

A blue-tinted background image of a laboratory. It shows a person wearing safety glasses looking through a microscope, several test tubes in a rack, and a beaker. The scene is overlaid with a semi-transparent blue filter.

CHEMICALS MONTHLY UPDATE

February 2026

Chemical prices stabilizing despite geopolitical volatility and evolving supply dynamics

The chemical sector witnessed a broadly firm pricing environment in February 2026, with several tracked chemicals registering sequential price increases amid tightening supply conditions and elevated energy costs. However, ongoing geopolitical tensions, worsened by the US-Iran war's disruption of the Strait of Hormuz and crude-linked volatility, are likely to keep chemical prices relatively volatile in the near term, which may weigh on demand [s1] visibility while supporting producers operating in structurally tight supply segments. The start of 2026 typically sees relatively muted activity due to demand slowdown and inventory adjustments across global markets, particularly during the Chinese New Year period, which temporarily disrupts export flows and pricing benchmarks for several chemicals imported into India. However, recent policy developments in China, specifically the removal or reduction of export tax rebates on multiple chemical products, effective April 2026, are expected to normalize global pricing dynamics gradually. This shift could be structurally positive for Indian chemical manufacturers, as Chinese producers have historically benefited from export incentives that allow them to supply chemicals at relatively lower prices, thereby exerting pressure on global and Indian pricing. The EU27 chemical industry continues to face a challenging operating environment, with subdued demand across key end-use sectors and structurally higher energy and feedstock costs impacting competitiveness. Although volumes have shown early signs of stabilization, capacity utilization remains below historical levels, while increasing imports from lower-cost regions continue to exert pressure on domestic producers. Overall, the near-term outlook remains cautious, with recovery expected to be gradual and contingent on improvements in industrial demand and the normalization of energy costs. On the domestic front, the Indian chemical sector continues to navigate a cyclical downcycle characterized by weak global demand and elevated supply additions, particularly from China. However, structural factors, including policy-driven supply rationalization in China, potential reduction in aggressive exports, and rising crude-linked petrochemical prices, could gradually support a recovery in chemical prices. For Indian chemical companies, which have been facing pricing pressure, these developments could provide incremental margin support as global supply dynamics tighten and spreads across certain chemical chains improve. However, near-term demand visibility remains moderate amid macroeconomic uncertainties and volatile energy markets.

Indian chemical prices showed positive trends in February 2026. Methanol recorded a sharp ~12% MoM increase, largely supported by volatility in crude oil prices and escalating geopolitical tensions in the Middle East. Key bulk chemicals, such as Isobutanol and Acetic acid, experienced price increases of 7.3% and 2.1% MoM, respectively. On the other hand, Aniline and Phenol prices decreased, Benzene saw a modest rise, and Ethyl Acetate increased 1.3%, likely due to steady downstream demand. The refrigerant gas segment remained structurally strong, supported by supply constraints arising from global environmental regulations under the Montreal Protocol, which restrict the production of certain gases.

The Indian chemical industry is expected to be driven by rising domestic consumption, robust export potential, and growing demand from end-user industries as we advance. The sector has become a cornerstone of India's industrial landscape and a key beneficiary of global supply chain diversification. 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
	Nov'25	Dec'25	Jan'26	Feb'26	
Acetone	57	56	64	78	Deepak Nitrite
Aniline	122	130	147	144	Nocil
Benzene	76	69	77	76	Aarti Industries
Caustic Soda	44	47	50	46	Gujarat Alkalies, DCW, Punjab Alkalies & Chemicals
Ethyl Acetate	78	80	79	80	Jubilant Ingrevia, Laxmi Organics
Fatty Alcohols	150	150	150	150	Galaxy Surfactants
Heavy Soda Ash	28	28	29	32	GHCL, Tata Chemicals
Iso Propyl Alcohol (IPA)	86	86	92	94	Deepak Nitrite
Methanol	32	30	30	33	RCF, NFL, Deepak Fertilizers, GNFC
Phenol	108	107	105	102	Deepak Nitrite Ltd.
Potassium Bromide	260	265	270	275	Archean Chemical
Vinyl Acetate Monomer (VAM)	80	83	91	101	Aarti Industries

Source Indiapetrochem

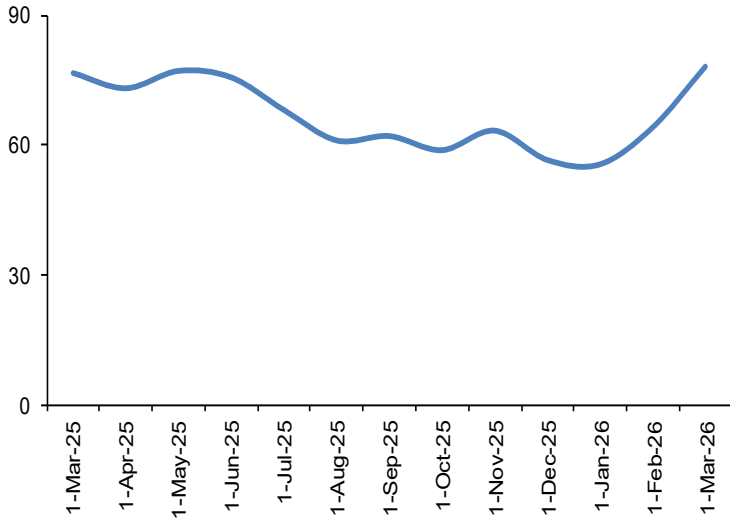
Research Analyst: Prathamesh Masdekar

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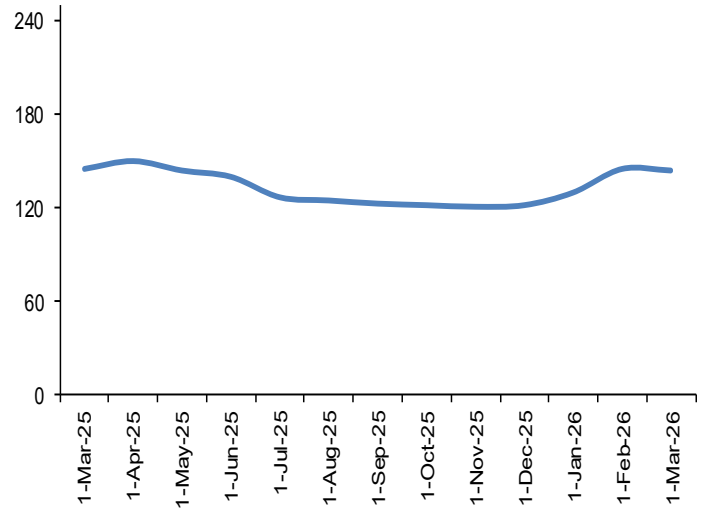
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Chemicals Monthly Update (February 2026)

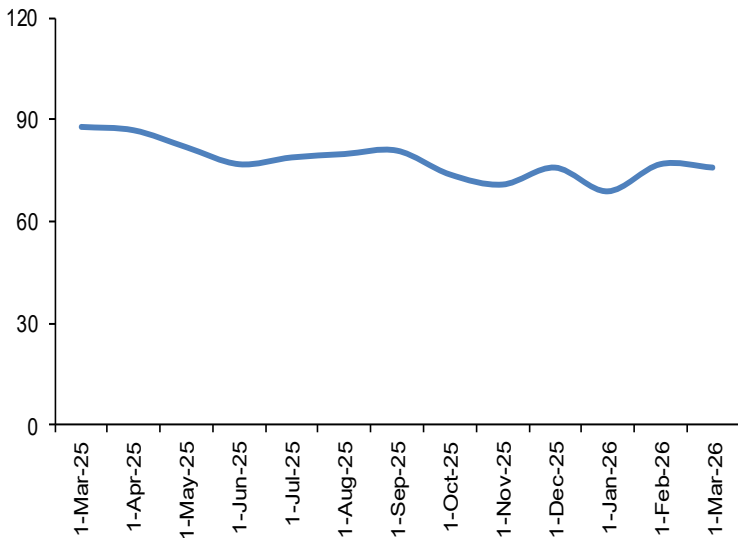
Acetone prices surge ~22% MoM (Price Rs./Kg)



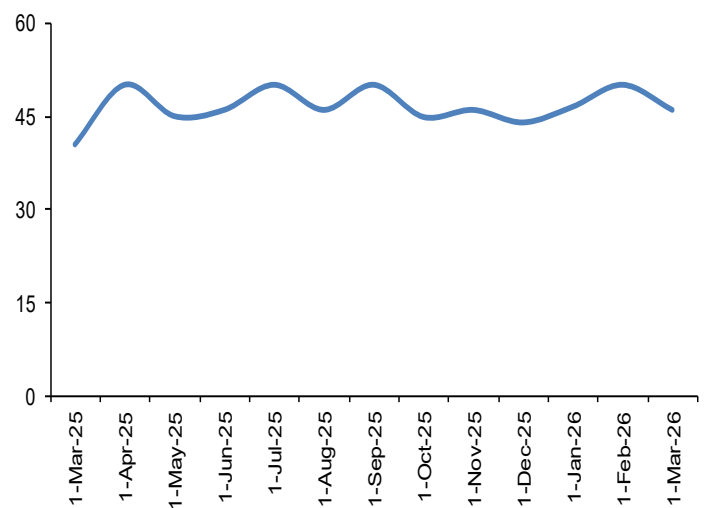
Aniline prices marginal decline MoM (Price Rs./Kg)



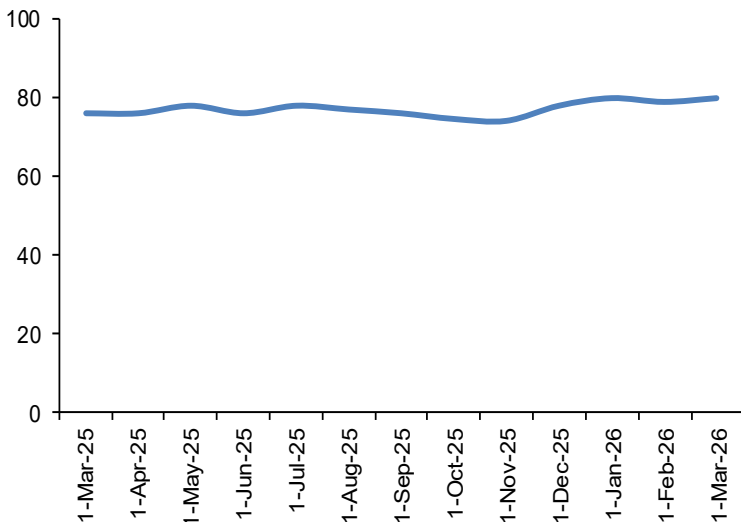
Benzene prices down ~1% MoM (Price Rs./Kg)



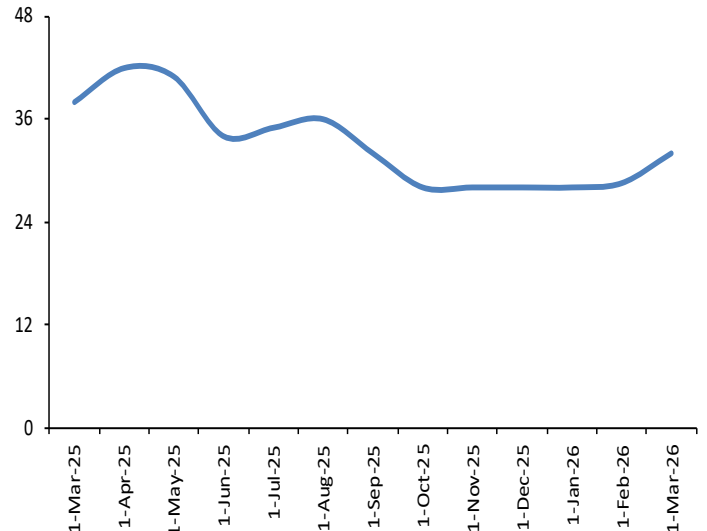
Caustic Soda prices down ~8% MoM (Price Rs./Kg)



Ethyl Acetate up ~1% MoM (Price Rs./Kg)



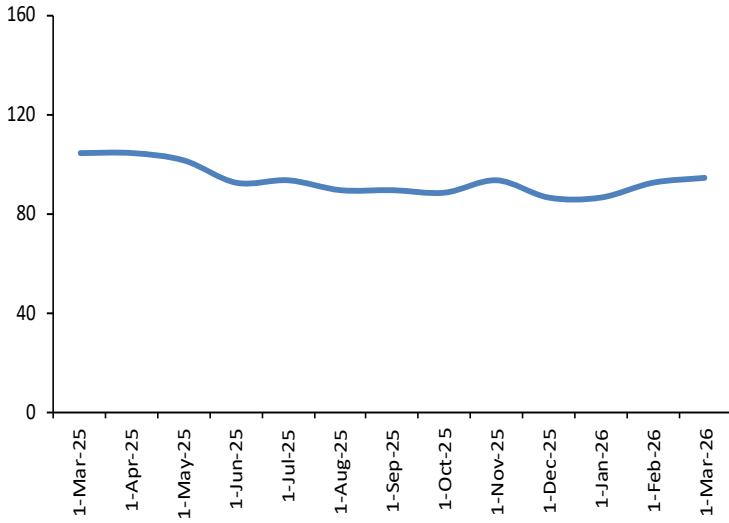
Soda Ash prices increase ~12% MoM (Price Rs./Kg)



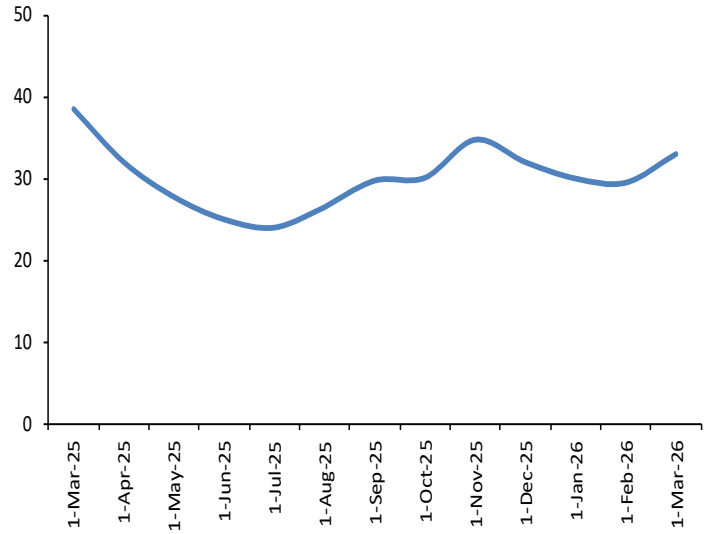
Source : Indiapetrochem

Chemicals Monthly Update (February 2026)

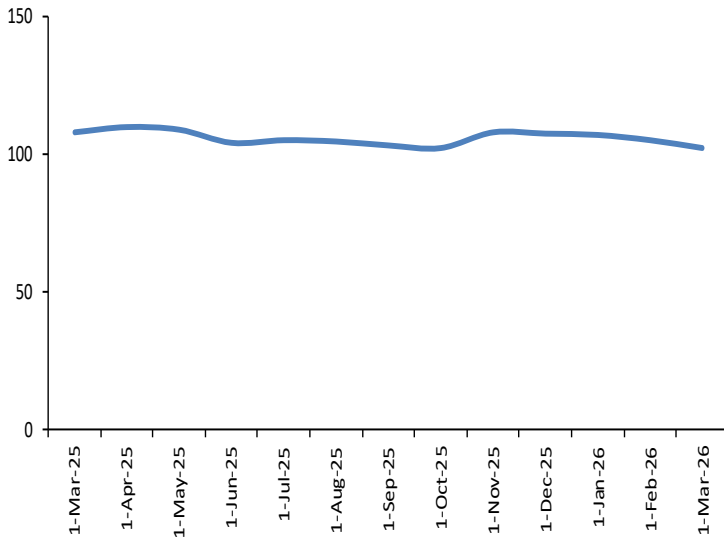
Isopropyl Alcohol increased 2% MoM (Price Rs./Kg)



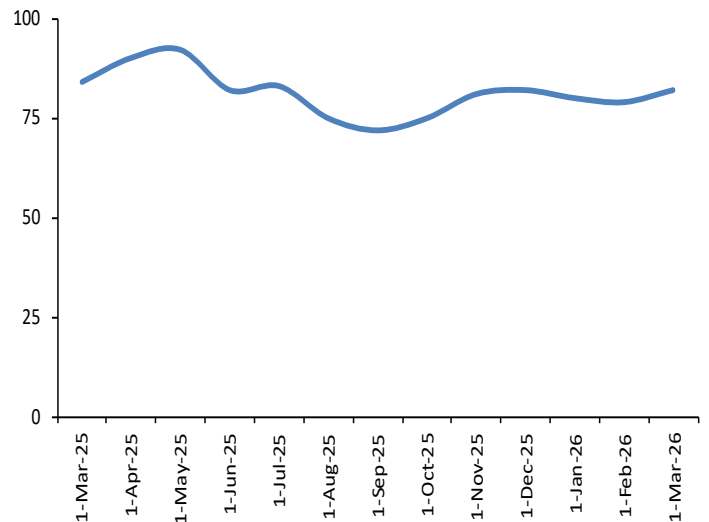
Methanol prices up ~12% MoM (Price Rs./Kg)



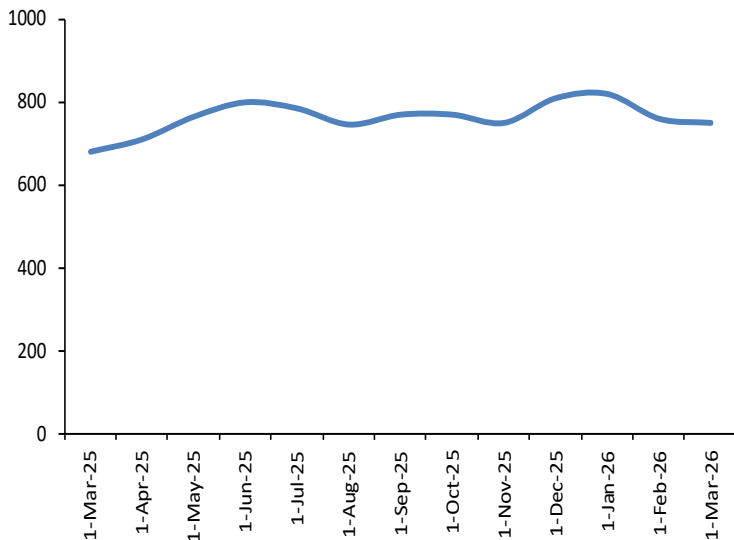
Phenol prices decline ~3% MoM (Price Rs./Kg)



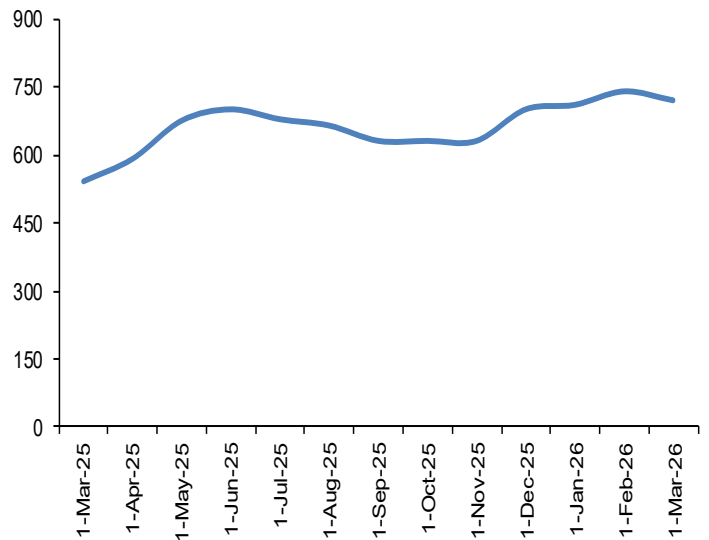
Ethanol prices increase ~4% MoM (Price Rs./Kg)



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



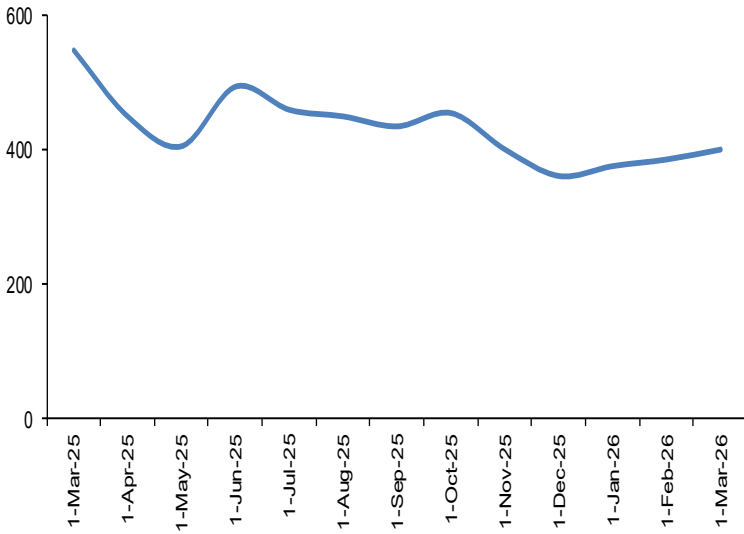
Refrigerant R134a decreased MoM (Price Rs./Kg)



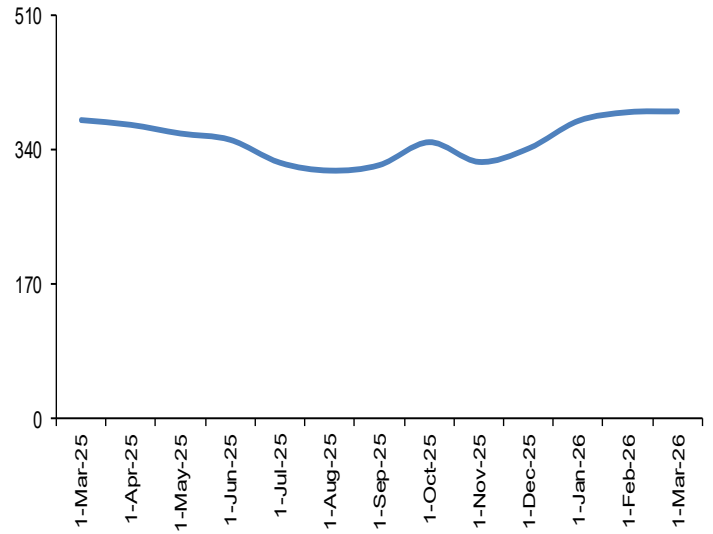
Source : Indiapetrochem

Chemicals Monthly Update (February 2026)

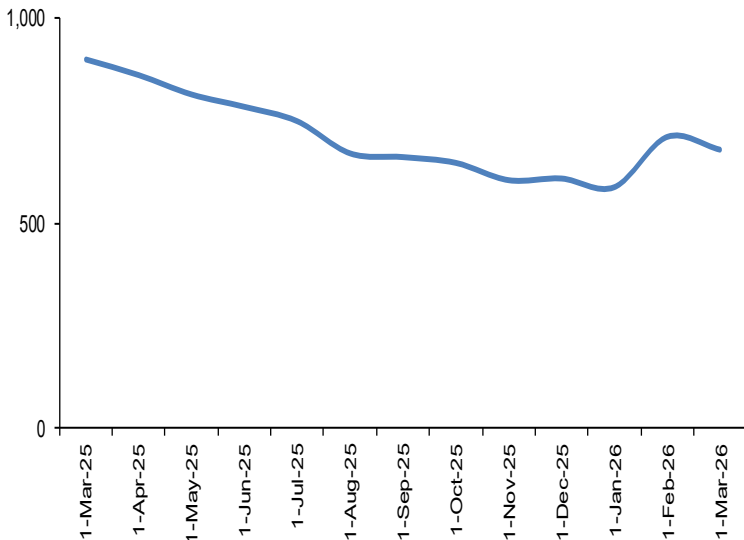
China Caustic Soda (USD/MT)



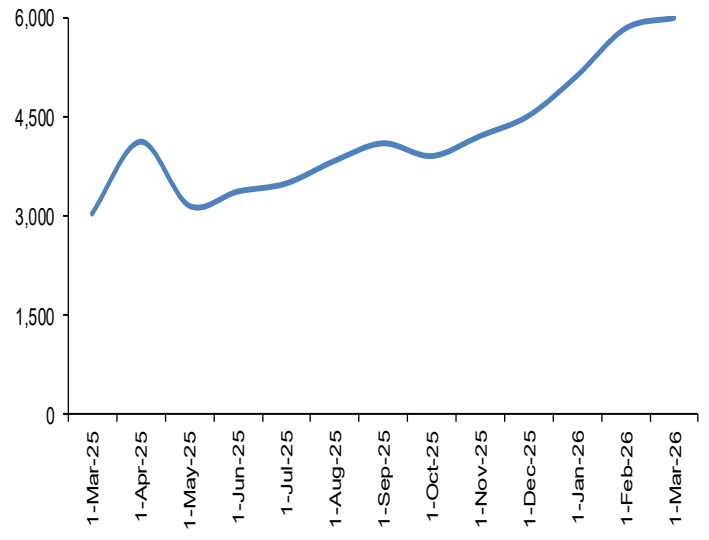
China Acetic Acid (USD/MT)



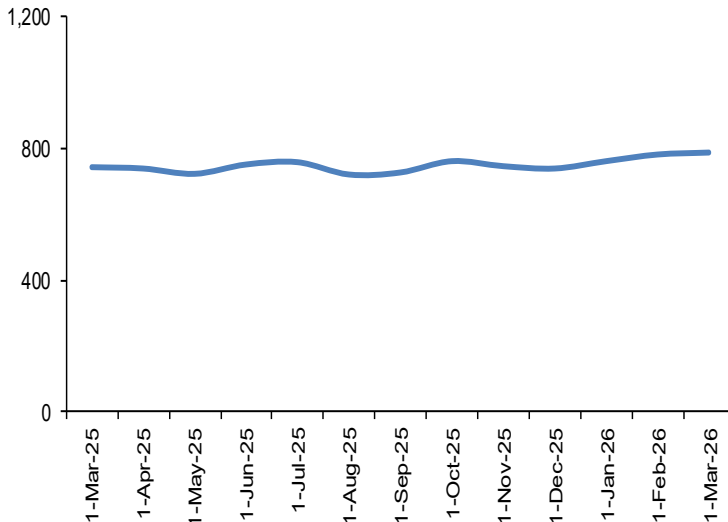
China Acetone (USD/MT)



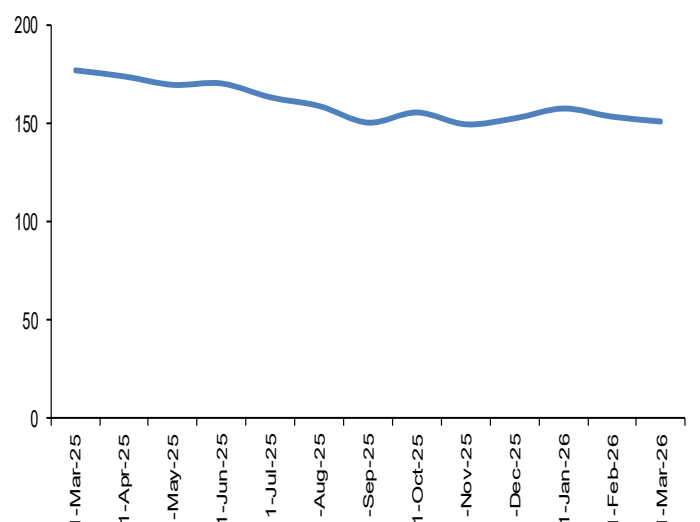
China Bromine (USD/MT)



China Ethyl Acetate (USD/MT)



China Soda Ash FOB (USD/MT)



Source : Bloomberg

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