

The background of the page is a blue-tinted photograph of a laboratory. It shows various pieces of glassware, including test tubes and beakers, some containing liquids. A person wearing safety glasses is visible in the background, looking through a microscope. The overall scene is a busy laboratory environment.

CHEMICALS MONTHLY UPDATE

May 2026

Mixed realizations across chemical chains amid persistent margin headwinds

The Indian chemical sector witnessed a mixed performance during May 2026 amid persistent global oversupply, weak export demand, elevated crude-linked input costs, and volatile energy prices driven by geopolitical tensions in West Asia. Higher feedstock and logistics costs continued to pressure sector margins, particularly for commodity and intermediate chemical manufacturers with limited pricing flexibility. Additionally, subdued industrial demand across global markets and continued pricing pressure from Chinese exports impacted overall sector sentiment. Within the sector, specialty chemical companies delivered relatively stronger performance, supported by stable demand across niche applications, an improved product mix, and greater resilience in value-added segments. Companies with differentiated product portfolios, integrated operations, and greater domestic exposure continued to outperform amid expectations of a gradual recovery in demand and margin stabilization. In contrast, commodity chemical players remained under pressure due to weak realizations, persistent oversupply across key chemical chains, and continued margin compression amid elevated input costs and subdued global demand conditions. Globally, the sector environment remained challenging, as chemical demand recovery in the US and Europe remained gradual amid weak industrial activity, cautious consumer spending, and inventory rationalization across key end-user industries. In China, aggressive capacity additions and excess supply across several commodity chemical segments continued to exert pressure on global realizations and export markets, impacting manufacturers' pricing power globally, including Indian players. On the domestic front, the Q4FY26 earnings season highlighted continued operational pressure across the Indian chemical sector, particularly among commodity and intermediate chemical players. Although select companies reported sequential revenue recovery, supported by volume improvements, operating margins remained under pressure due to weak product realizations, elevated crude-linked raw material costs, and continued pricing pressure from Chinese exports. Additionally, higher freight and energy expenses further impacted profitability across intermediate and industrial chemical segments, resulting in subdued earnings performance during the quarter.

Indian chemical prices showed mixed trends in May 2026. Methanol recorded a sharp ~8% MoM decrease, largely impacted by volatility in crude oil prices and escalating geopolitical tensions in the Middle East. Key bulk chemicals, such as Isobutanol and Benzene, experienced price increases of 1.5% and 4.5% MoM, respectively. On the other hand, prices of Aniline and Acetic acid decreased. The companies operating in fluorochemicals, performance materials, and niche specialty segments continued to attract investor interest on expectations of a gradual recovery in global demand and margin normalization over the medium term. On the other hand, commodity chemical manufacturers continued to face significant pricing pressure due to excess global supply, particularly from China. Products such as soda ash, phenol, PVC, and other petrochemical derivatives experienced weak realizations, limiting domestic manufacturers' pricing power.

Despite persistent near-term headwinds from elevated crude-linked feedstock costs and weak global demand, the long-term outlook for the Indian specialty chemical sector remains structurally positive. Commodity and intermediate chemical players such as Laxmi Organic Industries, Jubilant Ingrevia, and Deepak Nitrite are expected to witness continued margin pressure in the near term amid rising input and energy costs. In contrast, specialty-focused companies including Navin Fluorine International, SRF, and Aarti Industries remain relatively better positioned, aided by differentiated product portfolios, higher value-added offerings, and stronger pricing flexibility.

Chemicals Monthly Price Update

Chemicals	Domestic Market Price Rs./kg				Chemical Companies
	Feb'26	Mar'26	Apr'26	May'26	
Acetone	78	205	143	126	Deepak Nitrite
Aniline	144	205	190	188	Nocil
Benzene	76	102	110	115	Aarti Industries
Caustic Soda	46	56	54	57	Gujarat Alkalies, DCW, Punjab Alkalies & Chemicals
Ethyl Acetate	80	111	104	93	Jubilant Ingrevia, Laxmi Organics
Fatty Alcohols	150	150	150	150	Galaxy Surfactants
Heavy Soda Ash	32	29	28	31	GHCL, Tata Chemicals
Iso Propyl Alcohol (IPA)	94	300	160	125	Deepak Nitrite
Methanol	33	78	72	67	RCF, NFL, Deepak Fertilizers, GNFC
Phenol	102	200	142	170	Deepak Nitrite Ltd.
Potassium Bromide	275	280	290	300	Archean Chemical
Vinyl Acetate Monomer (VAM)	101	202	193	127	Aarti Industries

Source Indiapetrochem

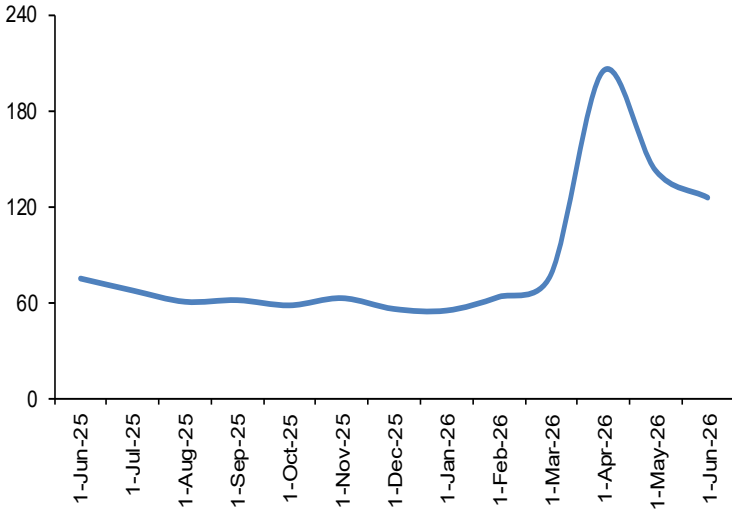
Research Analyst: Prathamesh Masdekar

Email: prathamesh.masdekar@bpwealth.com

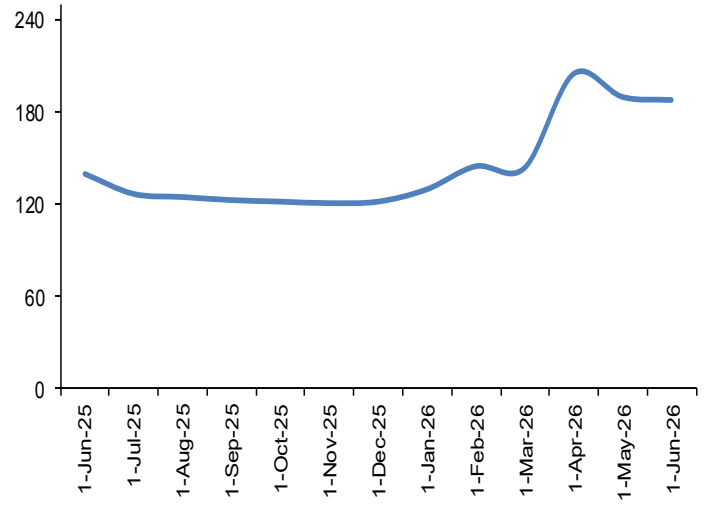
Phone: 022-61596139

Chemicals Monthly Update (May 2026)

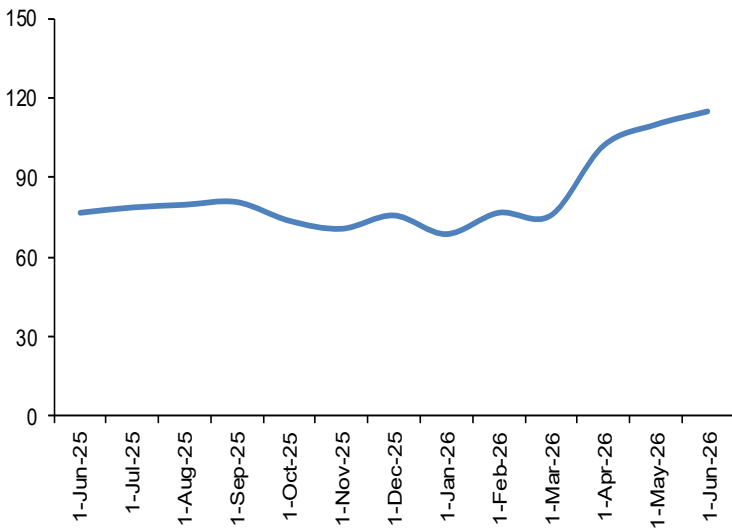
Acetone prices decline ~12% MoM (Price Rs./Kg)



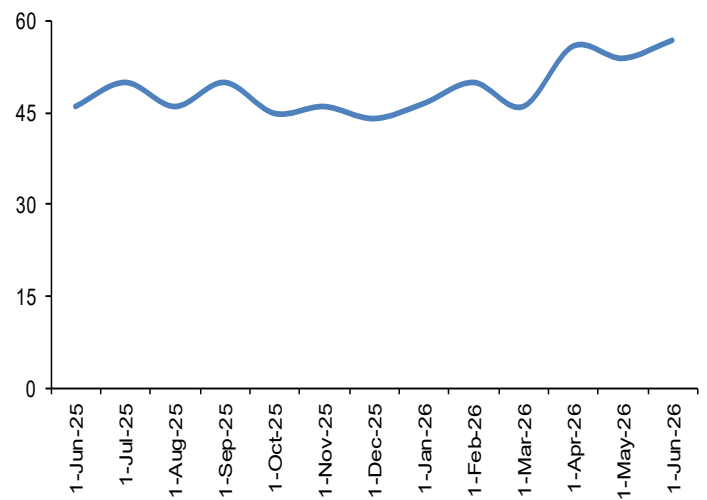
Aniline prices decreased ~1% MoM (Price Rs./Kg)



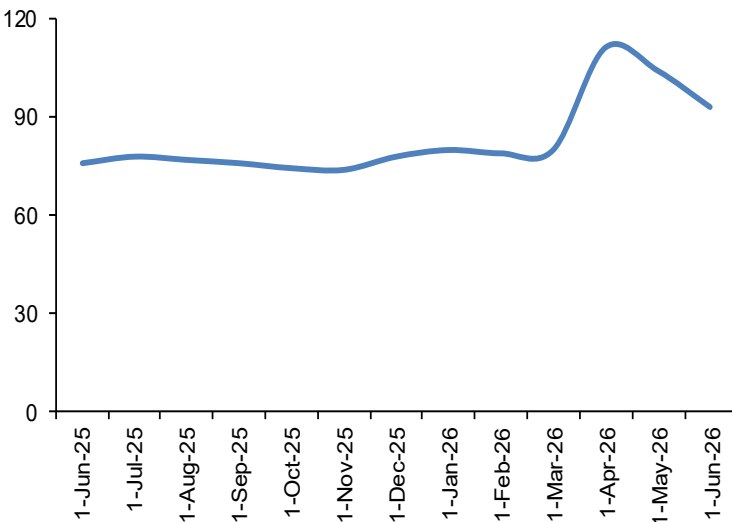
Benzene prices rose ~5% MoM (Price Rs./Kg)



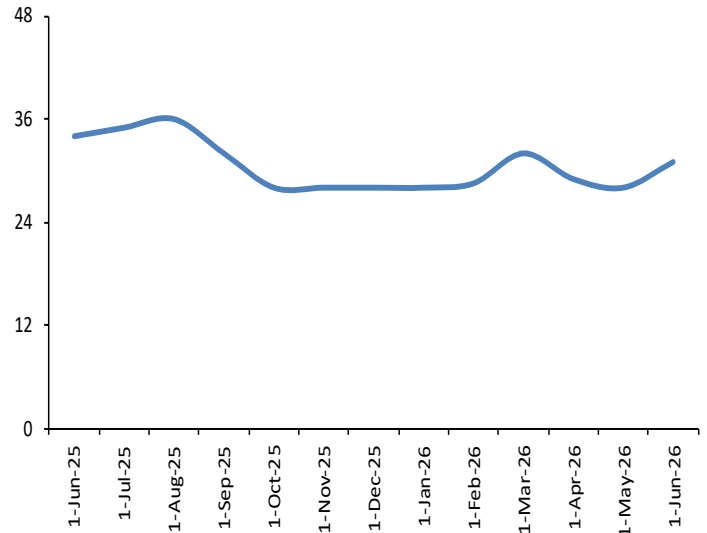
Caustic Soda prices up ~6% MoM (Price Rs./Kg)



Ethyl Acetate decreased ~11% MoM (Price Rs./Kg)



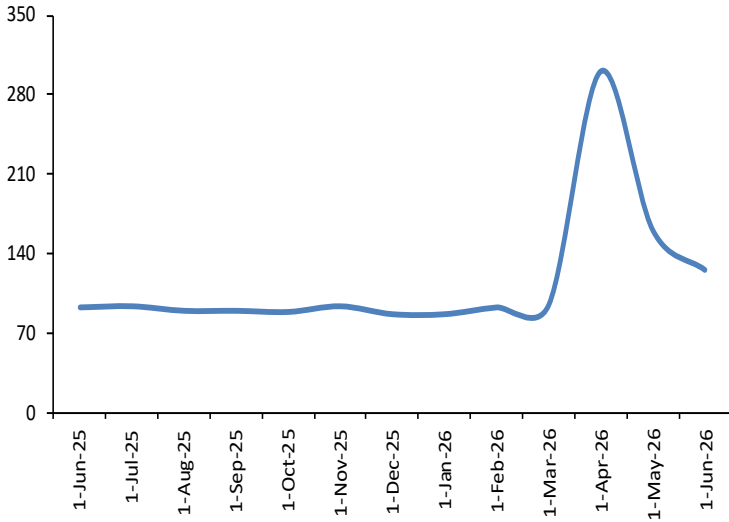
Soda Ash prices surge ~11% MoM (Price Rs./Kg)



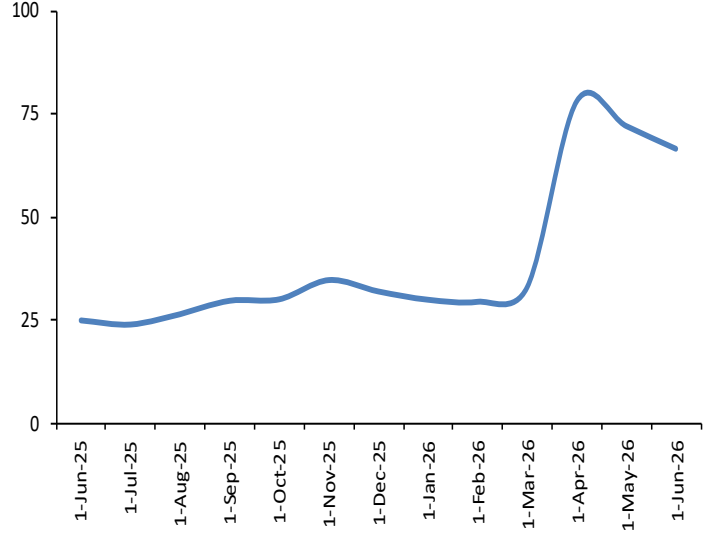
Source : Indiapetrochem

Chemicals Monthly Update (May 2026)

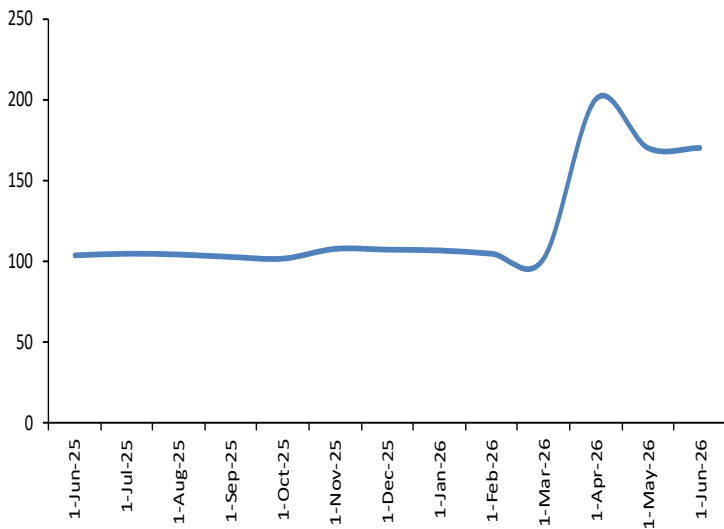
Isopropyl Alcohol decreased ~22% MoM (Price Rs./Kg)



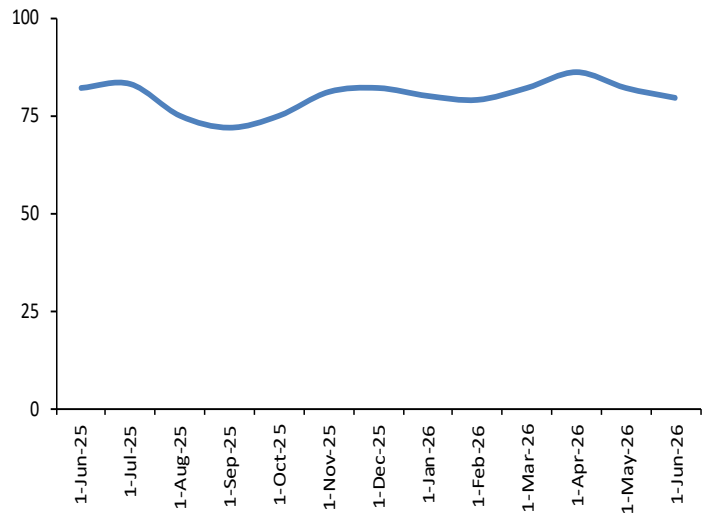
Methanol prices down ~8% MoM (Price Rs./Kg)



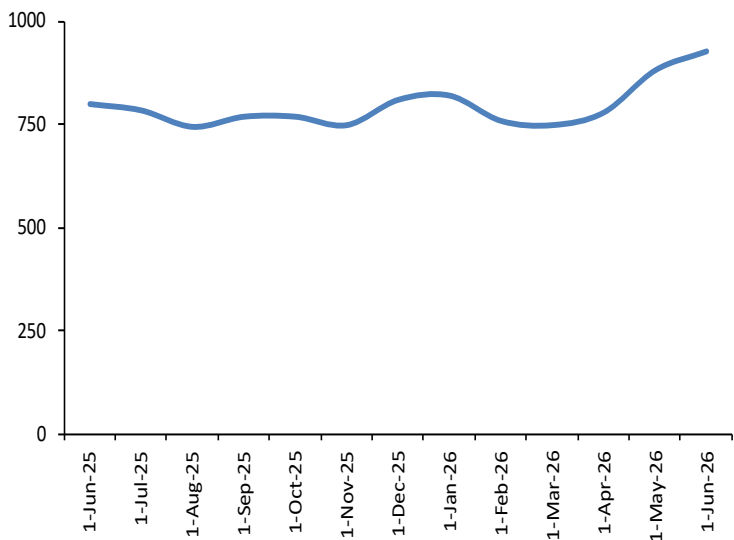
Phenol prices remains stable MoM (Price Rs./Kg)



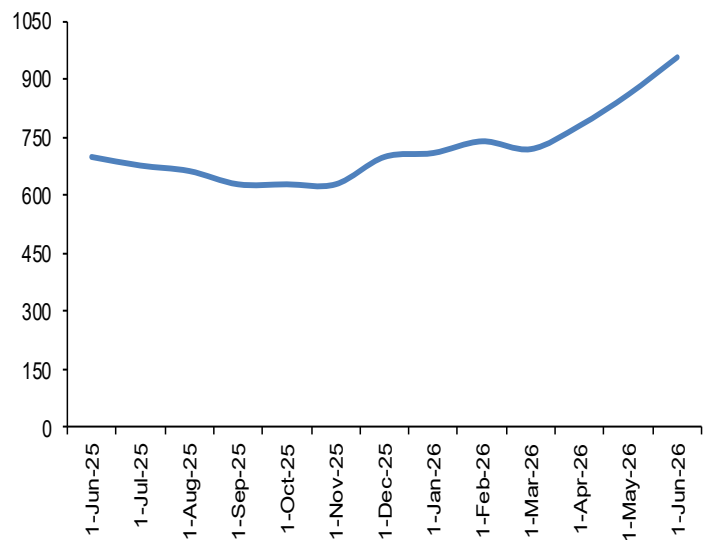
Ethanol prices down ~3% MoM (Price Rs./Kg)



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



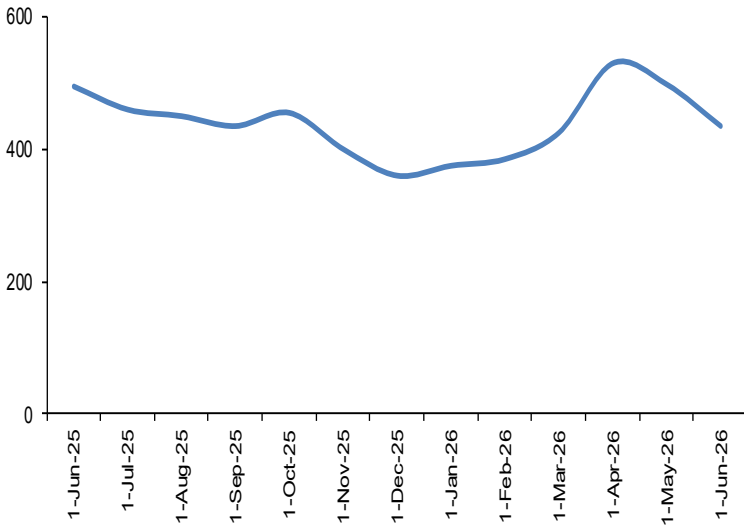
Refrigerant R134a incline MoM (Price Rs./Kg)



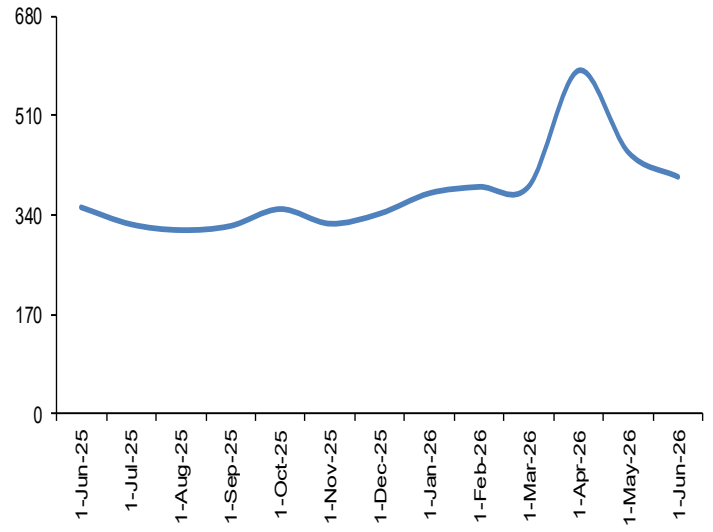
Source : Indiapetrochem

Chemicals Monthly Update (May 2026)

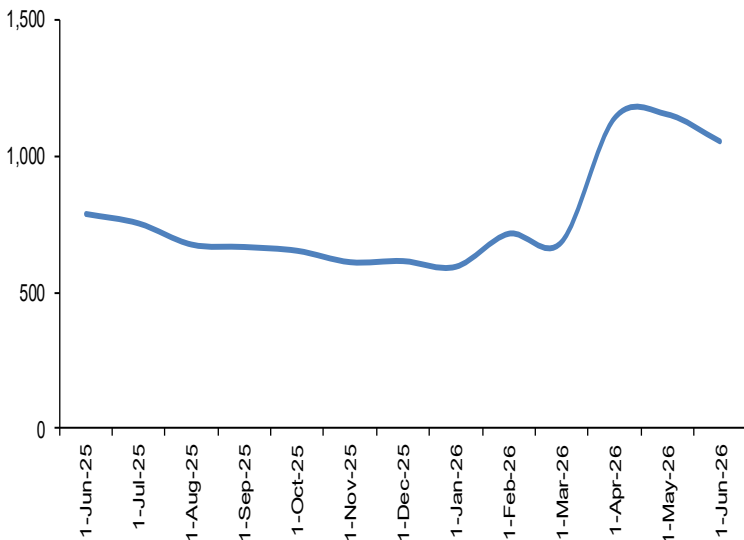
China Caustic Soda (USD/MT)



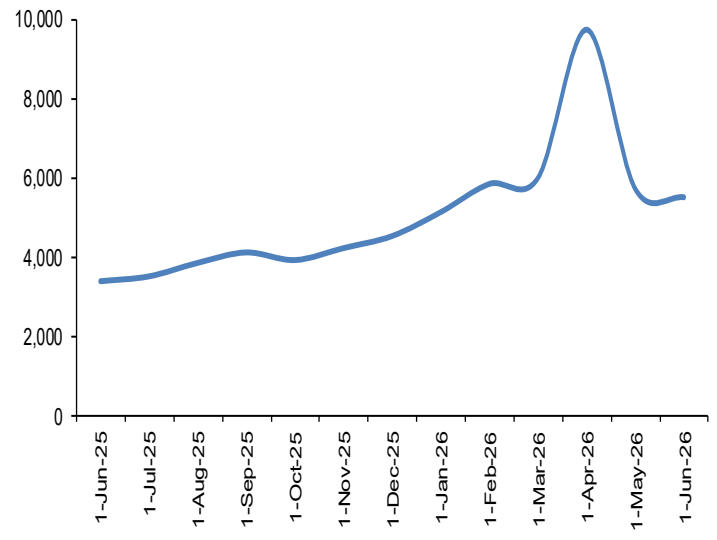
China Acetic Acid (USD/MT)



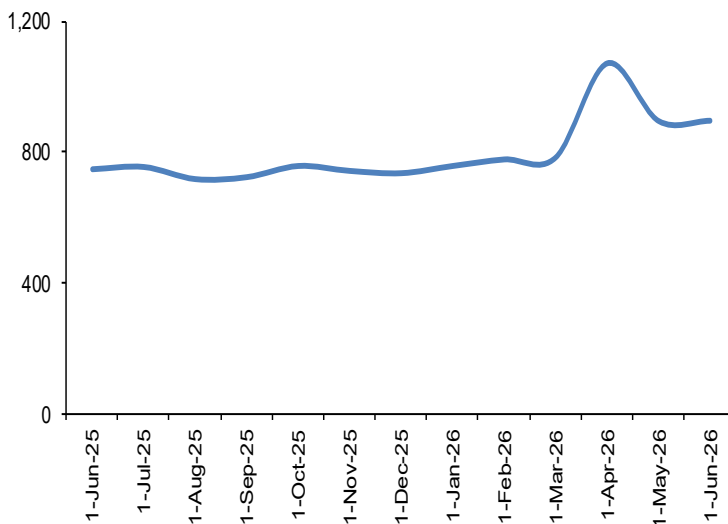
China Acetone (USD/MT)



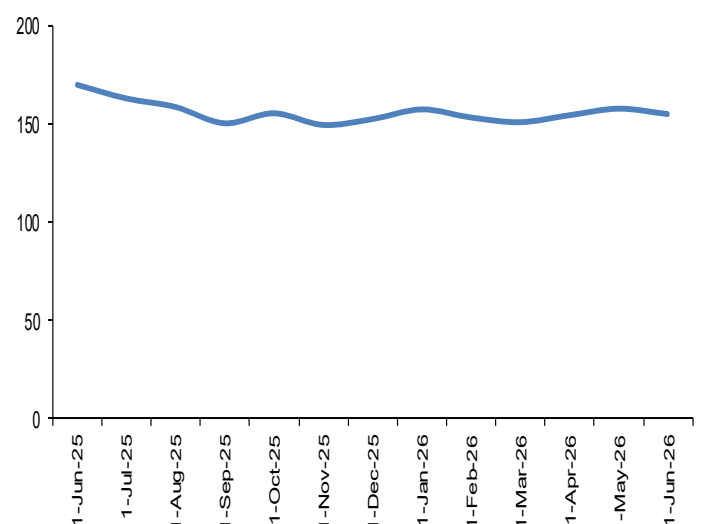
China Bromine (USD/MT)



China Ethyl Acetate (USD/MT)



China Soda Ash FOB (USD/MT)



Source : Bloomberg

Disclaimer Appendix**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

We analysts and the authors of this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. Analysts aren't registered as research analysts by FINRA and might not be an associated person of the BP Equities Pvt. Ltd. (Institutional Equities).

General Disclaimer

This report has been prepared by the research department of BP EQUITIES Pvt. Ltd, is for information purposes only. This report is not construed as an offer to sell or the solicitation of an offer to buy or sell any security in any jurisdiction where such an offer or solicitation would be illegal.

BP EQUITIES Pvt. Ltd have exercised due diligence in checking the correctness and authenticity of the information contained herein, so far as it relates to current and historical information, but do not guarantee its accuracy or completeness. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time. Prospective investors are cautioned that any forward looking statement are not predictions and are subject to change without prior notice.

Recipients of this material should rely on their own investigations and take their own professional advice. BP EQUITIES Pvt. Ltd or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. BP EQUITIES Pvt. Ltd. or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

BP EQUITIES Pvt. Ltd and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by any person in any locality, state and country or other jurisdiction where such distribution, publication or use would be contrary to the law or regulation or would subject to BP EQUITIES Pvt. Ltd or any of its affiliates to any registration or licensing requirement within such jurisdiction.

Corporate Office:

4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6464
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:

24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001

BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591

BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392