BP Wealth | STOXBOX

CHEMICALS MONTHLY UPDATE

September 2025

Chemicals Monthly Update (September 2025)

BP WEALTH

10th October 2025

Navigating pricing pressure amid tariffs and global headwinds

The chemical sector faced some headwinds as export-oriented volumes softened due to rising US tariffs, while domestic consumption remained strong. The chemical industry production contracted annually through August, reflecting weaker demand from key markets and inventory destocking. However, specialty segments continued to expand, driven by domestic realignment strategies. On the global front in the US, chemical demand has slowed, led by weakening overall industrial activity and manufacturing. Monthly shipments to the US customers slowed significantly following the imposition of 50% tariffs on selected Indian chemical exports, leading to an expected single-digit revenue decline across impacted product lines. Domestic US producers benefited from reduced import competition in non-exempt segments, though overall volumes remained flat amid muted manufacturing growth. China sustained robust chemical output, recording growth in excess, underpinned by government stimulus measures and strong downstream demand in electronics and automotive sectors. The European chemical sector continues to face structural pressures driven by weak demand and uncompetitive energy prices. Production levels declined annually, as major EU producers grappled with rising feedstock prices and cautious corporate spending. On the earnings front, Indian chemical companies are expected to report a mixed performance in Q2FY26. While some players may deliver healthy revenue and profit growth, others are likely to face declines due to cyclical challenges and operational issues. Pricing and margins will be key differentiators as certain companies could see strong margin expansion supported by lower raw material costs, whereas others may experience margin pressure from factors like Chinese overcapacity, inventory losses, and continued pricing challenges. Looking ahead, domestic demand and the specialty chemical segment are poised to drive near-term growth. We believe that companies with strong balance sheets, limited US tariff exposure, and integrated specialty portfolios would navigate these headwinds effectively going ahead.

Pricing trends remained subdued across most chemicals, influenced by global and domestic supply-demand dynamics. Key bulk chemicals such as Aniline and Phenol experienced slight price declines of 1.6% and 1.4%, respectively. Acetic Acid prices remained stable, signaling balanced supply conditions. Benzene saw a modest rise, while Ethyl Acetate slipped 1.3%, likely due to subdued downstream demand. Refrigerant gas prices increased owing to seasonal demand uptick, while Heavy Soda Ash prices declined sharply, reflecting destocking activities and softening demand. The broad price movements across chemicals reflect a market in transition, shaped by ongoing tariff impacts on exports, regional supply constraints, and shift towards higher value-added segments.

The chemicals sector is expected to witness optimism driven by capex incurred and potentially better pricing in H2FY26. The Indian chemical industry has been undergoing significant transformation, driven by a mix of government-led initiatives, private sector investments, and global strategic shifts. The Indian chemical industry is undergoing a transformative phase of accelerated growth, positioning itself as a key player in the global chemicals value chain. Driven by rising domestic consumption, robust export potential, and increasing demand from end-user industries, the sector has become a cornerstone of India's industrial landscape. Companies such as Aarti Industries, Acutaas Chemicals, GHCL, Laxmi Organics, Privi, Navin Fluorine, Neogen Chemicals, SRF, and Vinati Organics are likely to benefit from the demand for value-added chemical products.

Chemicals Monthly Price Update

Chemicals	Domestic Market Price Rs./kg				Chemical Companies
	Jun'25	Jul'25	Aug'25	Sep'25	
Acetone	68	61	62	59	Deepak Nitrite
Aniline	127	125	123	122	Nocil
Benzene	79	80	81	74	Aarti Industries
Caustic Soda	50	46	50	45	Gujarat Alkalies, DCW, Punjab Alkalies & Chemicals
Ethyl Acetate	78	77	76	75	Jubilant Ingrevia, Laxmi Organics
Fatty Alcohols	150	150	150	150	Galaxy Surfactants
Heavy Soda Ash	35	36	32	28	GHCL, Tata Chemicals
Iso Propyl Alcohol (IPA)	93	89	89	88	Deepak Nitrite
Methanol	24	27	30	30	RCF, NFL, Deepak Fertilizers, GNFC
Phenol	105	105	103	102	Deepak Nitrite Ltd.
Potassium Bromide	265	265	295	295	Archean Chemical
Vinyl Acetate Monomer (VAM)	78	77	81	76	Aarti Industries

Source Indiapetrochem

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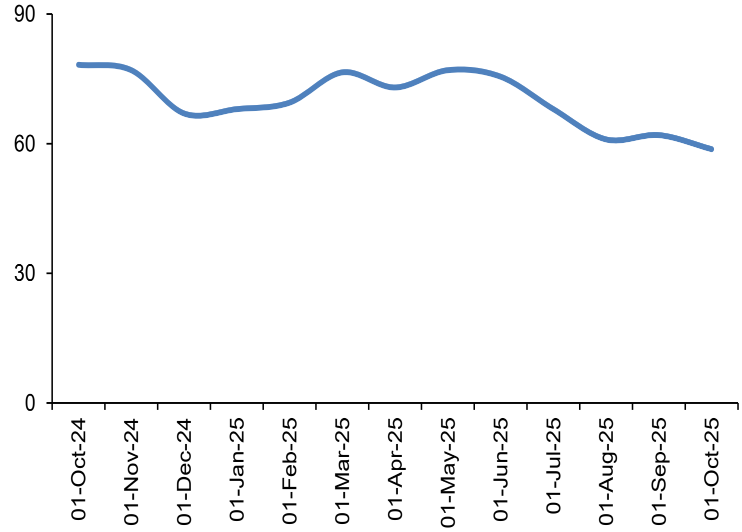
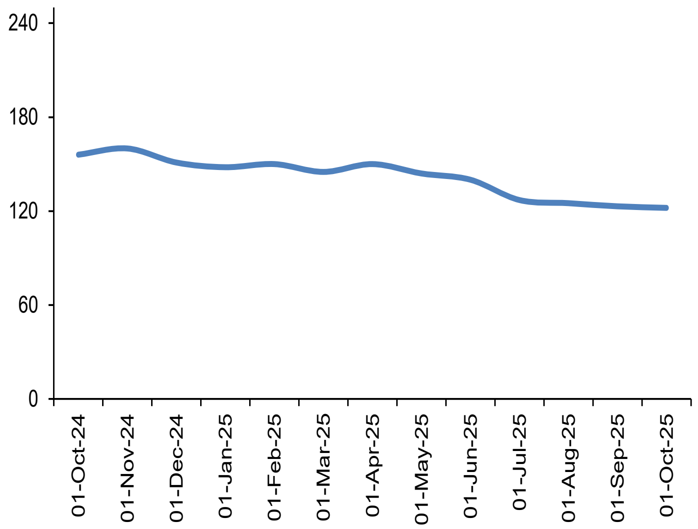
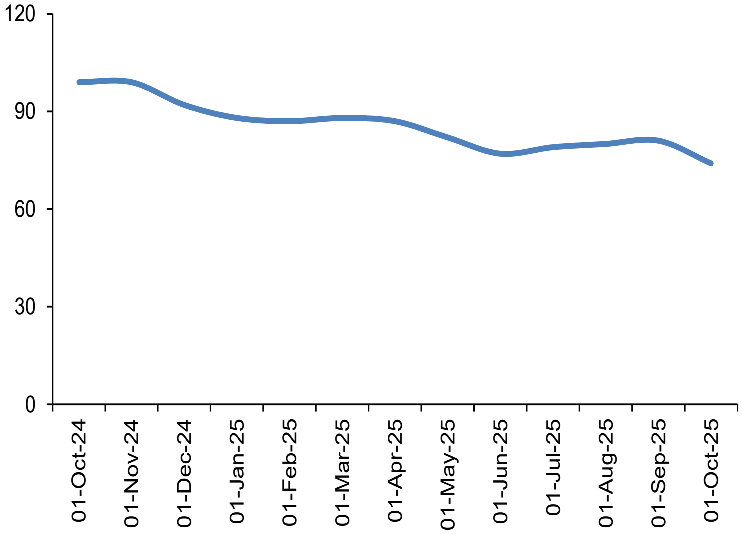
Acetone prices decreased ~5% MoM (Price Rs./Kg)



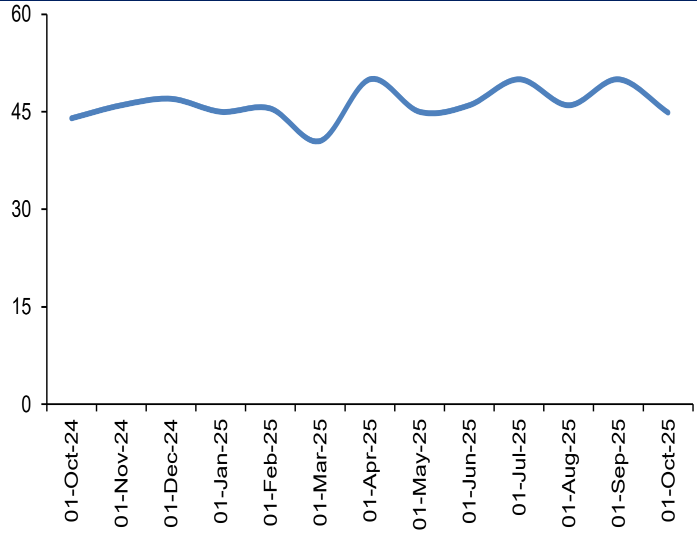
Aniline prices marginally drops MoM (Price Rs./Kg)



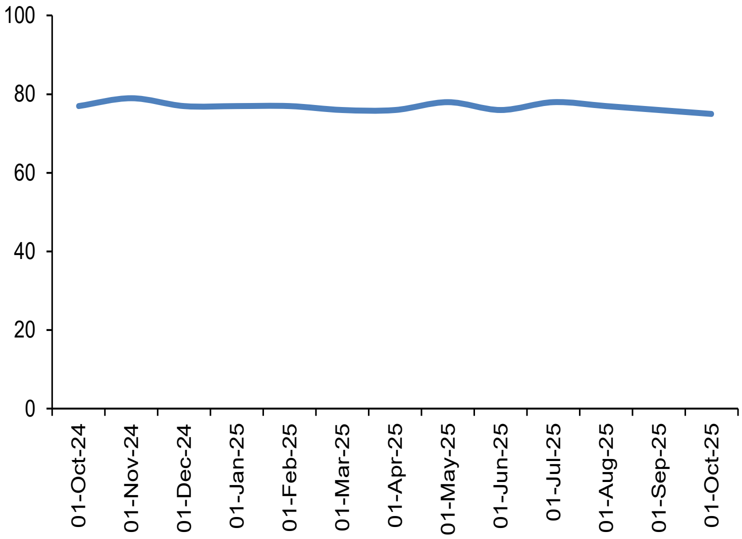
Benzene prices up ~1% MoM (Price Rs./Kg)



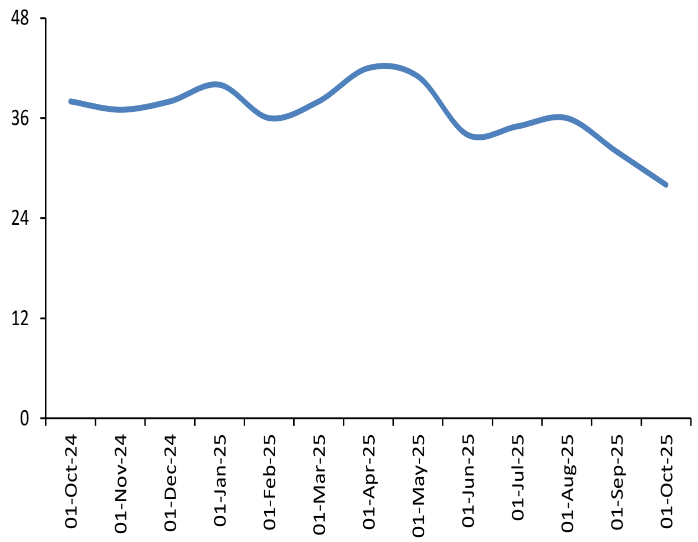
Caustic Soda prices down ~10% MoM (Price Rs./Kg)



Ethyl Acetate decline ~2% MoM (Price Rs./Kg)



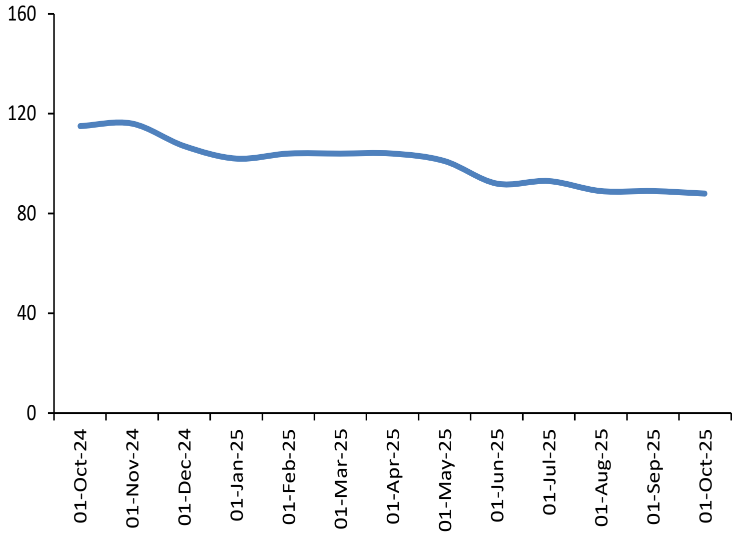
Soda Ash prices steep decline MoM (Price Rs./Kg)



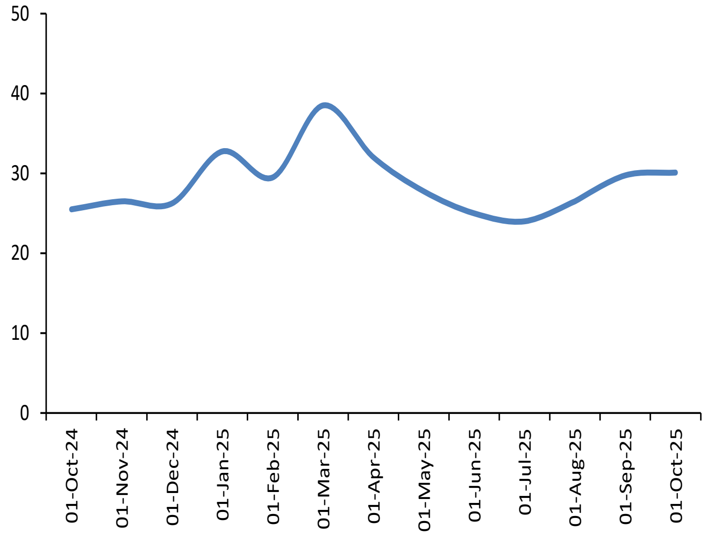
Source : Indiapetrochem

Chemicals Monthly Update (September 2025)

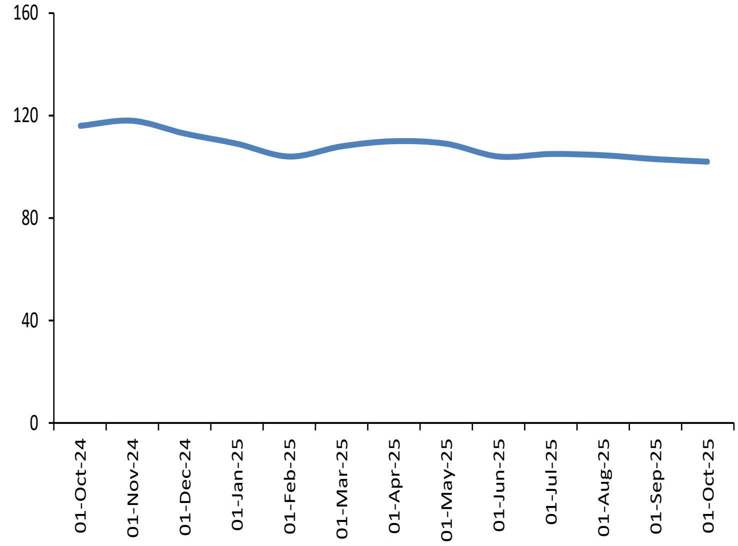
Isopropyl Alcohol decline marginally MoM (Price Rs./Kg)



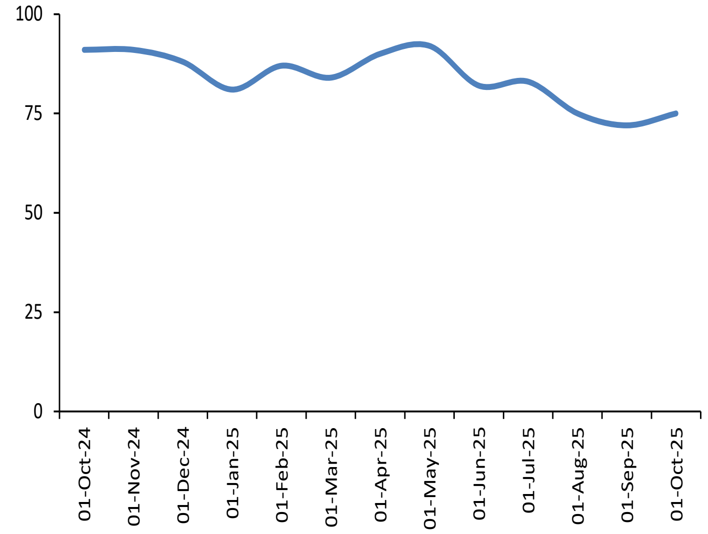
Methanol prices remains flat MoM (Price Rs./Kg)



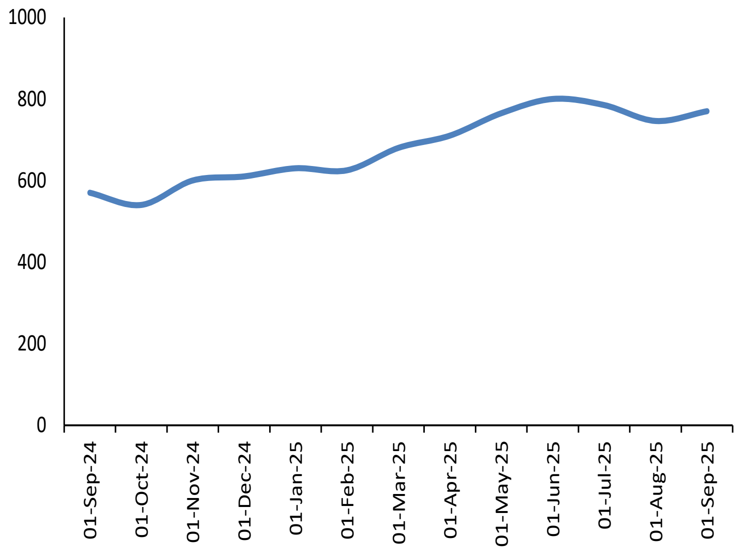
Phenol prices remains muted MoM (Price Rs./Kg)



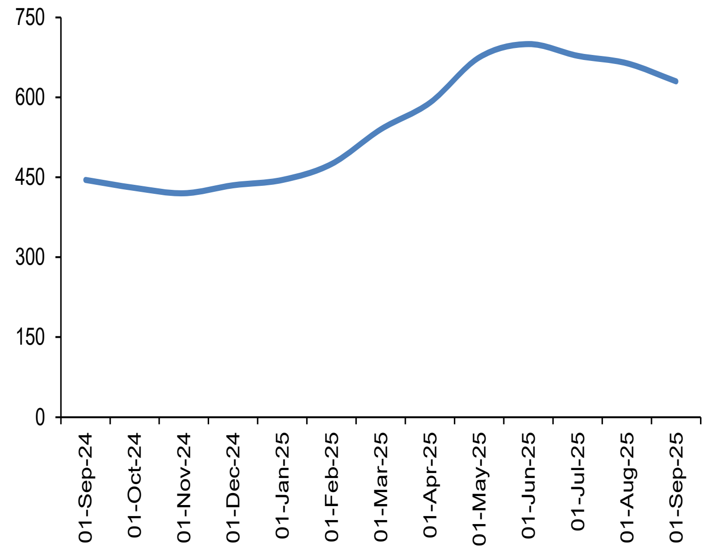
Ethanol prices increased ~4% MoM (Price Rs./Kg)



Refrigerant R22 prices increased MoM (Price Rs./Kg)



Refrigerant R134a remains flat MoM (Price Rs./Kg)



Source : Indiapetrochem

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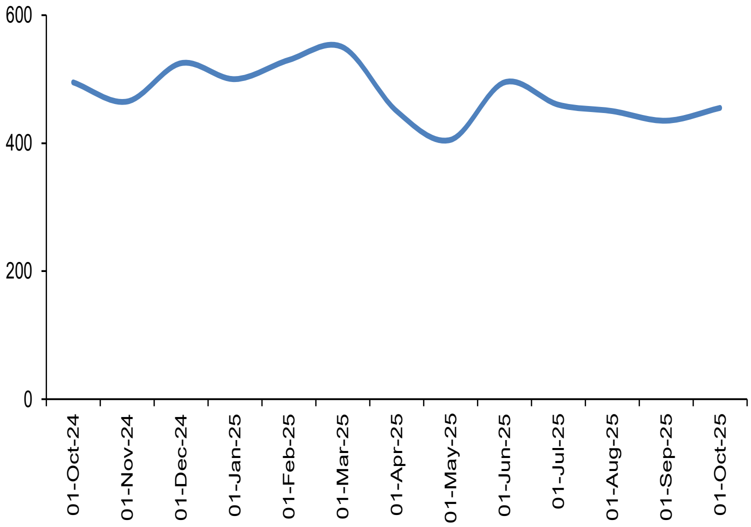
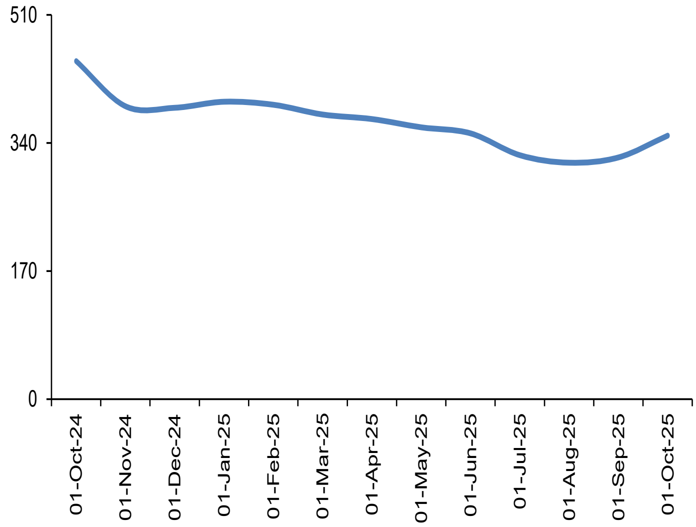
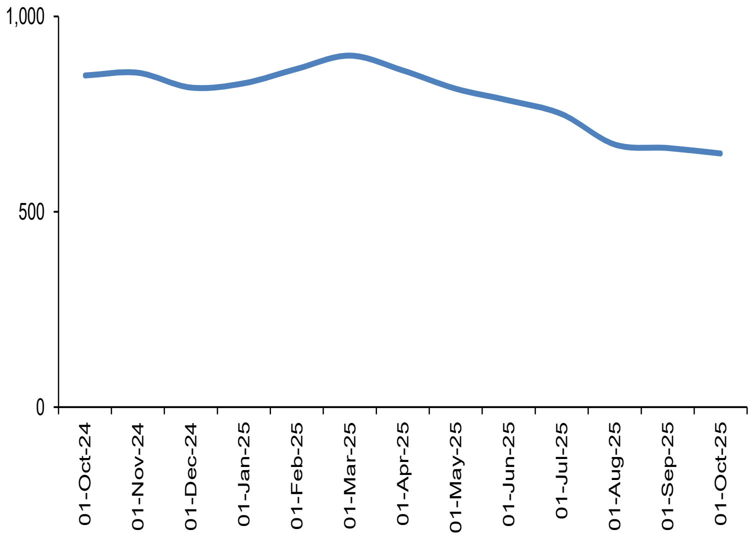
China Caustic Soda (USD/MT)



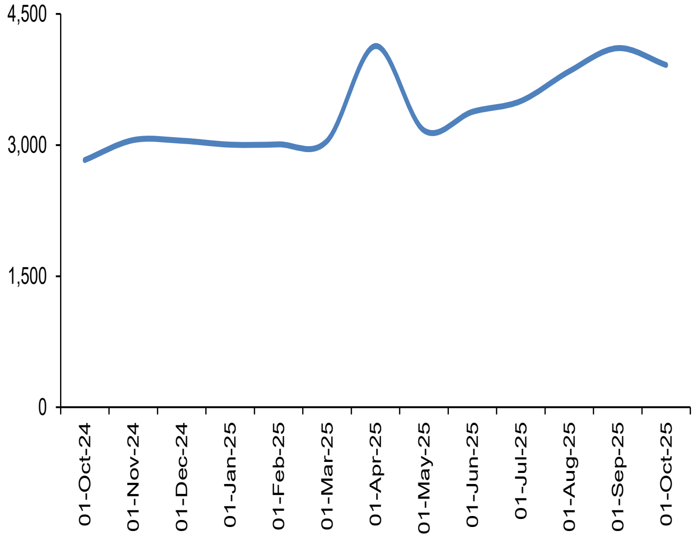
China Acetic Acid (USD/MT)



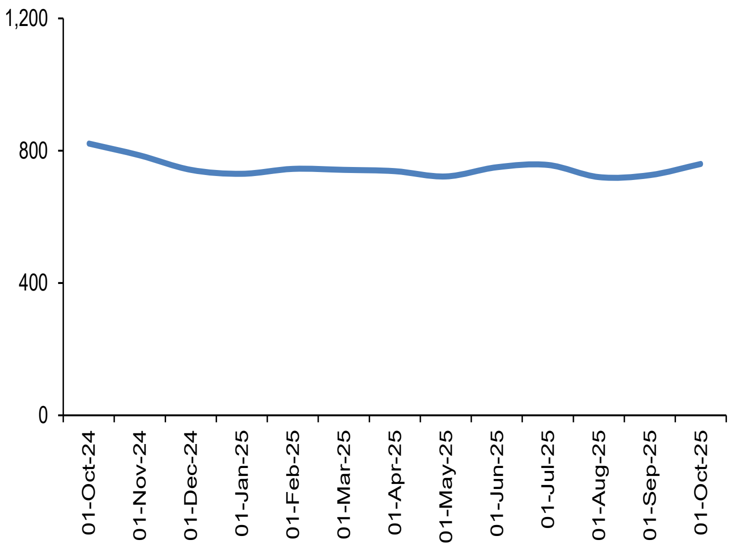
China Acetone (USD/MT)



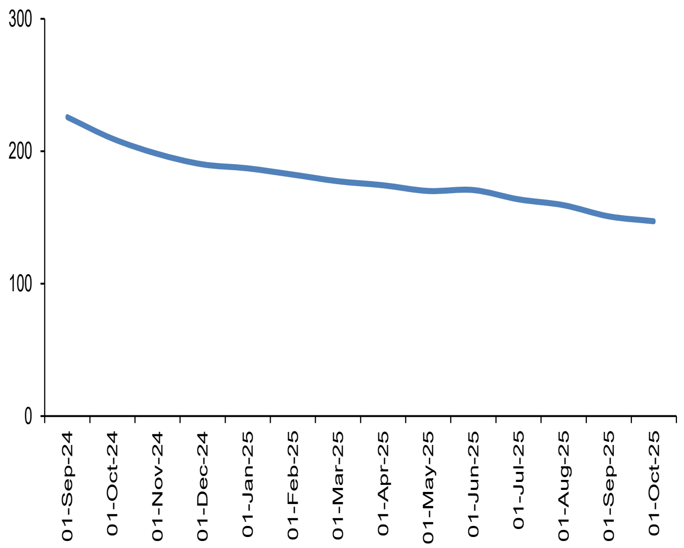
China Bromine (USD/MT)



China Ethyl Acetate (USD/MT)



China Soda Ash FOB (USD/MT)



Source : Bloomberg

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