

Argus report sample

Argus Polypropylene Outlook

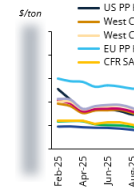
February 2026

Polypropylene outlook – What's changed?

Weak demand and expanding capacity underscore a subdued PP outlook.

PP Prices, \$/ton Feb-26 Mar-26 Apr-26 May-26 Jun-26 Jul-26

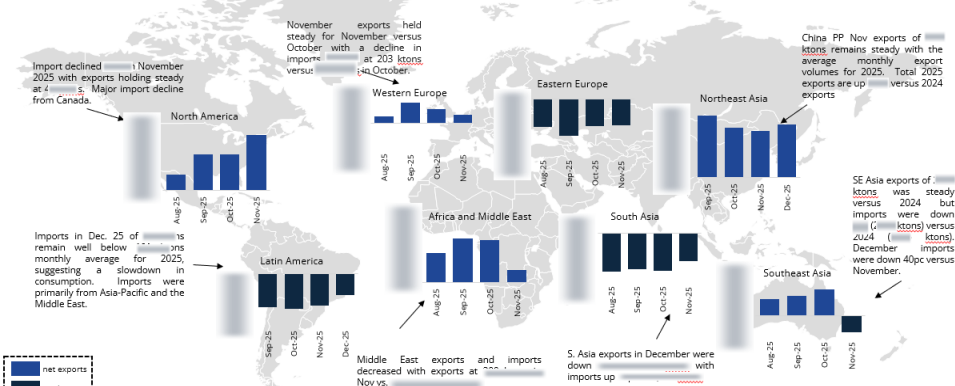
USA PP H IM (contract)
West Coast South America
PP Homo CFR
Brazil PP Homo CFR
West Coast South America
PP Copolymer CFR
Brazil PP Copolymer CFR
EU PP Homo (contract)
China CFR Raffia
SEA CFR Raffia
SA CFR Raffia



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Regional net PP trade

Export strength concentrated in NE Asia while most regions remain net importers.



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Chemicals

Source: Global Trade Tracker
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About this report

24-month rolling forecast of global polypropylene prices alongside forward-looking analysis of supply, demand and market fundamentals across key regions.

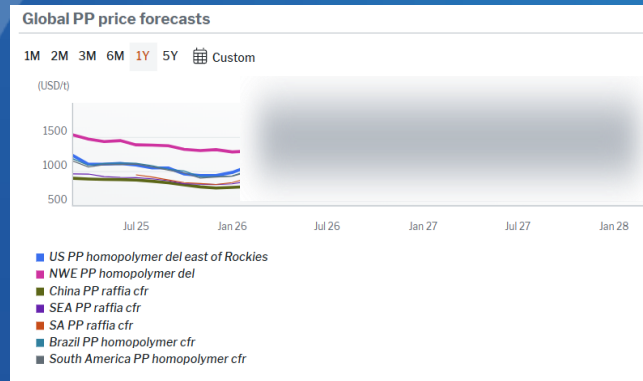
Subscribers gain a comprehensive view of the global polypropylene value chain in a single monthly report, with insight into feedstocks, production economics, trade flows and regional market dynamics. The service also includes an annual 5-year price forecast.

Each month, you receive the PDF report directly to your inbox, and the accompanying Excel data file is available to download through Argus Direct® – a live, interactive platform that provides access to market news, price assessments, analysis and data tools in one place.

This is a short sample of the 40+ slide report only.



The full report includes:



24 Month Rolling Forecast

A 24-month rolling polypropylene price forecast supported by forward-looking analysis of global supply, demand and market drivers.

Latin America outlook

Import tightness, higher freight, and local protectionism shape the market.

Southeast Asia trade

Exports ease, imports steady as intraregional trade dominates volumes.

North America outlook

Improved production meets persistent spot-market inconsistencies.

Preliminary January data from the American Chemistry Council (ACC) shows an unexpected December. Daily output averaged 1.1 million metric tons, compared with 1.0 million metric tons in November. Market participants were surprised by the strong run rates, given expectations that late-January winter-storm outages would reduce production. With production slightly outpacing sales, producers added ground in January, leaving stocks at roughly 1.5 million metric tons.

The region November same period. Imports from November date imports reached to 1.5 million metric tons. Imports from Asia and S

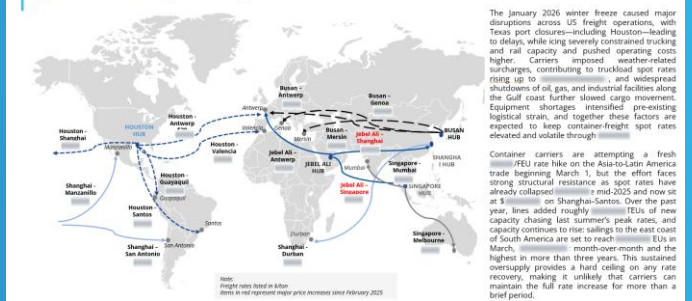
Demand remains relatively stable as total PP sales rose to 1.1 million metric tons in December, with daily sales increasing to 1.1 million metric tons. Exports rose to 1.1 million metric tons, accounting for 1.1 million metric tons of total sales, while domestic sales increased 1.1 million metric tons over the same period.

Export prices were mostly steady after early-month increases. Some lower priced deals were still heard during the week, though these were believed to be older inventory material. Spot PP supply remains inconsistent and highly producer dependent, with some producers offering very limited spot volumes. Pricing has also been uneven, with wide spec ranges widening as more supply becomes available. Wide spec homopolymer PP was reported at 1.1 million metric tons for lower-quality material and 1.1 million metric tons for higher-quality grades.

Competitive derivative pricing suggests that the US will need competitive PGP values to keep supply and demand balanced through the forecast period, particularly as Asia-Pacific and other regions continue to add new derivative capacity. US exports of key derivatives have been limited by the lack of production as global producers make 1.1 million metric tons in traditional US export markets such as Mexico and other parts of Latin America.



Spot container freight rates \$/t



Regional Market Dynamics

Regional commentary covering supply-demand trends, trade flows, freight influences and wider supply chain developments.

Market Sensitivities & Risks

Review of bull and bear risks, highlighting the factors with potential to affect polypropylene price forecasts.

...and more

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Latin America

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Northeast Asia

Southeast Asia

South Asia

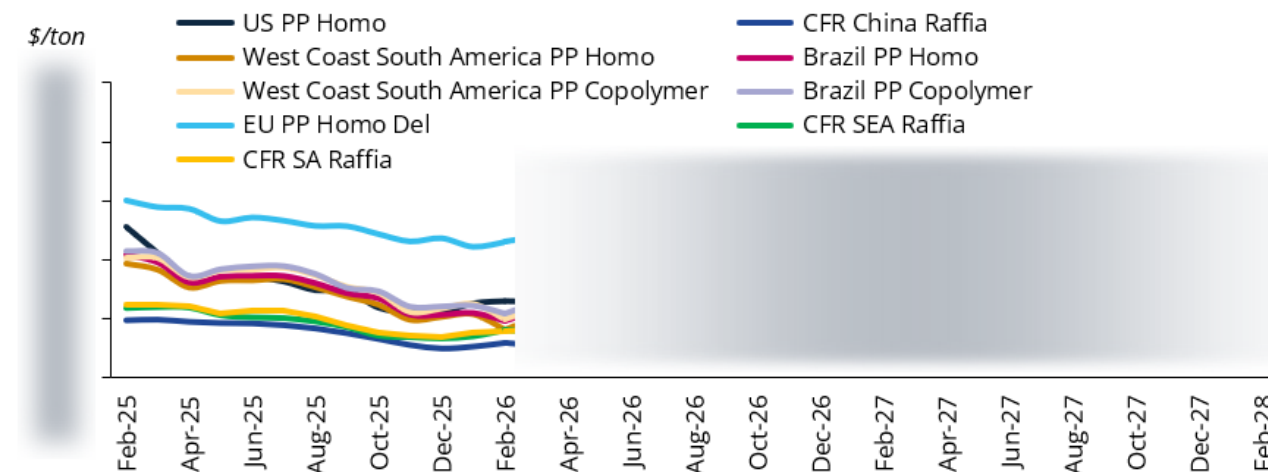
4. Contact us

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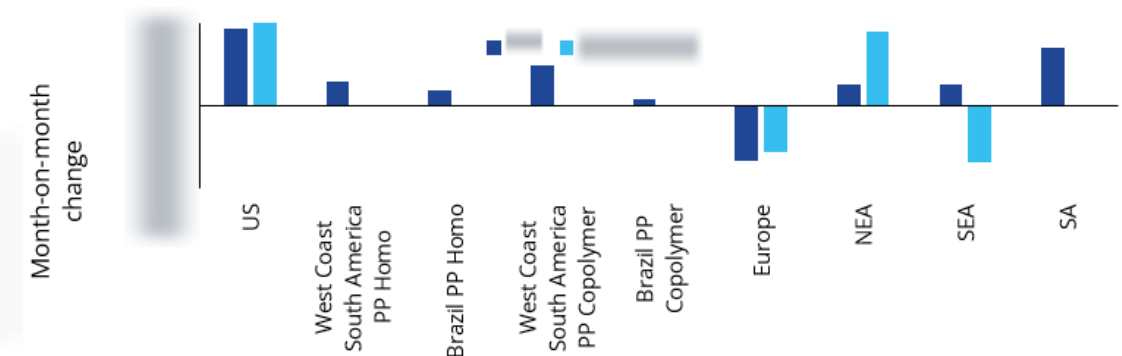
Polypropylene outlook – What’s changed?

Weak demand and expanding capacity underscore a subdued PP outlook.

PP Prices, \$/ton	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
USA PP H IM (contract)						
West Coast South America PP Homo CFR						
Brazil PP Homo CFR						
West Coast South America PP Copolymer CFR						
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EU PP Homo (contract)						
China CFR Raffia						
SEA CFR Raffia						
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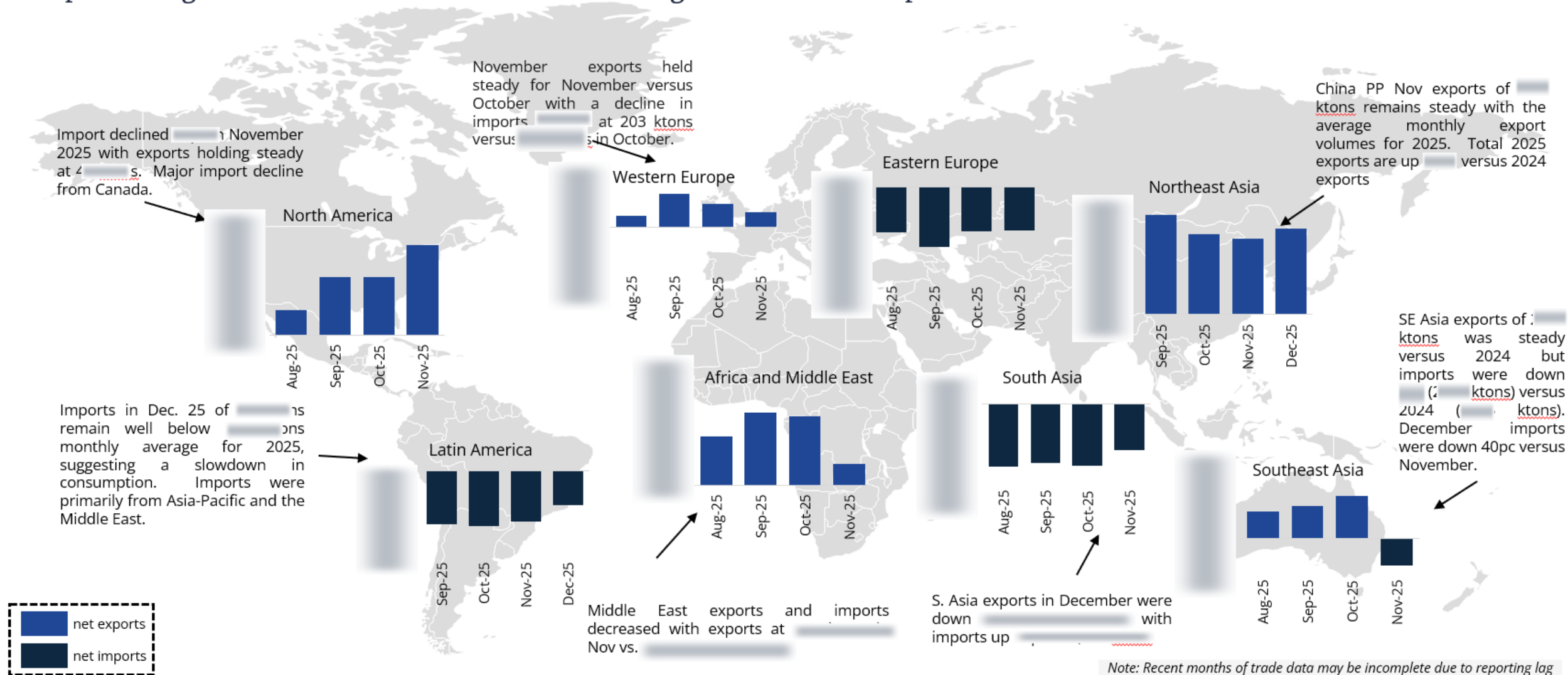
Global polypropylene markets remain structurally long through 2026 as China’s rapid capacity expansion continues to weigh on prices, reshape trade flows, and intensify competition across all major regions. Weak downstream demand, muted energy markets, and elevated inventories—especially in China—limit near-term price upside, resulting in generally stable-to-soft pricing across North America, Europe, Latin America, and Asia. North America sees modest price gains on steady demand and improved production, while Latin America experiences firmer pricing amid tighter imports and rising protectionist pressure. Western Europe remains oversupplied, with only marginal contract increases in line with feedstock moves. Northeast and southeast Asia face continued softness as new capacity and seasonal slowdowns keep supply long and trading thin. South Asia, led by India, emerges as a major import growth center as domestic projects lag and demand accelerates. Overall, oversupply, muted consumption, and limited catalysts point to a subdued pricing environment through mid-2026, with only brief, localized periods of support driven by outages or freight disruptions.



Note: Month-on-month change shows January price vs December price. PP prices: US contract, Brazil CFR Spot, South America CFR Spot, EU contract, NEA CFR Spot, SEA CFR Spot, SA CFR Spot. Propylene prices: US Contract, EU Contract, NEA Spot, SEA Spot. Brazil, South America and South Asia propylene are not included due to limited trade.

Regional net PP trade

Export strength concentrated in NE Asia while most regions remain net importers.



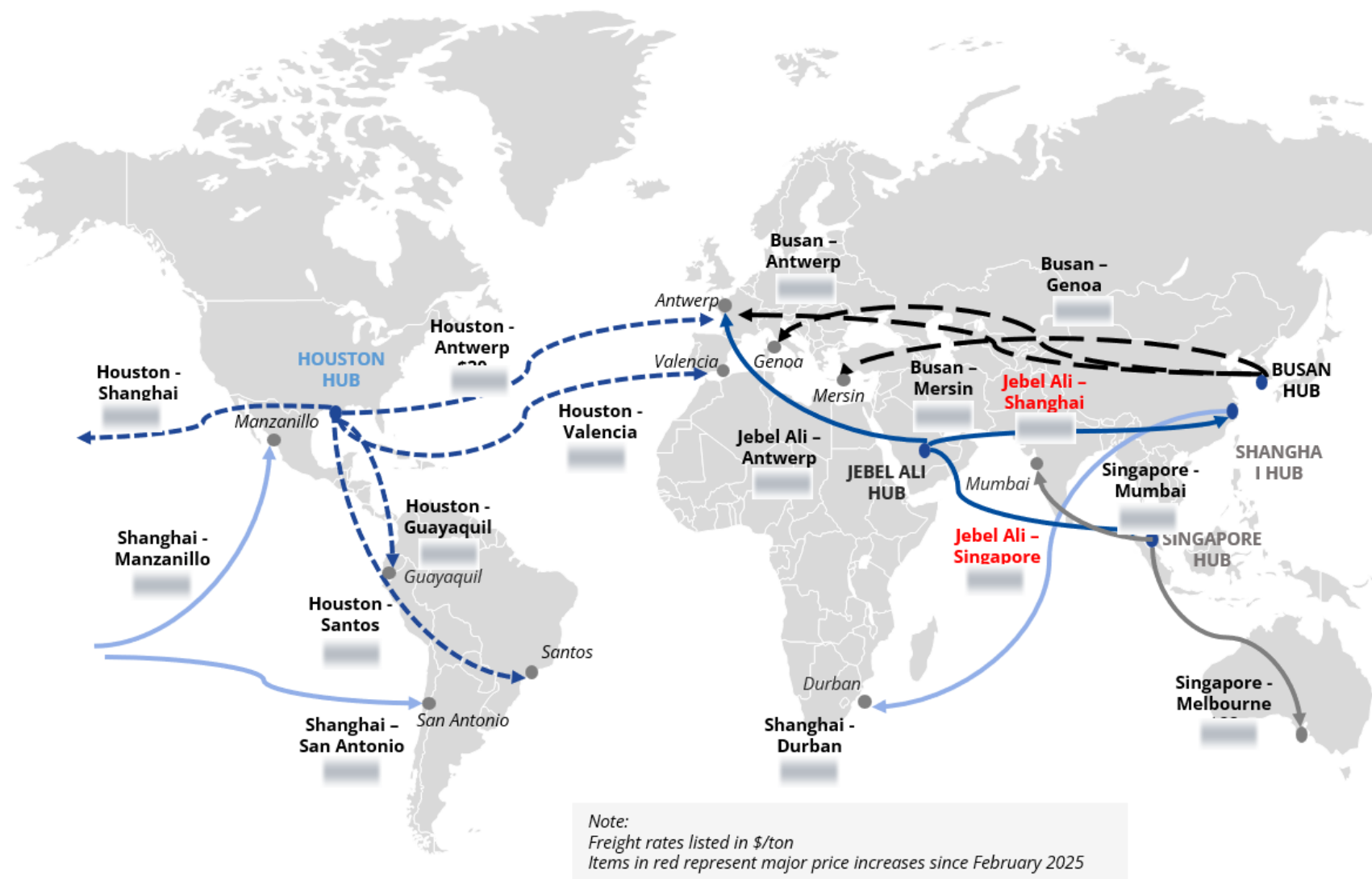
PP plant news

Large-scale PP additions gain momentum across key emerging markets.

Plant	Location	Capacity '000t/yr	Start-up
Sinopec Zhenhai	China		
Shandong Dongming	China		
Huajin Aramco Petrochemical	China		
Huajin Aramco Petrochemical	China		
PetroChina Dushanzi Tarim	China		
China Coal Shaanxi Yulin Energy & Chemical	China		
Sabic Fujian Petrochemical	China		
Sabic Fujian Petrochemical	China		
Zhejiang Yuanjin New Materials	China		

- SIBUR’s large polypropylene expansion in western Siberia has reached completion and is entering the commissioning phase ahead of its 2027 launch, with the new PDH-2 unit set to boost PP output by and introduce grades not previously produced in Russia. PDH-2 is one of three major investments, together with the Amur Gas Chemical Complex and upgrades in Tatarstan, that will expand SIBUR’s polymer production capacity by
- Dangote Group has signed a equipment deal with China’s XCMG to support the expansion of the Dangote Refinery from b/d to b/d within three years, positioning it to become the world’s largest. The investment also underpins broader downstream growth, including raising polypropylene capacity from to
- Toyo Engineering will build a polypropylene plant for India’s state-owned BPCL ; with completion targeted in The project supports BPCL’s push to expand its petrochemical footprint by leveraging propylene from its refinery, as India’s PP demand continues to rise—driven especially by growth in automotive and EV applications. The new plant is part of a broader national capacity build-out, with HPCL set to start a large petrochemical complex this year and to meet India’s rapidly expanding downstream consumption.

Spot container freight rates \$/t



The January 2026 winter freeze caused major disruptions across US freight operations, with Texas port closures—including Houston—leading to delays, while icing severely constrained trucking and rail capacity and pushed operating costs higher. Carriers imposed weather-related surcharges, contributing to truckload spot rates rising up to [redacted]; and widespread shutdowns of oil, gas, and industrial facilities along the Gulf coast further slowed cargo movement. Equipment shortages intensified pre-existing logistical strain, and together these factors are expected to keep container-freight spot rates elevated and volatile through [redacted].

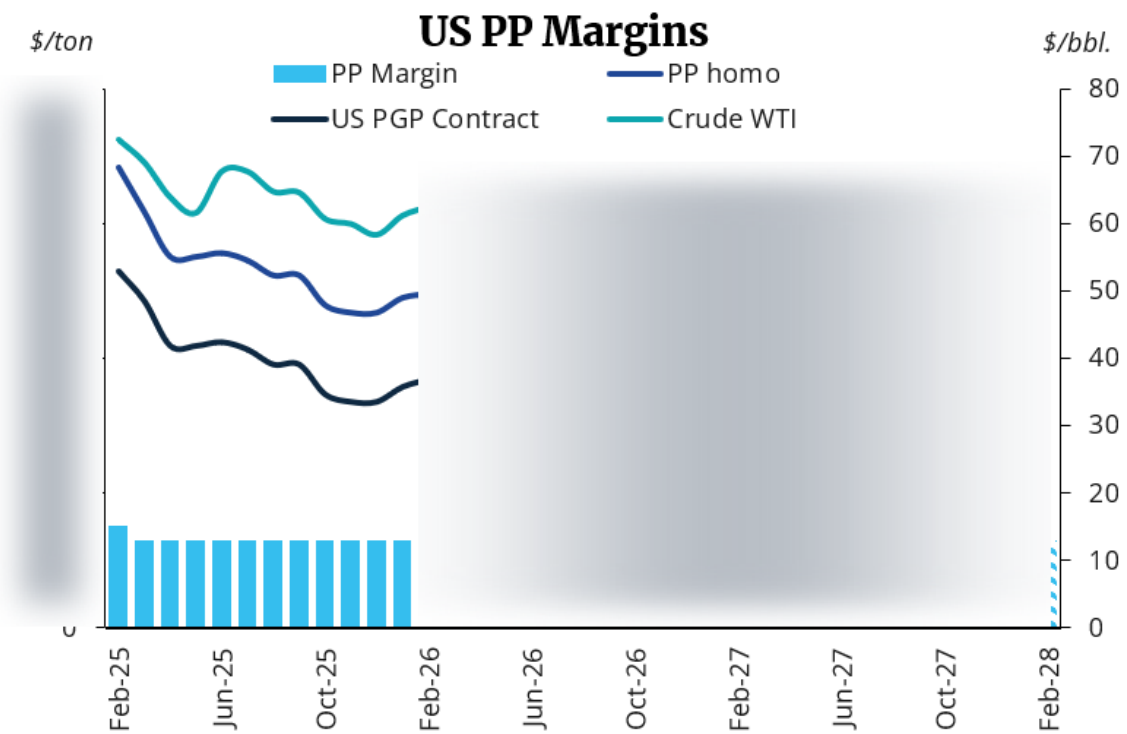
Container carriers are attempting a fresh [redacted]/FEU rate hike on the Asia-to-Latin America trade beginning March 1, but the effort faces strong structural resistance as spot rates have already collapsed [redacted] the mid-2025 and now sit at \$ [redacted] on Shanghai-Santos. Over the past year, lines added roughly [redacted] TEUs of new capacity chasing last summer's peak rates, and capacity continues to rise: sailings to the east coast of South America are set to reach [redacted] TEUs in March, [redacted]: month-over-month and the highest in more than three years. This sustained oversupply provides a hard ceiling on any rate recovery, making it unlikely that carriers can maintain the full rate increase for more than a brief period.

North America outlook

Improved production meets persistent spot-market inconsistencies.

SUPPLY	Preliminary January data from the American Chemistry Council (ACC) shows an unexpected increase in production in January compared with December. Daily output averaged 1,000 bbl compared with 900 bbl in December, with plants operating at 95% of effective capacity. Market participants were surprised by the strong run rates, given expectations that late-January winter-storm outages would reduce production. With production slightly outpacing sales, producers added around 100,000 bbl in January, leaving stocks at roughly 1.5 million bbl.
DEMAND	Demand remains relatively stable as total PP sales rose to 1.2 million bbl from December, with daily sales increasing to 12,000 bbl in December. Exports rose to 600,000 bbl, accounting for 50% of total sales, while domestic sales increased 3.1pc over the same period.
PRICE	Export prices were mostly steady after early-month increases. Some lower-priced deals were still heard during the week, though these were believed to be older-inventory material. Spot PP supply remains inconsistent and highly producer-dependent, with some producers offering very limited spot volumes. Pricing has also been uneven, with wide spec ranges widening as more supply becomes available. Wide spec homopolymer PP was reported at \$1.50/lb for lower-quality material and \$1.70/lb for higher-quality grades.
SENSITIVITY	Competitive derivative pricing suggests that the US will need competitive PGP values to keep supply and demand balanced through the forecast period, particularly as Asia-Pacific and other regions continue to add new derivative capacity. US exports of key derivatives are expected to be 10% higher than 2025 of production—as global producers make up for lost production in traditional US export markets such as Mexico and other parts of Latin America.

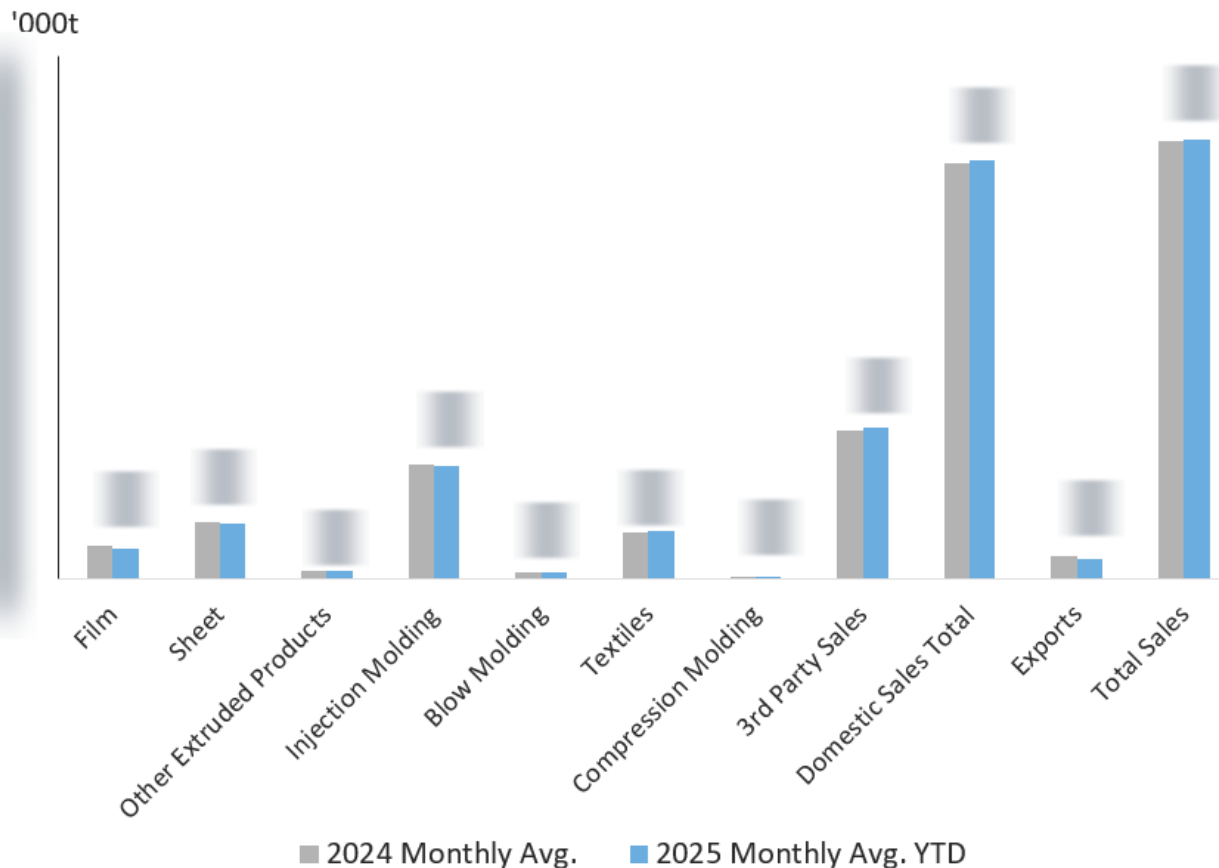
Price Forecast	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
USA PP H IM (contract) \$/t	1,000	1,000	1,000	1,000	1,000	1,000
USA PP H IM (contract) ¢/lbs.	1.50	1.50	1.50	1.50	1.50	1.50



North America monthly average sales (2025 versus 2024)

Overall monthly average sales remained steady year over year, inching up from 670 to 671 ktons.

2025 YTD Monthly Avg. vs. 2024 Monthly Avg



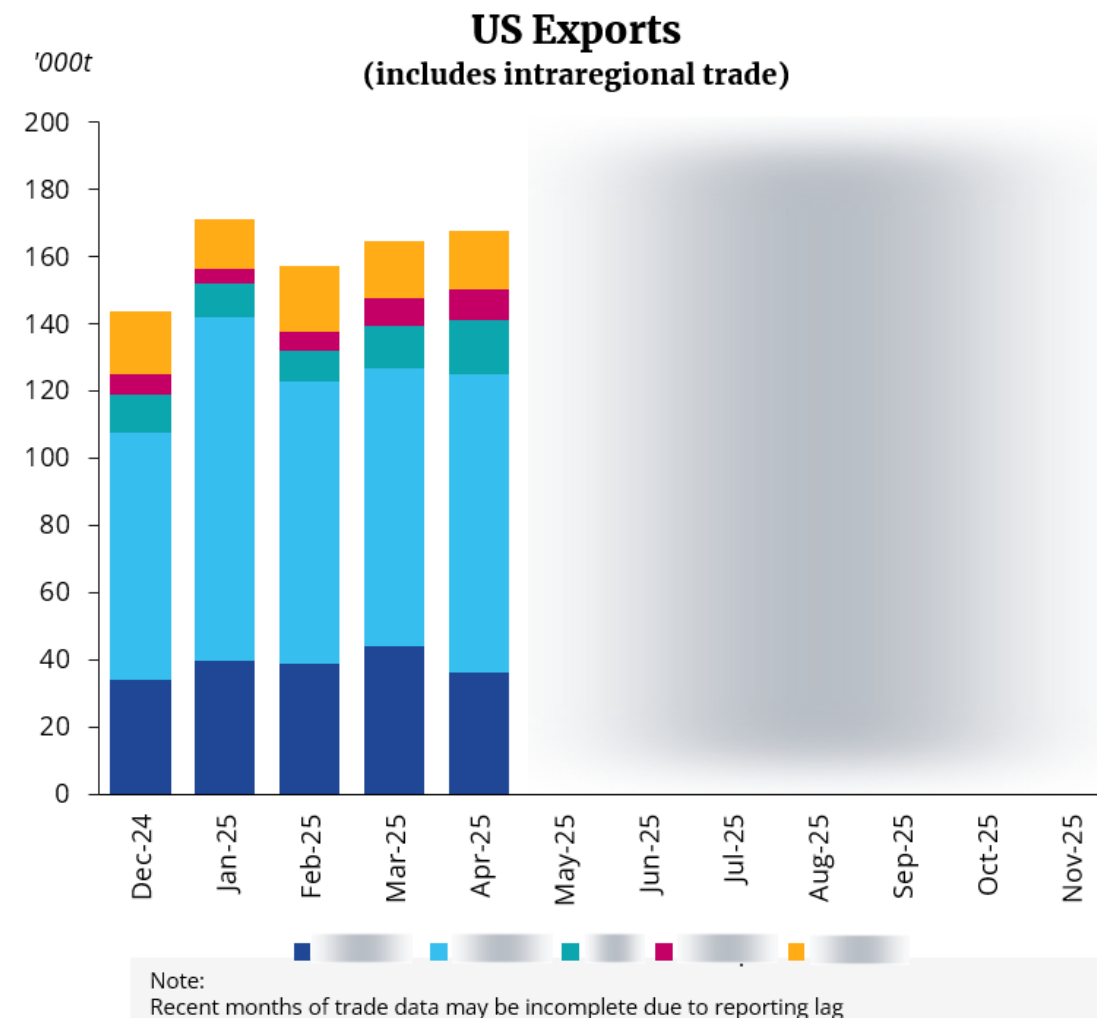
- Total sales were essentially flat in 2025 (671 ktons) versus 2024 (670 ktons).
- Monthly average sales
 - Film and sheet slipped (10 and 15 respectively).
 - Extruded products and blow molding rose (5 and 5).
 - Injection molding and compression molding were unchanged (25).
 - Textiles edged up 15, and 3rd-party sales increased 20, contributing to a modest gain in domestic sales total 671.
 - Exports declined 10, but the drop was not enough to offset the generally stable domestic picture.

North America trade

Volumes are flat compared with last year, and most exports stay within North America.

NAM Inter-regional Trade Forecast						
	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
Exports ('000t)						
Δ						
Imports ('000t)						
Δ						
Net Trade						

- US polypropylene exports remain stable, averaging 167 ktons per month through November 2025, with 76pc of the November monthly volumes moving to Mexico and Canada. Cumulative exports from January–November 2025 reached 1821 ktons, slightly below the 1876 ktons exported over the same period in 2024, reflecting modest year-on-year softening.
- Latin America regional demand is growing, but imports still dominate, especially from Asia. That makes it harder for US producers to compete unless feedstock prices fall. China has rapidly expanded PP capacity and is exporting more resin into southeast Asia, south Asia, and Latin America. New projects in 2025–2026 are keeping Asian supply long, which pushes global prices lower and intensifies competition.



Meet our team



Terry Glass
Vice President Polymers

Terry is responsible for the expansion of Polymer Report services in strategic regions. He has over 40 years' experience relating to the plastics industry, working with converters, brand owners, and resin producers. Before joining Argus, Terry worked at Dow Chemical, Braskem, and Sasol. He holds a Chemistry degree from the University of Houston and 26 patents across a variety of market applications.



Sarah Rae
Vice-President Olefins and Derivatives

Sarah Rae is Argus' propylene consultant focusing primarily on Europe and the Middle East. For 17 years prior to joining Argus, Sarah held senior strategic purchasing management positions at Ineos, Tessenderlo Chemie and Rhodia, responsible for a wide range of materials including olefins, fertilizers and commodity raw materials. Before this, Sarah held various management and project roles covering most aspects of the chemical business, including business management, sales, planning and logistics. She graduated with a degree in geology from Leicester University.



Utkarsh Mishra
Lead Olefins Consultant - Asia

Utkarsh is working as lead consultant for Olefins-Asia focusing on olefins & polymers based out in Argus Mumbai Office. He is a chemical engineer with around 14 years of enriching & diverse experience in Market Analytics, Business development, Operations, Technology, Process Design & Technical Services across Refinery & Petrochemicals value chain during his previous roles at Reliance Industries Limited & Honeywell UOP.



Josie Jiang
Senior Analyst, Olefins and Polyolefins

Josie is an analyst in Shanghai focused on olefins and polyolefins markets. Her experience includes working at Pacific Gas as a market analyst in the strategic department, focusing on LPG, ethane, shipping and financial markets. Josie is a chartered financial analyst and holds a bachelor's degree in economics, and a master's in finance and investment from the University of Bristol.



Elizabeth Zhang
Analyst, Polymers

Elizabeth is an analyst in the Shanghai office focusing on the polymer market. Her experience includes working at Ernst & Young as a business consultant, focusing on commercial bank markets. Elizabeth holds a BA in business economics, and a master's in quantitative economics from the University of California - Los Angeles.

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Polypropylene Outlook*
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