

A blue-tinted background image of a laboratory. It shows a person wearing safety glasses and a lab coat, looking through a microscope. In the foreground, there are several pieces of glassware, including test tubes and beakers, some containing liquids. The overall scene is a busy laboratory environment.

# CHEMICALS MONTHLY UPDATE

**January 2026**

## Structural growth levers and trade deal intact for Indian chemicals

The chemical sector witnessed a relatively firm pricing environment in January 2026, particularly across the specialty chemical segment, supported by healthy demand from key end-user segments such as pharma, agrochem, and diversified manufacturing, enabling companies to sustain realizations. However, the broader chemical landscape remained mixed, with bulk and commodity chemicals experiencing muted pricing trends amid persistent global overcapacity, particularly from China, and uneven demand recovery across Western markets. Encouragingly, the medium-term outlook appears positive, aided by favorable trade developments and India's increasing role in global supply chain diversification. The interim US-India trade framework, which lowers US tariffs on many Indian exports from about 50% to around 18%, is expected to support a more meaningful recovery in export volumes for select specialty-chemical segments and enhance their competitiveness versus Chinese suppliers. Additionally, the recently concluded India-EU FTA, which is expected to phase in near-zero duties on a broad basket of organic and polymer products once it enters into force, provides structural export tailwinds and unlocks incremental opportunities across large European markets. On the global front, the EU27 chemical sector remains under sustained pressure, impacted by structurally high energy costs, weak demand recovery, and intensifying competition from low-cost regions, particularly China. Elevated input costs continue to erode cost competitiveness, while sluggish exports and rising import penetration reflect deteriorating trade dynamics. As a result, the industry is witnessing gradual deindustrialization, with production shifting to lower-cost geographies. The near-term outlook for 2025-26 remains subdued, with limited visibility into the demand revival. On the domestic front, Indian chemical company's performance in Q3FY26 was mixed, with some large players reporting strong growth and others seeing pressure from competition, weak demand, or one-off costs. Overall, the sector delivered modest top-line growth but uneven profitability across segments and companies.

Indian chemical prices showed mixed trends in January 2026. Aromatics like aniline and benzene posted modest gains on steady dyes/rubber demand, while bulk solvents methanol and phenol corrected amid softer downstream pull. Ethanol and ethyl acetate remained within range, while refrigerant prices remained moderate, and Soda Ash prices were flat due to China's destocking.

The Indian chemical industry is undergoing accelerated growth and structural transformation, positioning the country as an increasingly important player in the global chemicals value chain. Driven by rising domestic consumption, robust export potential, and growing demand from end-user industries, the sector has become a cornerstone of India's industrial landscape and a key beneficiary of global supply-chain diversification trends. Pure-play specialty chemical and intermediates companies such as Aarti Industries, Laxmi Organics, Navin Fluorine, Neogen Chemicals, SRF, Vinati Organics, and others are well-positioned to benefit from the rising demand for value-added chemical products. However, individual outcomes will depend on execution, product mix, and capex discipline.

## Chemicals Monthly Price Update

Chemicals	Domestic Market Price Rs./kg				Chemical Companies
	Oct'25	Nov'25	Dec'25	Jan'26	
Acetone	63	57	56	64	Deepak Nitrite
Aniline	121	122	130	147	Nocil
Benzene	71	76	69	77	Aarti Industries
Caustic Soda	46	44	47	50	Gujarat Alkalies, DCW, Punjab Alkalies & Chemicals
Ethyl Acetate	74	78	80	80	Jubilant Ingrevia, Laxmi Organics
Fatty Alcohols	150	150	150	150	Galaxy Surfactants
Heavy Soda Ash	28	28	28	29	GHCL, Tata Chemicals
Iso Propyl Alcohol (IPA)	93	86	86	92	Deepak Nitrite
Methanol	35	32	30	30	RCF, NFL, Deepak Fertilizers, GNFC
Phenol	108	108	107	105	Deepak Nitrite Ltd.
Potassium Bromide	295	260	265	270	Archean Chemical
Vinyl Acetate Monomer (VAM)	75	80	83	87	Aarti Industries

Source Indiapetrochem

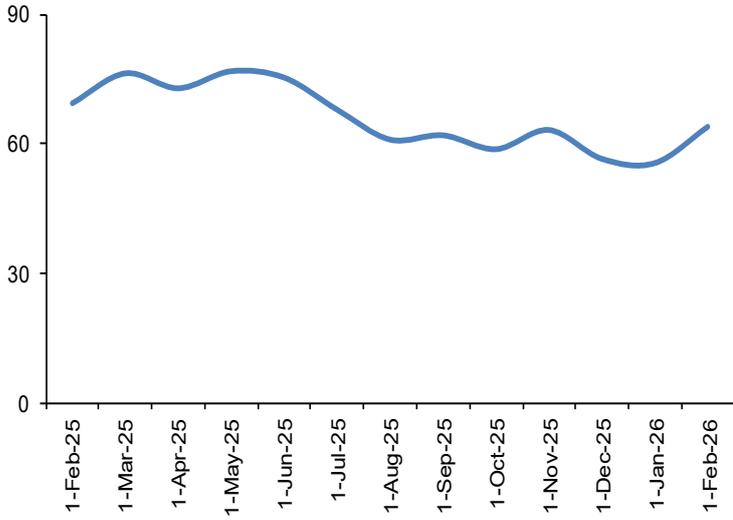
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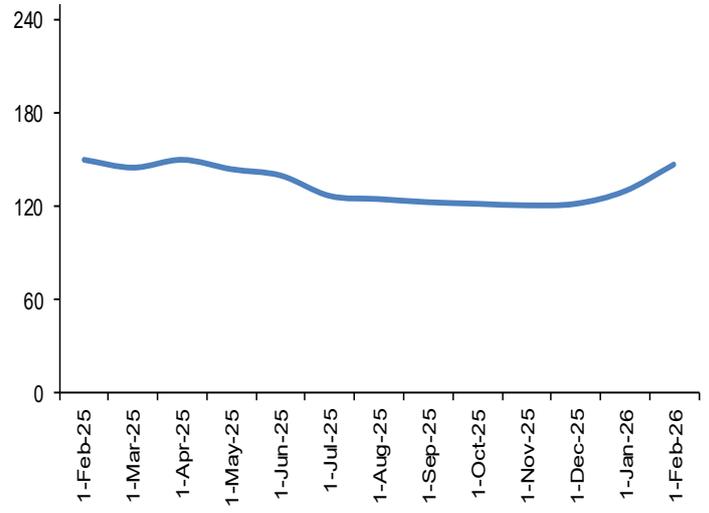
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# Chemicals Monthly Update (January 2026)

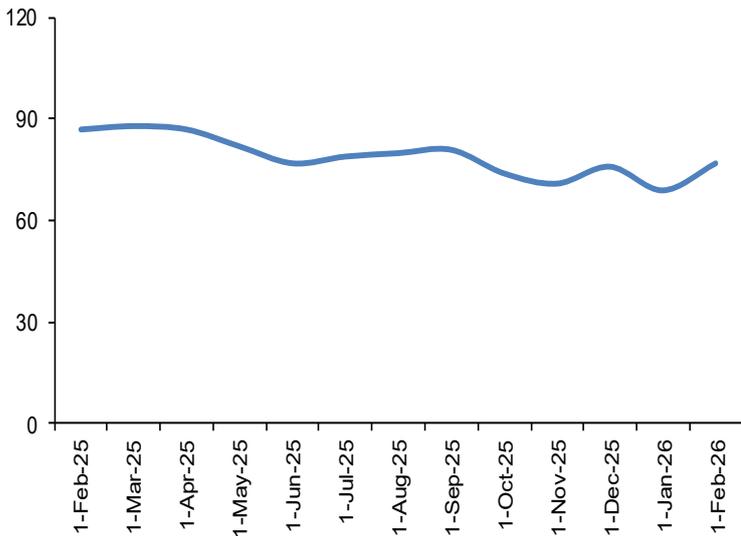
**Acetone prices surge ~15% MoM (Price Rs./Kg)**



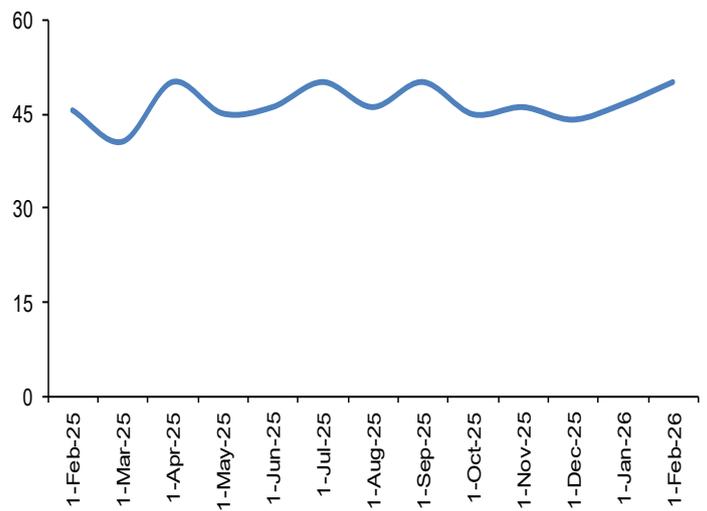
**Aniline prices increased ~13% MoM (Price Rs./Kg)**



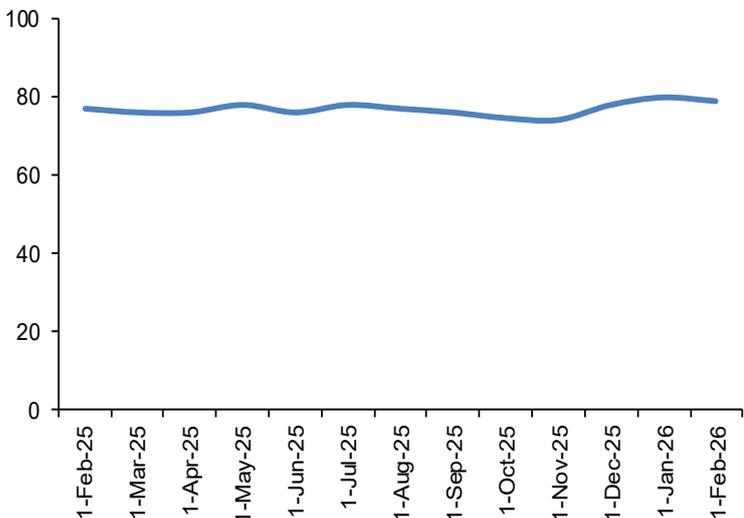
**Benzene prices rise ~12% MoM (Price Rs./Kg)**



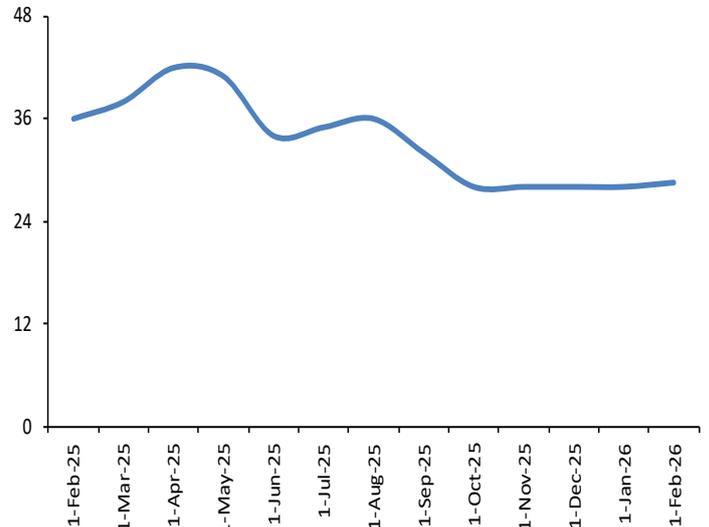
**Caustic Soda prices up ~8% MoM (Price Rs./Kg)**



**Ethyl Acetate marginally drops MoM (Price Rs./Kg)**



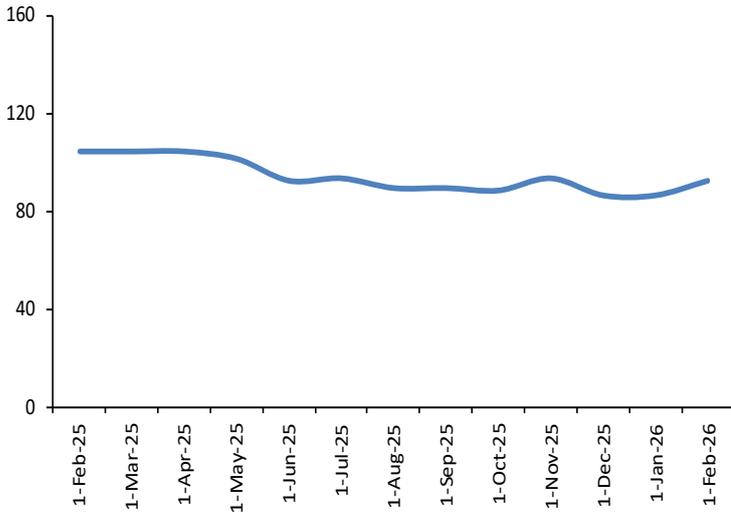
**Soda Ash prices remains flat MoM (Price Rs./Kg)**



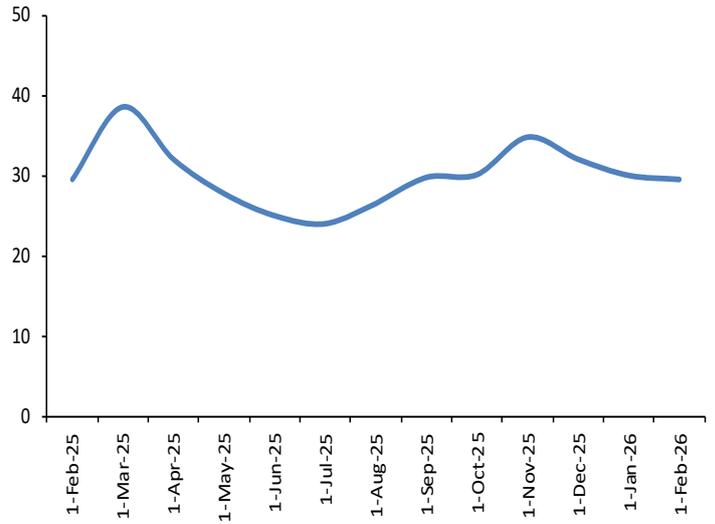
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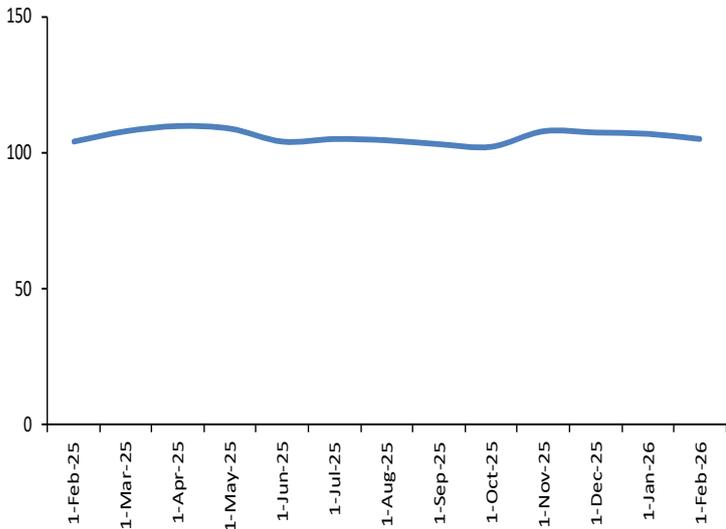
**Isopropyl Alcohol increased 7% MoM (Price Rs./Kg)**



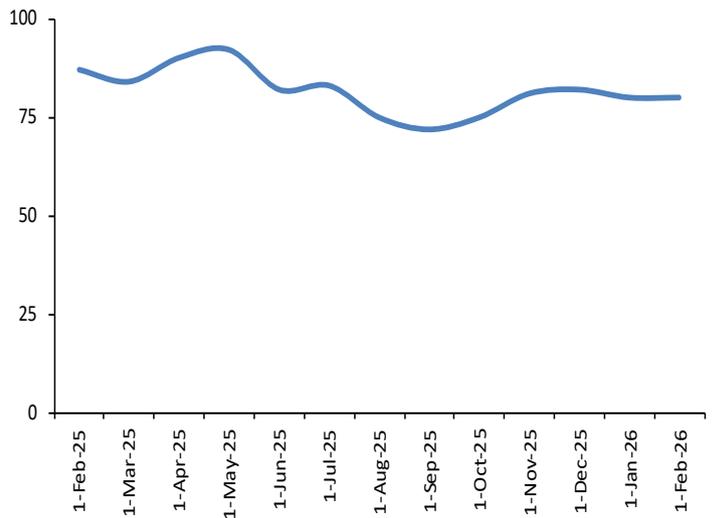
**Methanol prices down ~2% MoM (Price Rs./Kg)**



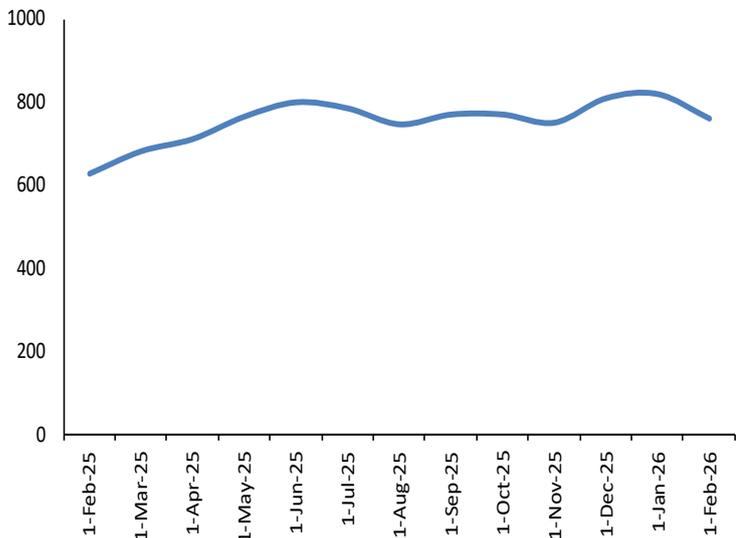
**Phenol prices decline ~2% MoM (Price Rs./Kg)**



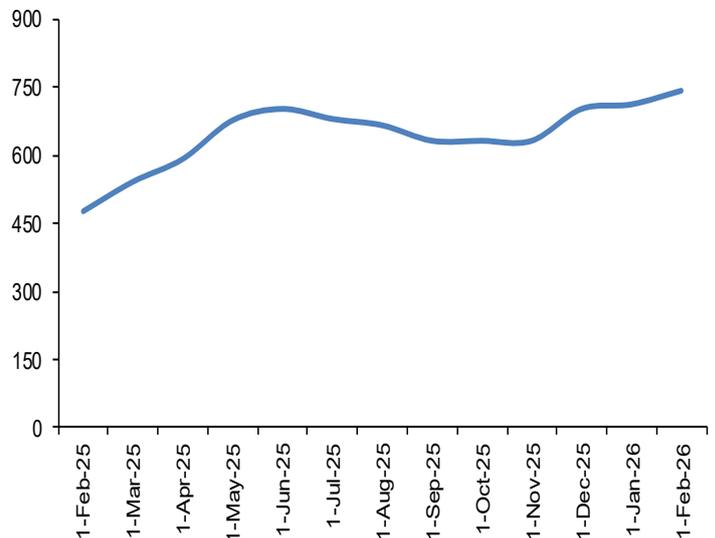
**Ethanol prices marginally down MoM (Price Rs./Kg)**



**Refrigerant R22 prices decreased MoM (Price Rs./Kg)**



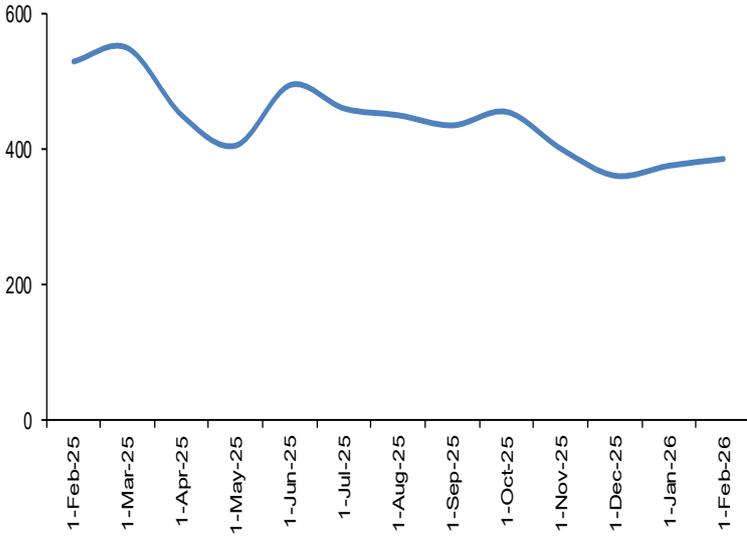
**Refrigerant R134a increased MoM (Price Rs./Kg)**



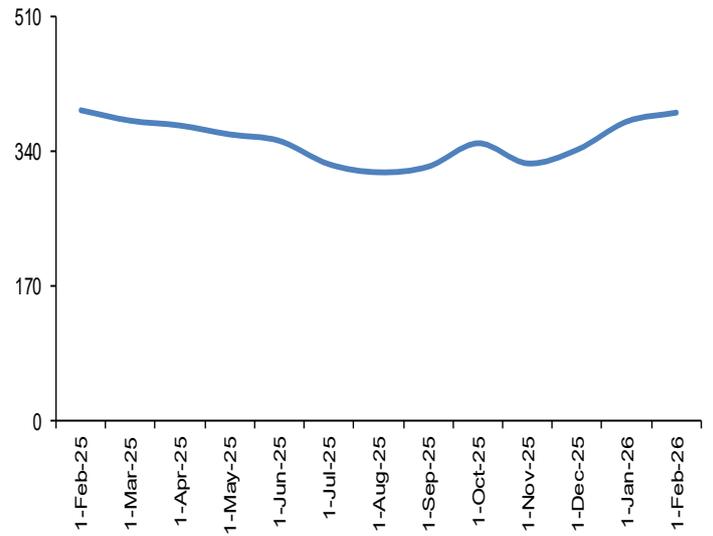
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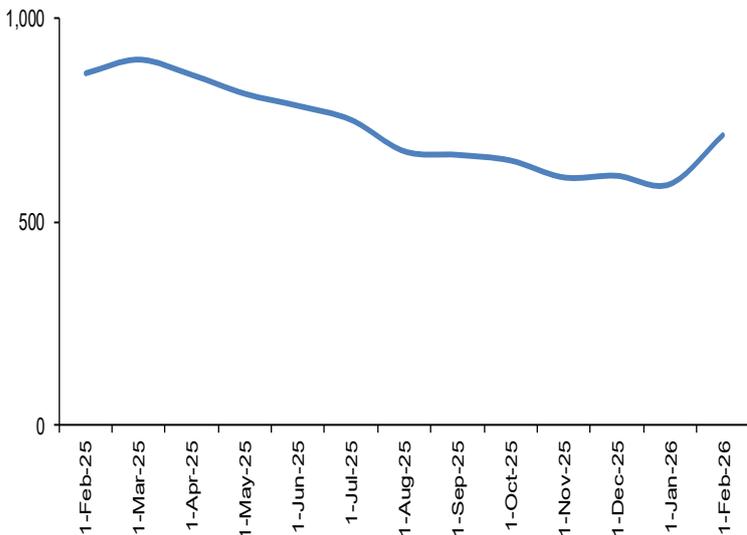
## China Caustic Soda (USD/MT)



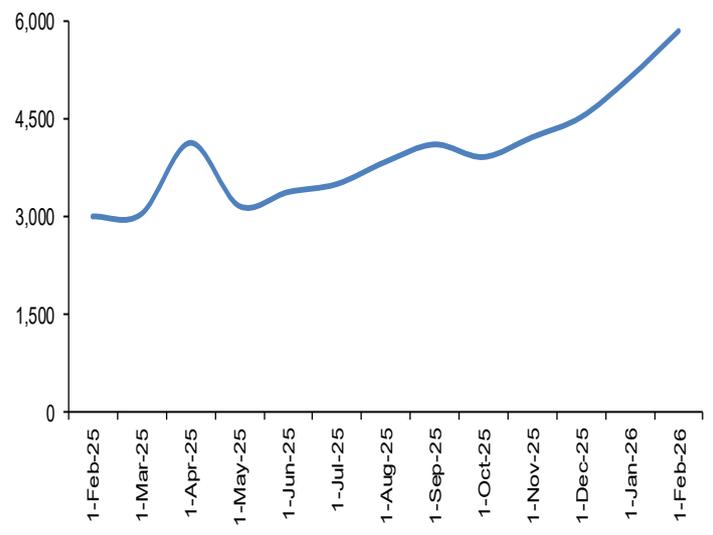
## China Acetic Acid (USD/MT)



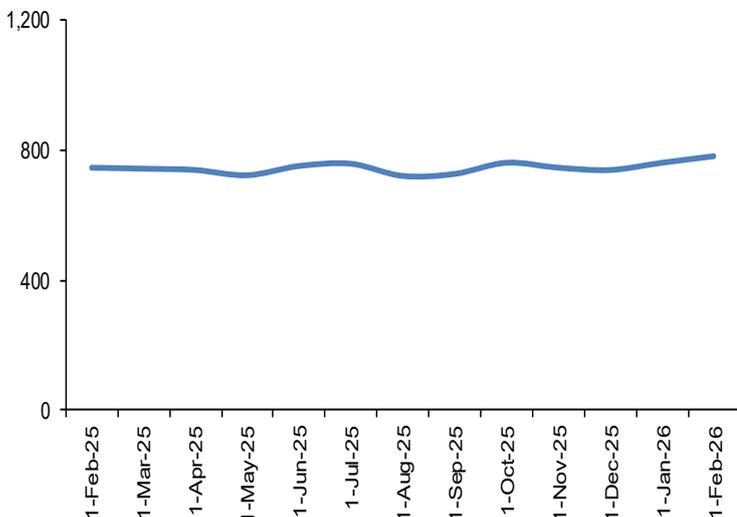
## China Acetone (USD/MT)



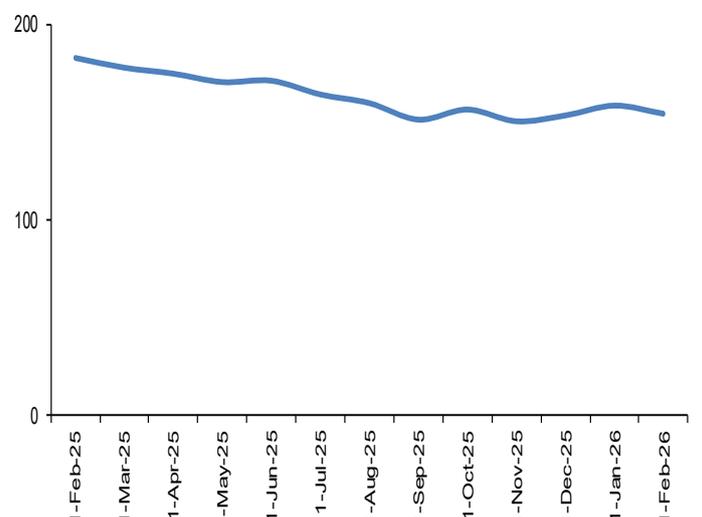
## China Bromine (USD/MT)



## China Ethyl Acetate (USD/MT)



## China Soda Ash FOB (USD/MT)



Source : Bloomberg

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