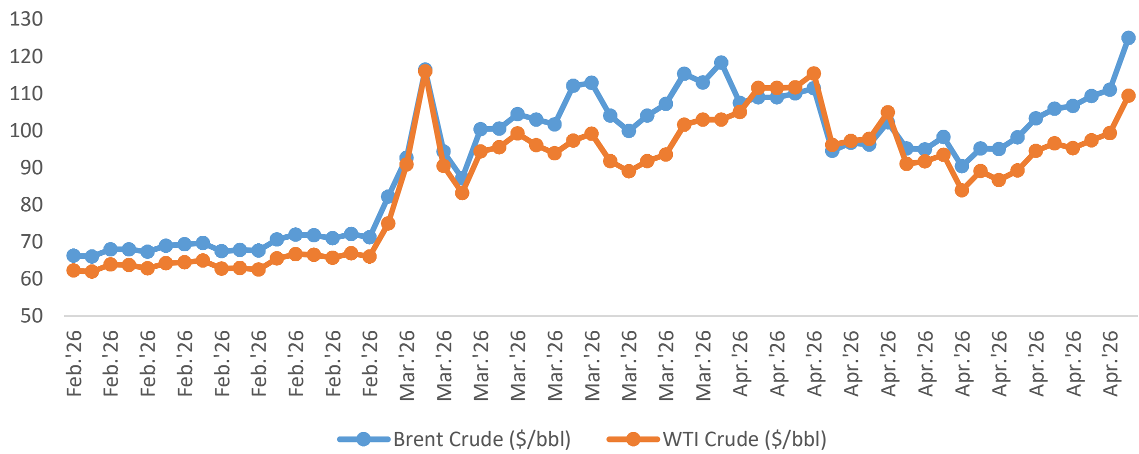
PETROCHEMICAL AND POLYMER INSIGHT – APR.'26

ARTICLE BY BLOGGER

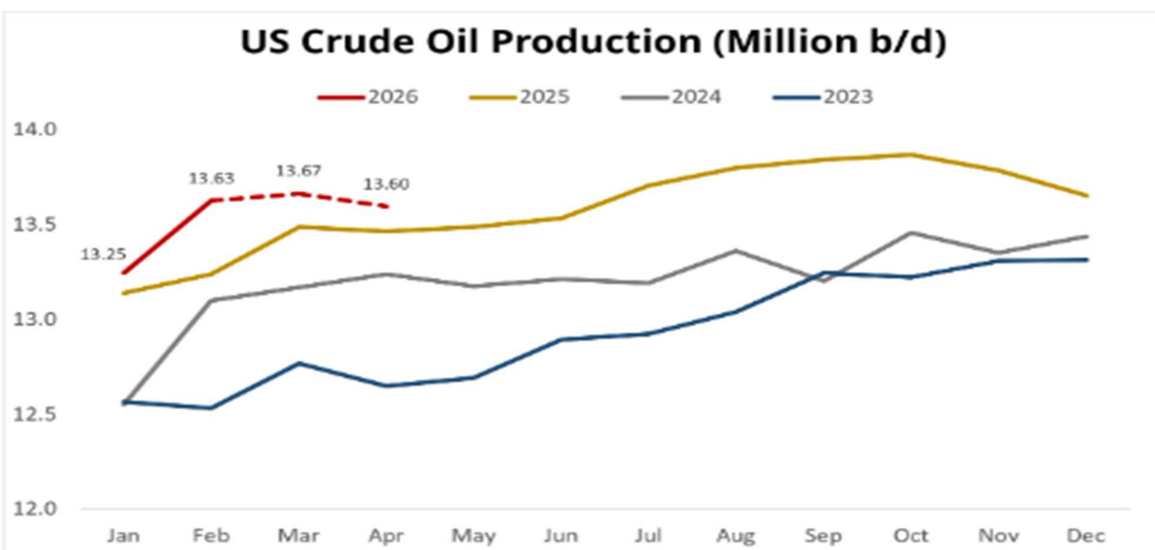
A.1) CRUDE OIL PRICE TRAJECTORY – Brent & WTI (Feb.'26-April.'26)



A.2) US Crude Oil production Trend (YOY data)

WEEKLY U.S. OIL PRODUCTION ***(million barrels per day)***

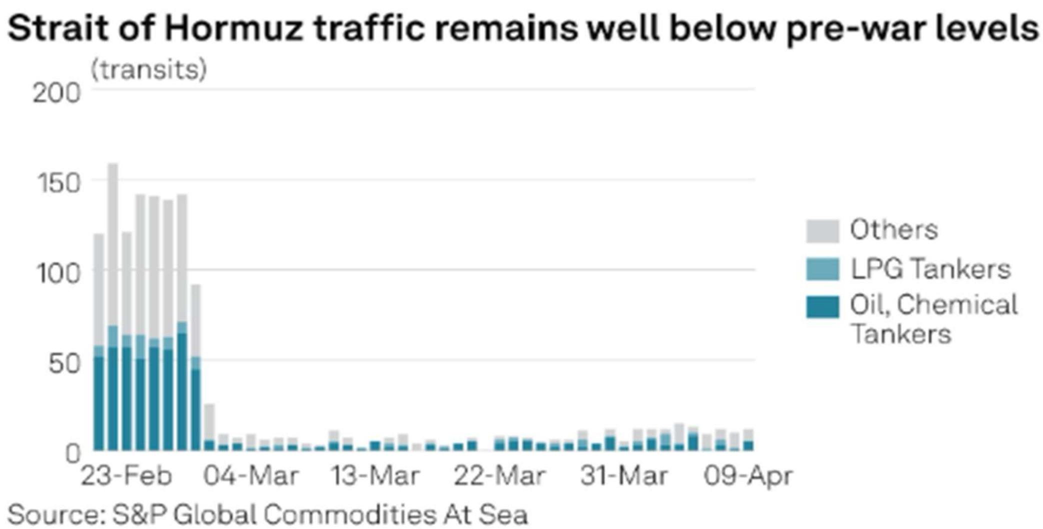
	Change from previous week	04/24/26	04/17/26	04/10/26	04/03/26	03/27/26	03/20/26
U.S. production	+0.001	13.586	13.585	13.596	13.596	13.657	13.657



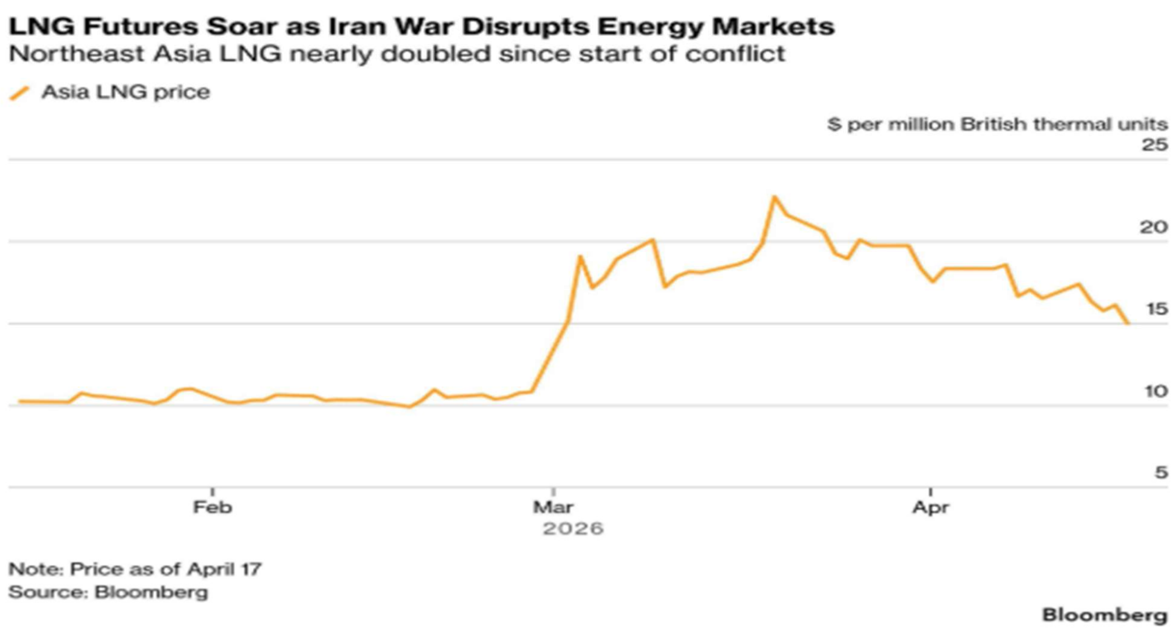
Geo-political tension, precisely US-Isreal-Iran war kept global crude oil market uncertain, since the beginning of war from 28th of Feb.

Even cease fires were announced multiple times, however, all seemed to be fragile, with adding any solution for movement of fuel tankers through Strait of Hormuz.

The de facto closure of the Strait of Hormuz, Oil/LNG production outages, the Russian disruption all added multiple elements into already sky-high oil prices.



Energy-driven inflation is likely to affect the world for a longer duration, especially when supply disruptions are going to be physical and not just speculative.



B. Certain Recent Development in Global crude Oil Market:

Amid Donald Trump's posts on Social media, (i.e. The Truth Social) on 7^{th} April, about complete annihilation of whole Iranian civilization, the commodity markets anticipated all signs of a potential stagflation in times ahead.

On 7th of April, Saudi national oil company Saudi Aramco raised the formula prices of its May-loading cargoes destined for Asian buyers by a record $17 per barrel, putting the country's Arab Light grade at a $19.50/barrel premium to the Oman/Dubai average.

However, In a major relief to the global economy, oil prices dropped below $100 / barrel (almost by 14%) on 08th April after U.S. agreed for a two-week ceasefire with Iran, contingent on the immediate and safe reopening of the Strait of Hormuz, a critical chokepoint that transports one fifth(i.e. 20%) of global flows.

However, the failure of negotiations in Pakistan on 12th of April between US and Iran, kept crude oil market doubtful about any potential relief in near future, with further President Trump's announcement of a blockade of the Strait of Hormuz for Iranian Oil tankers.

The US sanction on Iranian oil removed an estimated 1.5 to 1.7 million barrels per day of oil supply from the market. Supply issue further exacerbated with Saudi Arabia announcing that Iranian attacks had cut its production capacity by 600,000 bpd.

Strait of Hormuz transits fell to 12 vessels on 13 April, down from 19 on previous day. Additionally, total crude liftings in the Middle East Gulf declined to 5.1 million b/d as of April 13, down sharply from 8.1 million b/d in March and nearly 22 million b/d in late February.

Chinese refiners reported a $3/bbl premium on April 13 for May-delivery Iranian Light crude amid limited allocations and supply disruption from the Gulf. In Asia, the jet fuel crack spread against Dubai crude reached $109.50/b on April 13, up $4.65/b day over day, amid tightening supply.
Jet fuel cracks in Northwest Europe rose markedly on April 13 (after US blocking Iranian ships) amid supply concerns, adding to worries about the coming summer demand and minimal availability from Middle Eastern exporters.

Though Saudi Arabia fully restored the East-West pipeline’s 7million b/d capacity on April 12, recovering 700,000 b/d lost to a drone strike; however, Manifa and Khurais fields remained 600,000 b/d lower in combined capacity.

Nevertheless, though, the 466,000 b/d Mina Al-Ahmadi and 454,000 b/d Mina Abdullah refineries have both been targeted by drone strikes since mid-March, however, official offline status remained unclear.

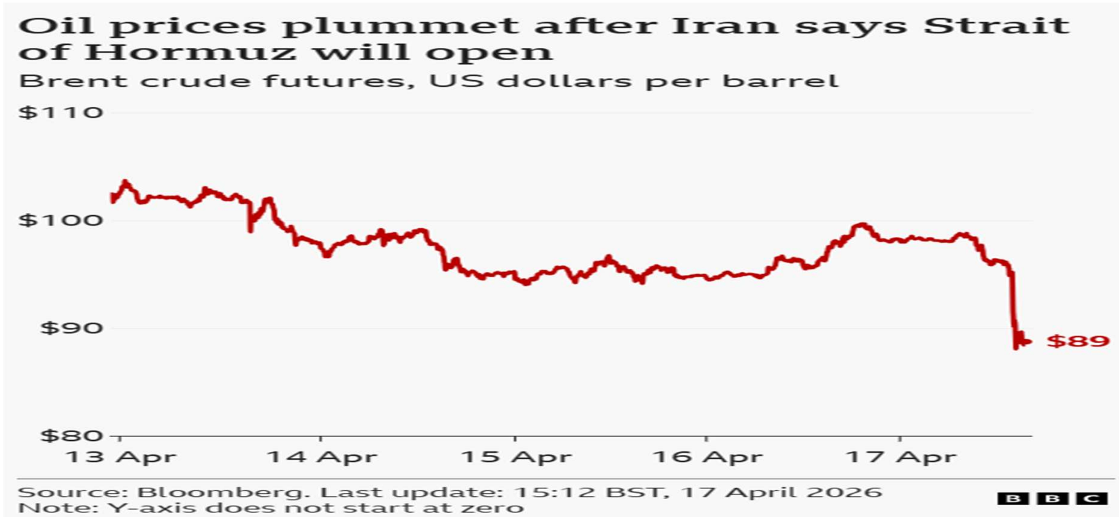
Kuwait Petroleum Corporation and Bahrain’s Bapco Energies remained under force majeure.
In the United Arab Emirates, drone strikes on the Fujairah port export facility halted around 1 million barrels per day of crude loadings.

Lack of shipping forced Iraq’s oil production to collapse by 80% to roughly 1.2 to 1.3 million barrels per day, turning into an existential crisis for a country that relies on oil for up to 95% of federal budget revenue.

However, The Rabia-Yarubiyah border crossing between Iraq and Syria has been re-opened after remaining closed for 13 years, offering Iraq a potential alternative to the Strait of Hormuz.

Amid prevailing tension along Strait of Hormuz, gulf refiners are preparing to resume fuel shipments from the Saudi east coast port of Ras Tanura for May-loading.

However, on 17th April, both Iran and US announced full opening of Strait of Hormuz, till 22.04.2026. Following announcement, there was a drop in crude oil price.



The cost of a barrel of Brent crude fell to $ 88 / barrel after the announcement, having been above $98/bbl, day before. Before conflict (i.e. before 28.02.2026), Brent crude was trading at under $70 /barrel.

However, deployment of US military ships in Strait of Hormuz and sanction in movement of Iranian fuel tankers and usage of Iranian ports kept tension prevailed in gulf region. Oil prices again climbed sharply on 20th April (Brent by 5.27% and WTI by 6.21%), as the U.S. Navy intercepted an Iranian vessel, naming Touska, it accused of attempting to break its blockade.

French energy giant Total Energies has shut production from its offshore Al Khalij oil field in Qatar, until the regional security outlook improves.

The finance ministers of Germany, Spain, Italy, Portugal and Austria made a joint call for an EU-wide windfall tax on energy companies' profits in reaction to surging fuel prices.

Europe's refined product supply tightened further, with no major fresh gasoil or diesel loadings from the Persian Gulf and transatlantic arbitrages only partially easing the shortfall.

As per Platts market intelligence report, No Middle East jet cargo arrived in Europe after April 4, worsening Europe's refined product deficit and leaving potential flows from the US and West Africa insufficient to cover needs.

The Chinese Energy Ministry has given state-owned refiners such as Sinopec and CNPC the approval to tap strategic oil reserves held in commercial storages, allowing the drawdown of up to 1 million b/d of crude from the 1.4 billion barrels of SPR inventories.
Japan's government too plans to release 20 days' worth of oil reserves to ensure stable domestic supply, with the public inventory of available crude currently totalling of 143 days of consumption.

Recently Ukraine's drone strikes at Primorsk, Ust-Luga and Black Sea port of Novorossiysk temporarily halted Russian oil flows across multiple destinations.

The 650,000 b/d Dangote refinery in Nigeria is ramping up exports of gasoline and diesel to neighbouring countries in West Africa, with the plant's top management claiming its operating at maximum capacity for the first time in history.

Pakistan and Bangladesh are forecast to rely on coal, fuel oil, and diesel in the power sector amid reduced gas availability.

The recent conflict between the US, Israel and Iran had already driven oil prices sharply higher, with March witnessing one of the steepest monthly surges on record, exceeding 50%.

With ceasefire conditions deteriorating, negotiations stalled, and military posturing intensifying on both sides, traders are once again pricing in a sustained disruption scenario.

UAE has announced their exit from OPEC and OPEC+ group from 1st May.

OPEC+ has announced that they will raise Crude Oil production by 188000 barrels / day from Jun.'26.

At the same time, reports of an Israel-Lebanon ceasefire may help cool tensions in the region and increase the likelihood of successful negotiations between Iran and the U.S.

Despite the improving geopolitical sentiment, physical markets remain extremely tight with fuel shortages starting to bite around the world. Importantly, a peace deal and the reopening of the Strait of Hormuz will do little to ease shortages in the near term as recovering infrastructure in the Middle East will likely take to months, then the shut-in production has to come back online, and ultimately, confidence in the region must be restored.

Failed diplomatic efforts to reopen the Strait of Hormuz and a continuing U.S. military build-up in the region continued to keep oil market under pressure. Additionally, tightening inventory data is adding to upward pressure on oil prices.

Analysts broadly believe crude may be entering a phase of structurally higher prices. With the ceasefire seen as temporary, a return to pre-war levels of $70 to $75 may take several months. In the near term, they expect prices to stay within a range of $88 to $94 on the downside and $95 to $120 on the upside.

C) Scenario in India:

The Indian government has asked refiners Indian Oil Corp. and Bharat Petroleum to postpone maintenance at their plants to ensure adequate refined product supply in the country, with Nayara's 400,000 b/d plant out for a month from mid-April.

India is a huge importer of liquefied natural gas, liquefied petroleum gas, ethane, and propane. With gas exports from the Middle East badly affected by the war, the U.S. is a natural alternative for fuels that India consumes in significant volumes, subjected to proper pricing.

Most U.S. crude is light and sweet while India's refineries are configured to maximize diesel production, which requires heavier, sourer grades.

Venezuela's oil exports to India jumped past the 1 million b/day mark in March for the first time since September 2025, boosted by increasing flows to Caribbean islands (used for blending by traders) and a surging demand for heavy barrels from India's private refiners.

C.1) Some Salient Points of Crude Oil Scenario in India – April 2026

Provisional reports indicated Higher Indian Crude import bill for April 2026, estimated well over $12 billion, driven by surging international prices, significant disruptions in

West Asia, forced reliance on costlier alternative supplies and reduced payment time to7-10 days from earlier average of 60 days (from the date of dispatch).

Russia remained India's top source of crude oil in April 2026, supplying 1.6 million barrel /day and accounting for 40% of total imports in the first half of the month. Total imports for April were approximately 4.4 mbd.

Key Crude Oil Suppliers for India in April 2026:

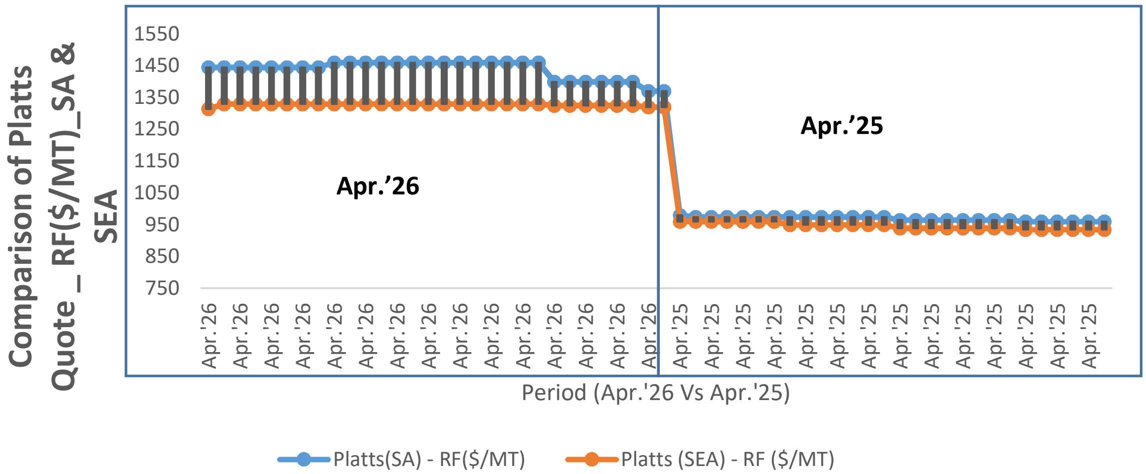
- Russia: Around 1.6 mb/d.
- Saudi Arabia: Around 685,000 bp/d.
- UAE: Around 575,000 bp/d.
- Iran: Resumed shipments to India and approx. 4 million barrels was shipped in Apr 26.
- Venezuela: Continued to be a significant source following the resumption of imports.

Supplies from West Asia saw significant disruption, with low or no shipments reported from Iraq, Kuwait, or Qatar in April.

The price of the Indian basket of crude remained $114.48/bbl in April 2026.

D) Polypropylene Scenario:

Comparison of PP Quotes between SA & SEA – April. '26



Observation:

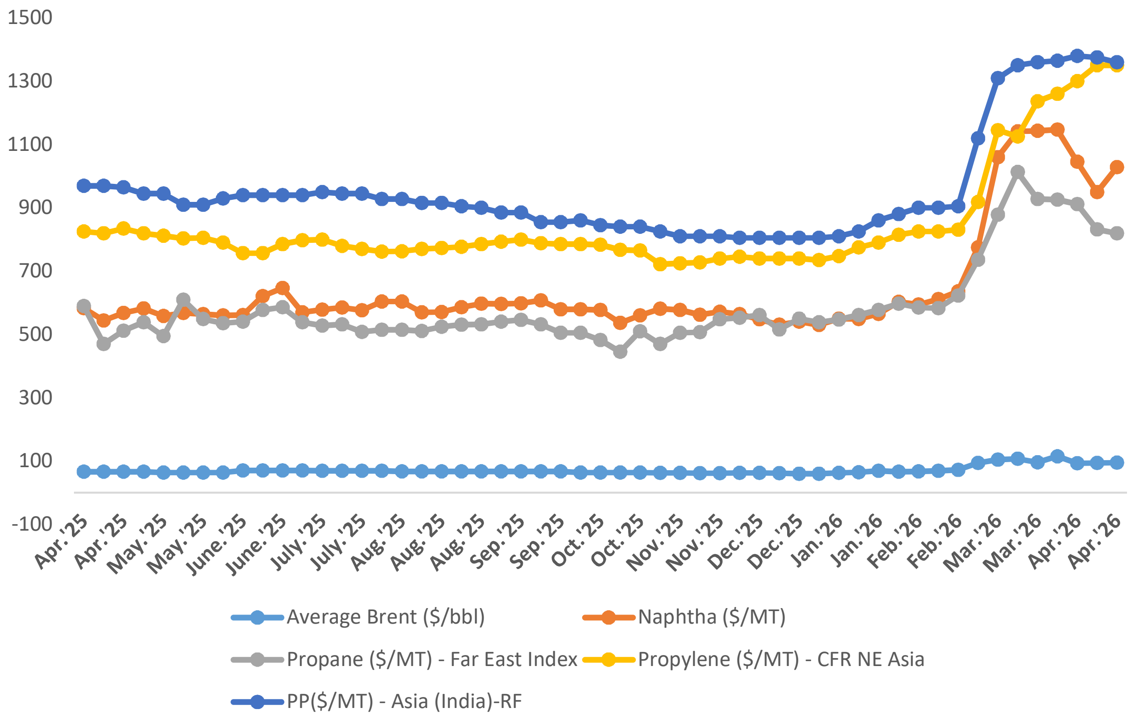
- Price rocketed amid Middle East War, Shortage of basic raw material, forced majeure by multiple polymer manufacturers, supply chain uncertainty and higher freight
- Arbitrage between SEA & SA remained between $50-130/MT in April.’26

D.1) Cracks – Asia _ April.’26

Period	Naphtha ($/MT) - **(Japan, C+F)**	Propane ($/MT) - **(Argus Far East Index)**	Propylene ($/MT)- **(Cfr NE-Asia)**	PP ($/MT) – **Asia (India) - RF**

1st week - APR.'26	1147	926	1260	1365(1300-1430)
2nd week - APR.'26	1046	912	1300	1380(1350-1430)
3rd week - APR.'26	950	832	1350	1375(1320-1430)
4th Week – APR.'26	1028	820	1350	1360(1300-1420)

D.2) Price Trend for Naphtha, Propane, Propylene and PP ($/MT) in Asian Market: Apr'25-April.'26



D.3)Observation:

April naphtha import from the US into Asia reached 225,000 b/d, sharply up from 46,000 b/d in March, as Middle East loadings remain uncertain.

Japanese Naphtha crackers continued their production at lower rates (e.g. Units of Mitsui Chemical), with Naphtha been sourced from US. Additionally, as most of the Asian refiners secured their Naphtha stock to run their crackers till May.'26.

However, sustained uncertainty along Strait of Hormuz and supply distraction from Middle East kept availability of Naphtha limited in Asian continent and Naphtha Price rose to around $1028/MT by the end of April. Nevertheless, multiple outrages of Naphtha Crackers in North East Asia kept demand for Naphtha limited, amid its supply scarcity.

The IEA reported on April 14 that naphtha, LPG, and ethane are experiencing the sharpest demand destruction among oil products due to the Middle East war. China's propane dehydrogenation plant utilization dropped to 59.24% in April, down from 63.4% in March, as Middle Eastern LPG feedstock remains disrupted.

South Korea enforced control on Naphtha export from 27th of March to ensure domestic supply amid raw material supply uncertainty from gulf. However, Propylene price rose on 3rd week of April in Asian market, as South Korean refineries Continued their propane purchase from Chinese counterparts.

Middle East Jaint, M/s. Saudi Aramco, has increased its propane Contract Price for April delivery, almost by $200, at $750/MT, amid tougher production and supply constraints in Middle East. Middle East accounts for around 46 Million MT/year of LPG/LNG export every year.

E) Polypropylene Scenario in Different Key Asian Markets:

E.1) Middle East

Amid de-facto closure of Strait of Hormuz, supplier are trying to export material through South of Oman (Salalah and Sohar) and west coast of Saudi (e.g. Jeddah, Yanbu). However, all such initiatives are incurring huge additional cost for logistics.

Due to such higher prices, many of the convertors have reduced their operating rates, which may go down further if tension prevails in the gulf region.

Local dispatches in the GCC countries are happening through road transport mode and warehouse rents are getting exorbitant, along the coast of Red Sea.

Though Polyolefin prices shoot up in most of the Asian countries, however, the price remained tepid in middle-east, as downstream market can hardly bear any such increase.

Following PP facilities of Middle East are reported to be under shutdown / maintenance following affected / damaged by Iranian attack:

M/s. Advance Petrochemicals Company (2 Plants of 450KTA and 800 KTA respectively at Jubail in Saudi Arabia), M/s. Borouge (UAE at Al Ruwais of 224 KTA), M/s. Kuwait Petrochemicals, M/s. Petrochemical Industries Company (at Shuaiba in Kuwait) , M/s. SABIC and Chevron-Phillips (Jubail, Saudi), M/s. Ras Tanura, M/s. Samraf, M/s. Riyadh refinery etc.

Middle East countries are trying to maximize their export consignments to overseas clients for better revenue. However, logistics remained the biggest question in such achievements. Domestic demand remained subdued, amid middle-east war, upcoming summer and fund scarcity in local market as most of the traders are asking for upfront cash payment, rather than letter-of-credit in pre-war situation.

E.2) China

China's state planner NDRC has told independent refiners, the so-called teapots, not to cut refinery runs below their utilization rates from their average levels of the past two years, with Shandong teapots reported to operate at 55% of capacity. The Chinese NDRC instructed refineries to maintain full utilization and high output levels to guarantee domestic gasoline and diesel supplies, prioritizing energy security over profitability.

Chinese domestic PP price remained elevated in April due to multiple outrages of production facilities, limited supply and major export commitments for European and Latin American destinations.

On 2nd of April, Indian Finance Ministry suspended Import duty on PP imports from certain of the PP suppliers, till June.'26.

China exported around 99KT and 153 KT of PP in India in 2024 and 2025 respectively account 5% and 4% of total Chinese export in correspond years. Over a time, by third week of April, Indian market adopted a wait and see approach in booking their order and most of the Chinese cargoes found their way towards Africa, Europe and Brazil.

Backwardation was also experienced in Chinese domestic market.

China's power sector likely to switch from gas to coal, aided by sufficient coastal coal capacity and inventories.

Chinese PP operating rate remained between 62 – 70 % in April 2026.

D.3) South East Asia

In south East Asia, market remained mostly stable in April with suppliers mainly concentrating in domestic market. However, conservative buying approach noticed among the customers in anticipating of easing supply and price in coming days.

Songkran festive in Thailand and Labour Day celebration in month end slowed down the market activities in different intervals, during the month.

PP Operating rate remained between 50-70% in April for major South East market (Indonesia and Vietnam market). However, film market shown some resilience, amid stable demand from staple food packaging, however demand from industrial and automotive sector were continuously plummeting.

Chinese exported around 168KT of PP material in South East Asia in Mar-Arp.'26.

In April 2026, Indonesian authorities have issued a directive to defer 9 LNG export cargoes from the country's 11.5 mtpa Tangguh facility and instead use them domestically, adjourning prospective delivery dates to 2027 as Southeast Asia faces a gas supply crunch.

However, Vietnam's Binh Son Refining said it had secured sufficient crude oil to operate the 130,000 b/d Dung Quat refinery at above 100% utilization through early July.

Thailand and Vietnam are expected to partially displace gas-fired power with coal, alongside government-led energy-saving measures.

Trading market remained predominant, compare to manufacturing, in SEA in April.

Table 1: Production/ Maintenance / Shutdown Status of PP Plants in SEA:

Country	Plant	Capacity	Remarks
Philippines	JG Summit	300 KTA	Indefinite Shutdown
Vietnam	Hyosung	600 KTA	50 Days shutdown Planned from Nov.'25
Vietnam	Longson	400 KTA	Under operation
Vietnam	Nghi Son	370 KTA	Resumed Operation
Vietnam	Binh Son	150 KTA	Under Operation
Vietnam	Hyosung Vina	300 KTA	Resumed operation, mainly Impact Copolymer
Malaysia	PRefChem	2 x 450 KTA	About to resume operation..
	Lotte Titan	640 KTA	Under operation

Indonesia	Chandra Asri	590 KTA	Plant Shutdown.
Thailand	PTT Global Chemical		Preponing Maintenance Shutdown
Thailand	Integrated Refinery and Petrochemical Complex (IRPC)	386 KTA	Plant Shutdown
Thailand	Rayong Olefin		Under shutdown
Singapore	Aster, PCS, TPC		Under shutdown

E) Synopsis of Indian Polypropylene Market:

PP supply remained limited from domestic suppliers, as major manufacturers traded-off in their "PETCHEM Production" for maximizing LPG production.

Domestic PP price increased almost by Rs.5000/MT at the beginning of month followed by drop of Rs. 15000/MT in the latter part of the month.

However, amid sluggish demand, domestic suppliers declared price protection, and announce schemes for deemed export segment to push the sale.

Trading market remained predominant, compare to manufacturing, in SEA in April.

Chinese exports got its way to fulfil the domestic demand, amid supply uncertainty from middle-east countries.

Chinese traders exported around 87KT of PP (a rise by 36%) in South Asia in which, around 52KT exported in India during Mar.-April'26, registering highest Chinese import to India.

Though Middle East suppliers tried to supply material through alternative routes (like Jaddah and Yanbu in Saudi and Salalah and Sohar in Oman), however, higher transit time, unavailability of vessel and in-land logistics, created less interest for them, among customers.

On 2nd of April, Indian Finance Ministry suspended Import duty on PP imports from certain of the Chinese PP suppliers, till June.'26.

Demand for Raffia grade remained solid in domestic market, amid requirement from Food grains (orders from Food Corporation of India), sugar and Leno. Demand from Cement Sector and Rice packaging sector remained moderate (fall in export).

However, Automotive and furniture sector have seen a slump as cannot bear the pressure of incremental input cost. Many small manufactures have reduced their operating rate to as low as 40-50%.

As per weather forecasting all-India, rainfall during June-September expected to be 6% below normal this year, at 94 % of the long-period average (LPA), due to the adverse impact of El Nino.

There is a 30% probability of drought in the country and a 40 % chance of rainfall being below normal this year.

In 2025-26, "Domestic PP production" was around 6600 KT, registering 92% of domestic production efficiency.

Total Domestic PP Sale for 2025-26 calculated to be around 7904 KT, registering a growth of 4.3% on YOY basis.

PP Export remained around 225 KT last year, with total domestic demand of 8129 KT.

Import arrival was almost parallel with last year, at around 18%.

India's PP demand is projected to grow at 6.8% (from 8.1 MMTA this year) to 10 MMTA, by 2029-30.

Around 3.6 MMTA domestic capacity expansion is expected by next 3 / 4 years.

Shortage in labor market, amid state elections (eg. Kerala, TN, West Bengal, Assam, Puducherry etc).

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