relief from the limited supplies or the unusually high freight rates. Low availability is keeping northwest Europe minimally active and prices stable at \$535-560/dmt fob, albeit with ongoing upward pressure. Import prices into the Mediterranean and Black Sea area have also rolled over at \$750-800/dmt cfr, but selling ideas are still rising and limited supplies could mean that prices have yet to peak. Availability is disrupted from all origins for a multitude of reasons. High freight rates and difficulties in securing vessels are still severely limiting opportunities from the US gulf, whereas availability from

northwest Europe may take a few more weeks to recover once the maintenance season enters its final stages. Technical issues in the south France are still resulting in a reduced export allocation and energy related issues in Egypt are also keeping volumes lower than usual. As before, any shortfalls are difficult to offset and so selling ideas keep rising. There are indications that Indian and South Korean product might head to Europe, although it is not yet clear at which price point.

ASIA PACIFIC

Caustic soda fob prices in northeast Asia were assessed lower week on week at \$420-465/dmt, despite support from a single May-loading cargo of South Korean origin, which is likely destined for Europe. The assessment also reflects the latest lower offers of Chinese-origin, currently around \$410-430/dmt fob. These reduced offer levels were driven by increased export availability, as many coastal Chinese producers continued to operate at elevated run rates to take advantage of more favorable netbacks from both caustic soda and chlorine.

Offers from suppliers outside China in Northeast Asia were higher, at around \$470-480/dmt fob, primarily targeting the US West Coast (USWC). However, buying interest from the USWC and the Canadian West Coast has slowed, as most buyers have already covered their May requirements.

Several integrated chlor-alkali and vinyl producers have also secured alternative ethylene feedstock and resumed or increased operating rates to address backlog orders and outstanding contractual obligations. The resulting increase in caustic soda supply has further intensified pressure on export volumes. The market also saw more traders taking short positions in anticipation of further declines in fob prices.

Despite signs of easing tensions in the Middle East, freight rates on outbound routes from Northeast Asia have remained firm and are expected to rise further due to increasing demand for vessel space, particularly on long-haul routes and for MR vessels. Overall, Northeast Asia fob prices are expected to soften further amid rising export availability and improving regional stability. However, the pace of decline in cfr prices is likely to be slower, supported by higher bunker surcharges.

Southeast Asian caustic soda prices declined further week on week to around \$500-500/dmt cfr following the conclusion of a fixture for Japanese-origin cargoes to Indonesia. Owing to elevated freight rates, this cargo is expected to result in a fob netback in the low \$400s/dmt. Despite the

price decline, buying interest remained relatively firm amid continued supply tightness in the region.

However, the resumption of normal operations by two domestic producers helped address part of the existing supply backlog as import demand is expected to soften in the near term. Outside Indonesia, overall market activity remained muted as most buyers adopted a wait-and-see approach, wary of committing amid the rapid decline in cfr prices.

Domestic ex-tank prices liquid caustic soda in China have continued to decline, as producers and traders intensified efforts to liquidate inventories. This comes amid persistently high operating rates, with overall industry utilization holding at around 85-86pc. Some producers have even postponed planned maintenance to take advantage of strong netbacks for both caustic soda and chlorine.

Price sentiment has been further weakened by intense competition in inter-provincial trade, alongside lower recently concluded contract prices with alumina refineries in Shandong. These factors have pushed domestic parity prices lower, particularly for the 32pc grade. In addition, softer export demand for the 50pc grade has accelerated the downward trend.

Mainstream ex-tank prices for 50pc caustic soda have fallen to Yn 2,490-2,650/dmt (\$376/dmt). Prices for the 32pc grade have dropped more sharply to Yn 670-750/lmt (\$324/dmt), further widening the price spread between the two grades as producers attempt to clear excess inventory. The continued decline in caustic soda futures has also contributed to the weaker market.

On the demand side, consumption of caustic soda has remained broadly stable across both alumina and non-alumina sectors. However, inventory levels remain elevated. Combined with the favorable netback environment for caustic soda and chlorine, operating rates are expected to stay high, sustaining downward pressure on domestic prices in the near term.

Merchant chlorine prices in China rose sharply at the start of the peak season, supported by steady procurement demand from downstream manufacturing sectors. Ex-tank liquid chlorine prices strengthened further during the week, with assessments in east China at Yn340-600/t (approximately \$68/t) and in Shandong at Yn460-610/t (around \$75/t).

In India, domestic caustic soda prices declined week on week and were assessed at Rs 43,000-47,000/dmt (\$485/dmt), excluding taxes and delivery. The price weakness was driven by lower northeast Asia export prices and growing inventory pressure among domestic producers. In addition, overall caustic soda consumption has slowed amid the ongoing

Middle East crisis, while energy shortages have disrupted operations across several downstream industries. No export shipments were reported during the week.

China's export prices for caustic soda flakes declined further week on week to \$470-480/t fob, driven by continued inventory accumulation, particularly among inland producers. This oversupply has forced producers to channel more material into the export market. Sluggish domestic and export demand, coupled with falling ex-plant prices, has intensified downward pressure on export pricing.

In contrast, caustic soda flakes of south Asian origin were assessed higher, at around \$500/t fob. Producers in the region maintained firmer offer levels in response to stronger domestic parity prices of approximately Rs52-55/kg ex-plant. As a result, export volumes from south Asia have declined significantly.

Within the domestic Chinese market, ex-plant flake prices continued to weaken amid softening demand, particularly from the alumina and mining sectors. In addition, falling prices for liquid feedstock have dampened market sentiment and further dragged down flake prices. Ex-plant prices in Inner Mongolia and Xinjiang edged lower to Yn2,630-2,680/t, while prices in Shandong declined further to Yn2,860-2,960/t.

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Registered office

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

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Publisher

Adrian Binks

Global compliance officer

Vladas Stankevicius

Chief commercial officer

Martin Gijssel

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

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