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Argus International LPG

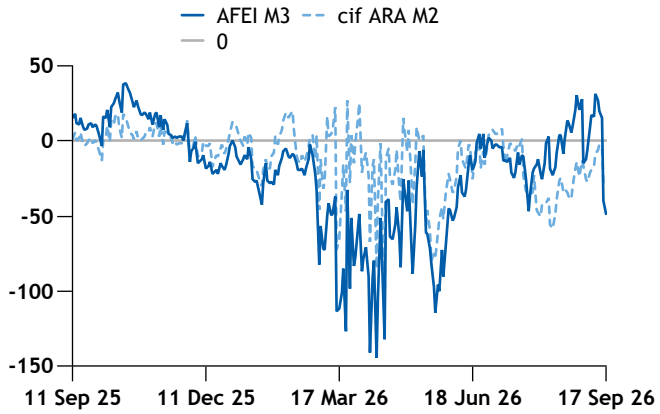
Daily international LPG prices and market commentary

Issue 26-184 | Thursday 17 September 2026

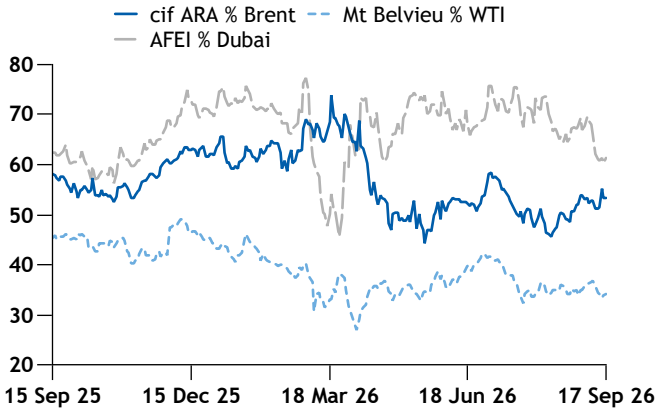
OVERVIEW

Asia-Pacific: Spot prices fell
Europe: C3 firms versus swaps
North America: Both grades fall.

USG propane vs AFEI/cif ARA $/t



Propane as % of crude %



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PRICES

Key prices: Large Cargo		$/t
	Mid	±
Propane		
Argus Far East Index™ (AFEI™)	911.00	-17.75
Argus Chiba Index™ (ACI™)	896.00	-17.75
cif ARA (large cargoes)	686.50	-11.50
USGC export fob	503.25	-9.61
Enterprise Mont Belvieu	426.24	-8.47
AFEI™ propane calculated netback USGC	425.21	-13.14
Argus Middle East Index	898.00	+26.00
AFEI™ Far East to Mideast Gulf netback	673.00	-25.75
Argus Ningbo Index	1,002.00	-21.50
Argus South China Index	1,002.00	-21.50
Propane India cfr (US origin)	930.13	-9.61
Propane India cfr diff to AFEI	+104.38	+6.14
Propane Indonesia cfr (US origin)	903.58	-9.69
Propane Indonesia cfr diff to AFEI	+77.83	+6.06
AFEI™ diff to Propane (Oct 26)	+48.25	-1.50
cif ARA diff to Propane (Oct 26)	+34.50	+4.50
AFEI™ west Africa netback	515.76	-30.31
Butane		
Argus Far East Index™ (AFEI™)	981.00	-17.75
Argus Chiba Index™ (ACI™)	966.00	-17.75
cif ARA (large cargoes)	753.75	-10.00
USGC export fob	663.20	-33.29
Enterprise Mont Belvieu	594.56	-21.23
Argus Middle East Index	943.00	+26.00
AFEI™ Far East to Mideast Gulf netback	743.00	-25.75
Argus Ningbo Index	1,102.00	+28.50
Argus South China Index	1,102.00	+28.50
Butane India cfr (US origin)	1,090.08	-33.29
Butane Indonesia cfr (US origin)	1,063.53	-33.37
AFEI™ west Africa netback	585.76	-30.31
Freight and Logistics		
VLGC Ras Tanura-Chiba	238.00	+8.00
VLGC Houston-Chiba (via Panama)	325.00	nc
VLGC Houston-Flushing	165.00	nc
USGC terminal fee	+75.55	-2.61
USGC terminal fee ¢/USG	+14.500	-0.500

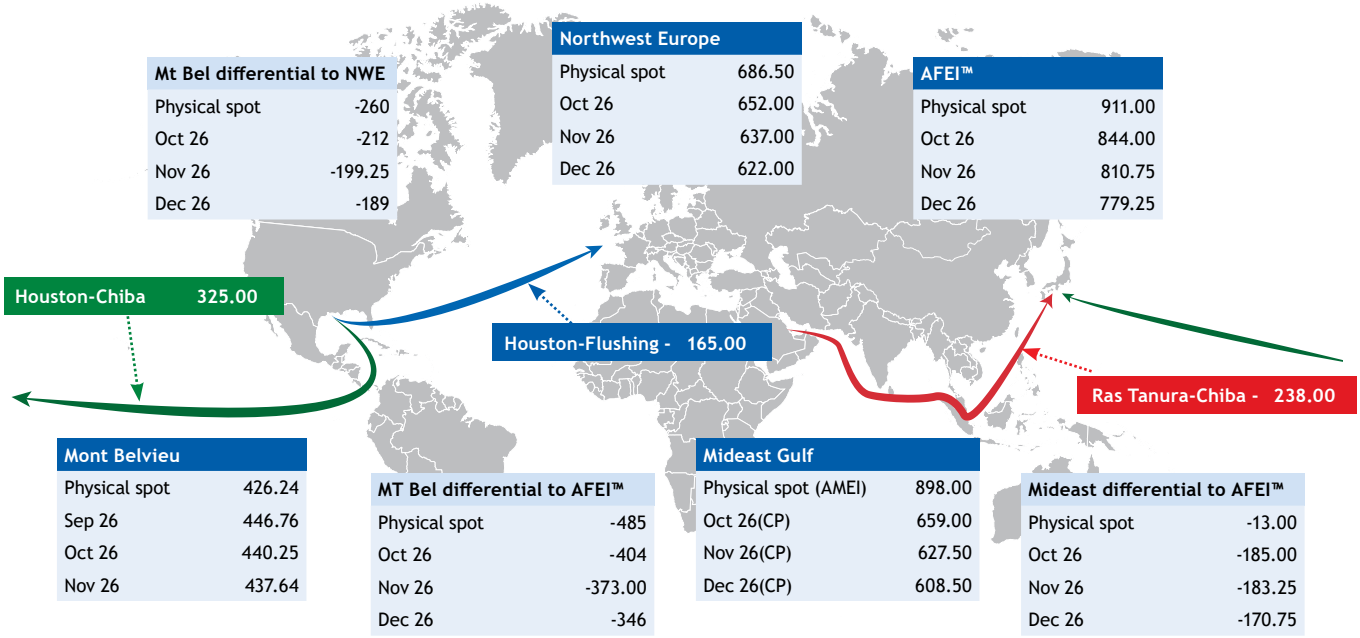
International monthly prices			$/t
	Month	Propane	Butane
Argus North Sea Index™	Sep 26	526.50	600.00
Argus North Sea Index™ (€/t)	Sep 26	454.15	517.55
Sonatrach fob Bethioua	Sep 26	560.00	610.00
Saudi Aramco	Sep 26	625.00	660.00
Argus Saudi Index	Sep 26	625.00	660.00
KPC (Kuwait)	Sep 26	625.00	660.00
Naphtha			
		Mid	±
cif northwest Europe		854.25	-20.50
cif Mediterranean		840.75	-20.50
cfr Japan		920.50	-22.00
fob Mideast Gulf		710.05	-25.10
Ethane			
cfr China		759.0364	+39.1351
Ice Brent futures settlement			
Nov 26		104.82	-1.01
Dec 26		99.93	-0.83
Jan 27		96.15	-0.54

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Propane Regional Comparisons

$/t



ASIA-PACIFIC

Refrigerated

Asian prices extended losses on the back of softer swaps and crude. October Argus Far East Index (AFEI) propane swaps fell by $16.25/t on the day to close at $862.75/t at Asian timestamp, while the front-month Brent contract lost $3.66/bl.

Chinese importers balked at high premiums for US cargoes, turning instead to alternative supplies. Formosa Industries Corporation (FIC) reportedly procured a 46,000t propane cargo of Canadian origin for November delivery via its spot tender, while Huayi was heard to have awarded a non-US cargo for October delivery though further details remain undisclosed, market participants said.

The afternoon window saw BWPS returned with a lower bid on 23,000t propane arriving in second-half October basis Chiba at October AFEI+$45/t. Satellite and AB Commodities

Click here to access your LPG market workspace

Propane Swaps (5pm Singapore)			*$/t*
CP swaps		**AFEI™ swaps**	
Oct 26	668.00	Oct 26	862.75
Nov 26	636.00	Nov 26	825.75
Dec 26	618.00	Dec 26	791.25

Butane Swaps (5pm Singapore)			*$/t*
CP swaps		**AFEI™ swaps**	
Oct 26	713.00	Oct 26	932.8

Asia-Pacific						*$/t*
	CP basis	**Timing**	**±**	**Bid**	**Ask**	**±**
Propane						
Argus Far East Index™ (AFEI™)					911.00	-17.75
Argus Chiba Index™ (ACI™)					896.00	-17.75
AFEI™ diff to M1					+48.25	-1.50
Argus Ningbo Index					1,002.00	-21.50
Argus South China Index					1,002.00	-21.50
Japan cfr			-18.00	909.00	/ 913.00	-17.50
Japan CP cfr	Aug	2H Oct	-14.00	+241.00	/ +245.00	-13.50
Argus Middle East Index					898.00	+26.00
Gulf CP fob	Aug	Oct	+30.00	+225.00	/ +235.00	+30.00
India cfr					1,069.17	+31.87
India CP cfr	Oct	Oct	+35.87	+399.17	/ +403.17	+35.87
Butane						
Argus Far East Index™ (AFEI™)					981.00	-17.75
Argus Chiba Index™ (ACI™)					966.00	-17.75
Argus Ningbo Index					1,102.00	+28.50
Argus South China Index					1,102.00	+28.50
Japan cfr			-18.00	979.00	/ 983.00	-17.50
Japan CP cfr	Aug	2H Oct	-14.00	+266.00	/ +270.00	-13.50
Argus Middle East Index					943.00	+26.00
Gulf CP fob	Aug	Oct	+30.00	+225.00	/ +235.00	+30.00
India cfr					1,114.17	+31.87
India CP cfr	Oct	Oct	+35.87	+399.17	/ +403.17	+35.87
Propane-Butane mix						
Argus mixed index					981.00	-17.75
Argus Chiba mixed index					966.00	-17.75
Japan cfr			-18.00	979.00	/ 983.00	-17.50

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ASIA-PACIFIC

were buyers at October AFEI +$42.75/t and balance September AFEI +$1/t. Meanwhile, private selling indications were reported at October AFEI +high-$40s/t.

The *Argus* cfr Ningbo propane index for cargoes arriving 12-15 October were valued at $1,005.75/t, while cargoes arriving 16-27 October were valued at $1,000.75/t in consideration of market discussions. The *Argus* propane Ningbo Index spanning 12-27 October averaged $1,002/t.

The *Argus* cfr Ningbo butane Index for cargoes arriving 12-15 October were valued at $1,105.75/t in consideration of market discussions, while cargoes arriving 16-27 October were valued at $1,100.75/t. The *Argus* butane Ningbo Index spanning 12-27 October averaged $1,102/t.

The *Argus* south China propane Index for cargoes arriving 12-15 October were valued at $1,005.75/t, while cargoes arriving 16-27 October were valued at $1,000.75/t. The *Argus* south China propane Index spanning 12-27 October averaged $1,002/t.

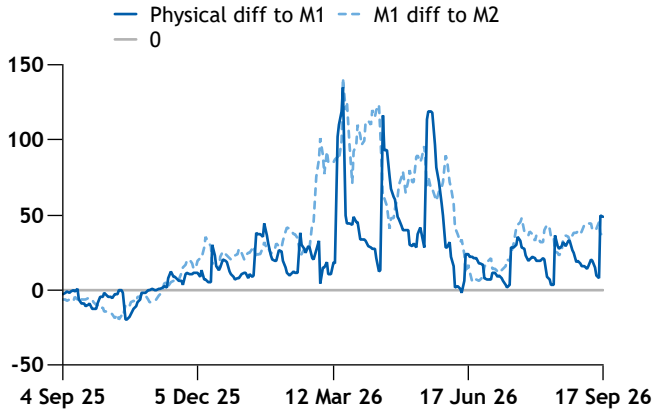
The *Argus* south China butane Index for cargoes arriving 12-15 October were valued at $1,105.75/t to reflect market discussions, while cargoes arriving 16-27 October were valued at $1,100.75/t. The *Argus* south China butane Index spanning 12-27 October averaged $1,102/t.

The *Argus* Chiba Index (ACI) for propane cargoes arriving 12-15 October were valued at $899.75/t, while cargoes arriving 16-27 October were valued at $894.75/t. The *Argus* Chiba Index for propane spanning 12-27 October averaged $896/t.

The *Argus* Chiba Index for butane cargoes arriving 12-15 October were valued at $969.75/t, while cargoes arriving 16-27 October were valued at $964.75/t. The *Argus* Chiba Index for butane spanning 12-27 October averaged $966/t.

The *Argus* Chiba Index for mixed cargoes arriving 12-15 October were valued at $969.75/t, while cargoes arriving 16-

AFEI propane structure $/t



Asia-Pacific						$/t
	CP basis	Timing	±	Bid	Ask	±
Propane pressurised						
South China CP fob	Sep	Sep	+20	+445	/ +455	+20
South China fob		Sep	+20	1,070	/ 1,080	+20
South China CP cfr	Sep	Sep	+20	+475	/ +485	+20
South China cfr	Sep	Sep	+20	1,100	/ 1,110	+20
Vietnam CP cfr	Oct	Oct	+20	+495	/ +505	+20
Butane pressurised						
South China CP fob	Sep	Sep	+20	+445	/ +455	+20
South China fob		Sep	+20	1,105	/ 1,115	+20
South China CP cfr	Sep	Sep	+20	+475	/ +485	+20
South China cfr	Sep	Sep	+20	1,135	/ 1,145	+20
Vietnam CP cfr	Oct	Oct	+20	+495	/ +505	+20

China wholesale propane/butane mix				yuan/t
	±	Bid	Ask	±
South China				
Ex terminal				
Dongguan	nc	7,725	/ 7,775	nc
Zhuhai	-40	7,700	/ 7,760	nc
Shenzhen	nc	7,725	/ 7,775	nc
Raoping	nc	7,930	/ 7,970	nc
Nansha	nc	7,725	/ 7,775	nc
Shantou	nc	7,930	/ 7,970	nc
Yangjiang	nc	7,630	/ 7,670	nc
Pearl River Delta Index			/ 7,740	-10
Ex refinery				
Maoming	nc	7,460	/ 7,510	nc
Guangzhou	-100	7,700	/ 7,750	-100
East China				
Ex terminal				
Ningbo	nc	7,700	/ 7,800	nc
Wenzhou	nc	7,700	/ 7,800	nc
Shandong	nc	7,930	/ 8,030	nc
Zhangjiagang	nc	8,000	/ 8,100	nc
Fujian	nc	7,800	/ 7,900	nc
Ex refinery				
Shanghai	nc	7,100	/ 7,150	nc
Zhenhai	nc	7,300	/ 7,350	nc
Yangzi	nc	7,200	/ 7,250	nc
Fujian	nc	7,550	/ 7,600	nc
Gaoqiao	nc	7,100	/ 7,150	nc
Qingdao	+200	7,650	/ 7,700	+200
Northeast China ex refinery				
Daqing	nc	7,100	/ 7,200	nc
Jinxi	+50	7,310	/ 7,360	+50
Northwest China ex refinery				
Urumqi	nc	6,260	/ 6,310	nc
Inland China ex refinery				
Yan-An	+50	7,155	/ 7,160	+50

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ASIA-PACIFIC

27 October were valued at $964.75/t. The *Argus* Chiba Mixed Index spanning 12-27 October averaged $966/t

11,500t+11,500t cargoes arriving 12-15 October were valued at $984.75/t, while cargoes arriving 16-27 October were valued at $979.75/t. The *Argus* Mixed Index spanning 12-27 October averaged $981/t.

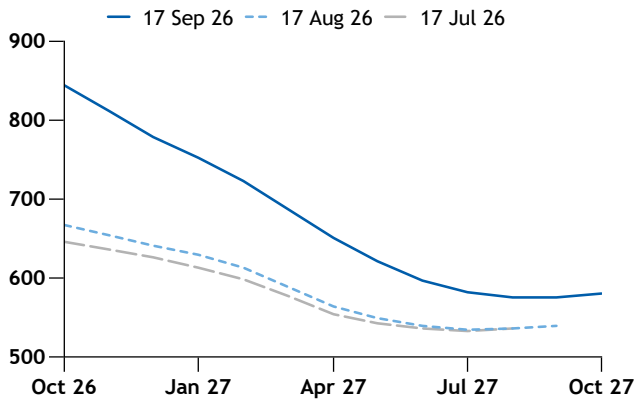
Assessment rationale

Propane Argus Far East Index (AFEI) (PA00001103) was assessed based on bids and other market information.
October AFEI propane swaps were valued at $862.75/t.
Cfr propane cargoes arriving 12-15 October were valued at October AFEI +$52/t or $914.75/t, as trading in the prompt period has largely concluded. Cargoes arriving 16-27 October were assessed at October AFEI +$47/t or $909.75/t in consideration of the window bids and market discussions.
The propane AFEI spanning 12-27 October averaged $911/t.
The propane AFEI fell by $17.75/t from the previous session.
Butane Argus Far East Index (AFEI) (PA0000361) was assessed based on other market information.
October AFEI butane swaps were valued at $932.75/t.
Cfr butane cargoes arriving 12-15 October were valued at October AFEI +$52/t or $984.75/t in consideration of the October propane-butane AFEI swaps valued at -$70/t.
Cargoes arriving 16-27 October were valued at $979.75/ to reflect the same backwardation as propane AFEI. The butane AFEI spanning 12-27 October averaged $981/t.
The butane AFEI fell by $17.75/t from the previous session.

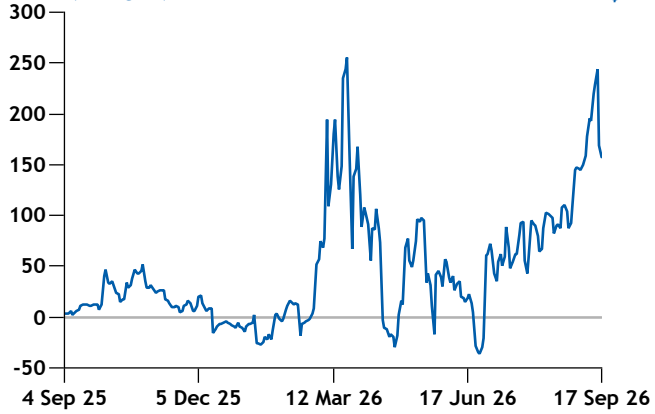
Pressurised

Pressurised premiums were raised higher alongside higher selling indications.
September-loading cargoes from terminals in south China were offered at $450/t against the September CP, market participants said. Notional offers on October shipments into north Vietnam were raised to October CP +$500/t on a cfr Haiphong basis.
China's LPG wholesale prices were mixed on Thursday. Ample refinery supply weighed on prices in south China, while firmer crude values supported prices in Shandong and northeast China.
In south China, the Pearl River Delta (PRD) index fell by 10yuan/t to Yn7,740/t after CNOOC Gaolan cut prices by Yn100/t to Yn7,650/t to destock. Import terminals kept offers unchanged at Yn7,750/t, while CNOOC Yangjiang held prices steady at Yn7,650/t. Sinopec Maoming refinery prices were unchanged, but its Guangzhou refinery lowered prices by Yn100/t to remain competitive. Raoping and Shantou terminal prices were assessed steady.
East China prices remained largely stable in a balanced market. In Shandong, Sinopec Qingdao refinery raised prices by Yn200/t to narrow its gap with neighbouring refineries. However,
higher refinery output and pre-holiday destocking ahead of the Mid-Autumn Festival capped gains at terminals.
In northeast China, Jinxi refinery prices edged up by Yn50/t, while Daqing prices held steady. Urumqi refinery prices were also unchanged, and Yan'an refinery prices rose by Yn50/t.

AFEI propane forward curves $/t



AFEI M2 - CP M1 $/t



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MIDDLE EAST

Spot differentials for propane and butane cargoes loading 11-20 October from the Mideast Gulf were assessed higher at $230/t premium to October CP in consideration of netback to south China levels.

Kuwait's KPC reportedly finalized its tender to sell a 22,000t+22,000t mixed cargo for 25 September -10 October delivery basis Chiba at October CP+ mid-$400s/t, market participants said.

The Argus Middle East Index (AMEI) assessments for propane and butane were at $898/t and $943/t respectively.

October propane CP swaps fell by $4/t day-on-day to settle at $668/t at Asian timestamp, while its butane counterpart was assessed $45/t higher at $713/t.

Middle East and Asia-Pacific averages (Sep 26)	$/t	
	Mid	±
Middle East Gulf		
Propane	143.308	+7.225
Butane	143.308	+7.225
Argus Middle East Index		
Propane	785.923	+9.340
Butane	823.846	+9.929
India		
Propane cfr US origin	874.58	+5.05
Propane cfr US origin diff to AFEI	+79.81	+2.24
Butane cfr US origin	1,026.22	+5.81
Indonesia		
Propane cfr US origin	850.60	+4.81
Propane cfr US origin diff to AFEI	+55.83	+2.00
Butane cfr US origin	1,002.24	+5.57
Argus Far East Index™		
Propane	883.481	+2.293
diff to M1	55.692	-0.621
Butane	947.250	+2.812
11+11 propane-butane mix	947.250	+2.812
Argus Chiba Index™		
Propane	868.481	+2.293
Butane	932.250	+2.812
23+23 propane-butane mix	932.250	+2.812
Argus South China Index		
Propane	961.173	+3.402
Butane	993.481	+9.043
Argus Ningbo Index		
Propane	974.250	+2.312
Butane	1,006.558	+7.954
Pearl River Delta index Yn/t	7,572	+14

Argus African LPG Indexes								
	South Africa	±	West Africa Propane	±	West Africa Butane	±	East Africa	±
Index $/t	1,097.33	+26.00	621.33	-11.84	776.89	-35.44	985.56	+25.33
MTD average $/t	973.59	+10.31	613.82	+0.68	761.08	+1.44	865.44	+10.01
Index local currency/kg	1,788.52 ZARc	+48.25	825.14 NGN	-13.49	1,031.73 NGN	-44.20	127.69 KES	+3.05
Calculation								
Underlying price $/t	916.00	+26.00	503.25	-9.61	663.20	-33.29	936	+3.90
Freight + logistics $/t	181.33	nc	116.83	-2.21	113.69	-2.15	49.31	-0.67

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NORTHWEST EUROPE

Large Cargo

The propane spot market once again saw Gunvor table an aggressive bid for an early-October ToT23 cargo, but the enquiry went unmet. The market continues to tighten, with limited North Sea availability adding to the bullish impact of ex-US midsize gas carriers being increasingly been drawn to the more profitable Asia-Pacific market rather than serving as a reliable transatlantic supply source. The trading firm initially bid for a 1-5 October delivery cargo at 50pc $672/t and 50pc September cif ARA flat, before raising the position to $694/t and September +$4/t. With September paper assessed at $669/t, the final bid was worth $683.50/t basis Flushing, equivalent to a $14.50/t premium to September swaps. The bid again stipulated a maximum vessel length overall of 215m. While such a restriction could potentially limit participation, market sources said it was unlikely to prove restrictive in this instance given the current strong pull on ex-US very large gas carriers, many of which would not comply with the requirement, into east Asia. Large cargo propane was assessed at $686.50/t cif ARA, equivalent to September +$17.50/t and October +$34.50/t.

Activity in the large cargo butane market remains largely private, although pockets of demand have begun to emerge in bilateral discussions. Value was once more pegged just under 91pc of October naphtha swaps.

Coasters

A second day of losses for northwest European propane and butane coasters trimmed only a small portion of the more than $100/t gains accumulated since the start of the month. Both grades remained devoid of spot activity, with price volatility potentially deterring some participants from the market.

On the heavier grade side, Augusta did not return with another bid after securing the late-September cargo it required in the previous session. The fob butane market was assessed at a steady ratio to physical naphtha, remaining at a five-month high.

Northwest Europe and Mediterranean				$/t
	Bid	Ask	Mid	±
Propane				
cif ARA (large cargoes)	683.50	689.50	686.50	-11.50
fob northwest Europe (coasters)	758.50	764.50	761.50	-11.50
cif ARA (coasters)	818.50	824.50	821.50	-11.50
fob ARA (barge)	758.50	764.50	761.50	-11.50
fca ARA (rail)	773.50	779.50	776.50	-11.50
cif Mediterranean (large)	715.00	721.00	718.00	-11.50
fob Mediterranean (coasters)	722.50	728.50	725.50	-11.50
fca Mediterranean (rail)	718.75	724.75	721.75	-11.50
Butane				
cif ARA (large cargoes)	750.75	756.75	753.75	-10.00
fob northwest Europe (coasters)	802.50	808.50	805.50	-19.25
cif ARA (coasters)	783.00	789.00	786.00	-18.75
cif ARA (barge)	859.75	865.75	862.75	-20.75
fca ARA (rail)	786.00	792.00	789.00	-10.00
cif Mediterranean (large)	722.25	728.25	725.25	-10.00
fob Mediterranean (coasters)	706.00	712.00	709.00	-17.00
Large cargo €/t conversion				
Propane cif ARA (large cargoes) €/t	595.33	600.56	597.95	-7.07
Butane cif ARA (large cargoes) €/t	653.91	653.13	656.52	-5.48
Competing fuels, 17 Sep				
NWE small-scale LNG €/MWh ~	79.90	81.15	80.53	-5.23
NWE small-scale LNG $/t C3 equiv	1,285.20	1,305.31	1,295.26	-101.93

European olefins contract price		€/t
	Sep 26	±
Ethylene	1,475.00	-12.50
Propylene (polymer)	1,410.00	-10.00

Propane and Butane averages		$/t
	Mid	±
Propane averages		
cif ARA (large cargoes)	660.115	+2.198
fob ARA (barge)	737.091	-5.227
Butane averages		
cif ARA (large cargoes)	745.827	+0.660
cif ARA (barge)	772.230	+7.540

Biopropane		$/t
	Mid	±
Biopropane fca ARA range, outright	1,540.00	-10.00
Biopropane diff to propane cif ARA (large cargoes)	853.50	+1.50
Biopropane diff to propane fca ARA (rail)	763.50	+1.50

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NORTHWEST EUROPE

Barges, Railcars

Butane barge ratios against naphtha continued to firm on Wednesday, with discussions heard well above parity. The delivered assessment gained one percentage point to 101pc, its highest level in six months. Demand has increased significantly over the past few weeks, while supplies have tightened rapidly.

On the propane side, price swings remained more in line with the large cargo market, as any growth associated with regional fundamentals has slowed over the past few days.

Assessment rationale

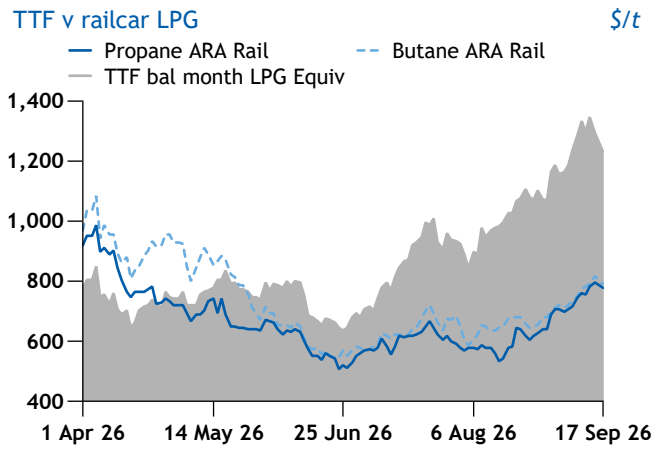
Propane ARA large cargo (PA0000400) was assessed on the basis of transactions, bids and offers, as and when these are identified in the market commentary, and other market data, in accordance with the methodology.

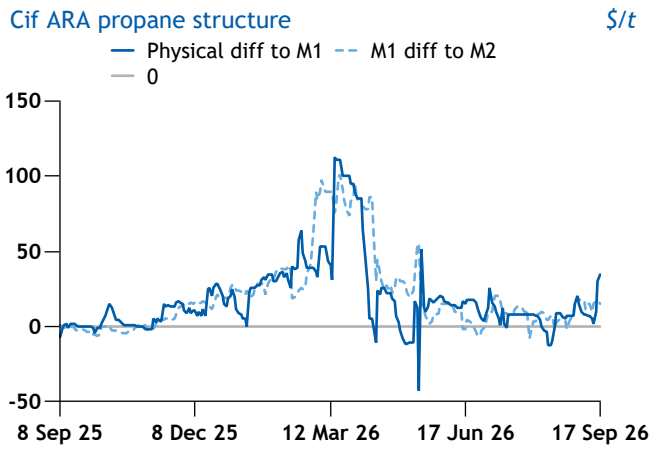
Butane ARA/UK large cargo (PA0000360) was assessed on the basis of transactions, bids and offers, as and when these are identified in the market commentary, and other market data, in accordance with the methodology.

MEDITERRANEAN

The Mediterranean region appears set to see a firmer volume of arrivals in September compared with August, although the pace of imports remains below those seen in September 2025, according to Kpler data. Demand is strengthening across parts of the region, but buying interest has not returned uniformly, with some consumers remaining on the sidelines. Nevertheless, the market's direction is clearly towards tighter conditions.

On the shipping side, two Algerian cargoes were seen sending product into the local market. The Borda left the port of Arzew on 15 September and is scheduled to deliver Algerian LPG to the Lavera terminal on 22 September. Meanwhile, the Alrar departed the same North African terminal on the same date but is heading to the eastern Mediterranean, where it is expected to discharge at Turkey's Dortyol terminal on 25 September.





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EASTERN EUROPE AND CENTRAL ASIA

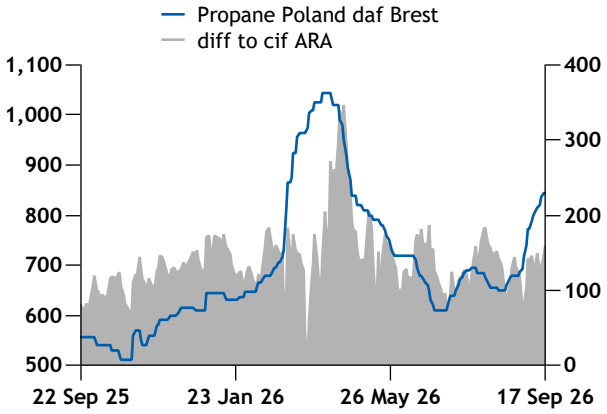
Propane-butane mix and propane prices on the Belarus-Polish border held steady in a subdued market. Some traders reported that the pace of price increases in Poland had started to slow.

Black Sea values for propane-butane mix, propane and butane strengthened amid renewed buying interest. Importers in the region sought to build stocks for September delivery, anticipating higher prices for imported product next month.

Two ship-to-ship transfer operations were completed from the Cerro Alto Explorer MGC to the Kempton and Gas Madrid near the Bulgarian port of Burgas. The next vessel, Enigma, is scheduled to lift 2,900t from the MGC.

Eastern Europe and Central Asia			$/t
	±	Bid/Ask	±
Daily			
daf Brest pro-but mix	nc	855.0/ 875.0	nc
daf Brest pro-but mix €/t	+5.0	745.0/763.0	+5.0
daf Brest propane	nc	835.0/ 855.0	nc
daf Brest propane €/t	+5.0	728.0/745.0	+5.0
daf Brest propane diff to cif ARA (large)		+158.50	+11.50
Argus Polish Domestic Index		920.5	+2.0
fob Black Sea pro-but mix	+10.0	560.0/ 590.0	+10.0
fob Black Sea propane	nc	530.0/560.0	+20.0
fob Black Sea butane	+10.0	580.0/ 620.0	+20.0
fot Burgas (Lukoil posted) pro-but mix		850.0	+12.0
Weekly			
fca/fot Polish ports propane	+25.00	880.00/910.00	+45.00
daf Ukraine western border pro-but mix	+30.00	880.00/920.00	+35.00
daf Bekabad pro-but mix	+5.0	615.0/670.0	+5.0
cpt Galaba propane-butane mix	+20.0	770.0/820.0	+20.0

Daf Brest propane vs cif ARA large $/t



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AMERICAS

US Gulf exports

The propane arbitrage to Asia narrowed on paper early Thursday, with October AFEI/LST paper trading at $404-$406/t in the morning.

The narrower arbitrage and recent gains in VLGC freight kept buyers on the sidelines Thursday. Notional offers for late October were discussed slightly lower, nearer Mont Belvieu EPC +16¢/USG, owing to the narrower arbitrage. Details emerged Thursday of a 2:2 split sold earlier in the week at levels near Mont Belvieu EPC +21¢/USG, at a premium to the highest discussions heard for 4:0s this week, although the rate may also reflect an included freight component.

The spot terminal fee for propane was assessed lower, between Mont Belvieu EPC +13-16¢/USG, based on discussions. The spot terminal fee for split loadings was assessed at a 1¢/USG premium to full propane.

Mont Belvieu light NGLs

Mont Belvieu, Texas, LST propane fell by 0.875¢/USG Thursday following overnight declines in delivered prices in Asia.

September LST propane opened 1.375¢/USG lower at 85.5¢/USG and rose as high as 86.5¢/USG by midday, leaving LST propane valued at 35.4pc of Nymex WTI. October LST propane traded at 84.75¢/USG, and a September/October spread traded at a 1¢/USG backwardation.

September spreads versus EPC propane priced LST at a 3-4¢/USG premium.

September EPC propane fell by 1.625¢/USG Thursday, opening 1.25¢/USG lower at 82.25¢/USG and trading between 81-82.625¢/USG in a choppy session. October EPC propane traded between 82-82.25¢/USG, and September/October spreads traded either at parity or a 0.125¢/USG backwardation.

September Targa propane was bid and offered as narrowly as 81.25¢/USG and 82¢/USG, respectively.

September EPC ethane fell by 0.125¢/USG alongside slight declines in natural gas futures, trading between 25.625-25.875¢/USG. October EPC ethane traded at 25.625¢/USG, and a September/October spread priced the months at parity.

Mont Belvieu heavy NGLs

Mont Belvieu, Texas, EPC butane fell by 4.75¢/USG, shrugging off gains in gasoline, leaving butane valued at a weaker 37.4pc of Nymex RBOB.

September EPC butane opened 4.5¢/USG lower at 131.5¢/USG and extended losses to 129.5¢/USG before recovering to 133¢/USG, leaving the day's midpoint at a lower 131.25¢/USG. October EPC butane traded at 131¢/USG, and September/October spreads traded at a 0.5¢/USG contango. A product spread priced butane at a 44.5¢/USG premium to LST propane.

No firm bids or offers emerged for September LST refinery-grade butane, and refinery-grade was assessed at a steady 5¢/USG discount to normal.

September EPC isobutane moved in tandem with butane, opening 3.375¢/USG lower at 141¢/USG and falling to 138¢/USG. October EPC isobutane was discussed at a 3.5¢/USG backwardation to September.

September EPC natural gasoline fell by 5.625¢/USG, exceeding losses in crude, leaving natural gasoline valued at a weaker 82.9pc of Nymex WTI. September EPC natural gasoline opened 6¢/USG lower at 208¢/USG and declined to 206¢/USG before rising to 210.75¢/USG. October EPC natural gasoline traded at a 205.25¢/USG, and September/October spread traded at a 3¢/USG backwardation.

September Targa natural gasoline was widely bid and offered, and Targa natural gasoline was assessed at a 1.625¢/USG discount to EPC natural gasoline.

Latin America

Argentina's notional LPG prices for exports from Bahía Blanca fell on Thursday, pressured by weaker delivered Asia prices and higher freight costs. Propane was calculated at $518/t, while butane was $588/t, leaving the spread unchanged at $70/t.

Jamaica's Petrojam's posted ex-refinery price for propane rose to J$77.6636/l (186¢/USG) from J$77.4136/l between 10-17 September. The butane increase was sharper, rising to J$91.4444/l from J$89.4444/l.

Petrojam's increases followed earlier gains in Mont Belvieu, Texas, as September EPC butane rose by 8.5625¢/USG between 1-4 September, while LST propane increased by a narrower 4.5625¢/USG.

Chile's Enap's LPG import parity price was steady at $554.81/t between 10-17 September.

The Dominican Republic's ministry of industry and commerce held LPG prices steady at RD$135.20/USG (228¢/USG) for the week of 12-18 September.

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AMERICAS

Americas: Mont Belvieu in-well (Sep 26) ¢/USG	VWA	±	Low		High	±
Propane						
Enterprise	81.990	-2.125	81.000	/	82.625	-1.125
Enterprise $/t		-11.07	422.01	/	430.48	-5.86
LST	85.724	-1.000	85.500	/	86.500	-0.625
LST $/t		-5.210	445.455	/	450.665	-3.256
Targa	81.625	-1.500	81.250	/	82.000	-1.125
Butane						
Enterprise	130.887	-4.125	129.500	/	133.000	-5.250
Enterprise $/t		-18.69	586.64	/	602.49	-23.78
Enterprise Isobutane	139.500	-4.000	138.000	/	141.000	-5.750
LST	126.250	-4.125	124.500	/	128.000	-5.250
Ethane						
Enterprise ethane	25.710	nc	25.625	/	25.875	-0.125
Enterprise ethane $/t		nc	189.11	/	190.95	-0.92
Targa	25.88	nc	25.75	/	26.00	nc
Natural gasoline						
Enterprise	208.219	-5.375	206.000	/	210.750	-5.750

Americas: Mont Belvieu in-well (Oct 26) ¢/USG	±	Low		High	±
Propane					
Enterprise	-1.375	82.000	/	82.250	-1.250
Enterprise $/t	-7.16	427.22	/	428.52	-6.51
LST	-1.500	84.500	/	85.000	-1.125
LST $/t	-7.815	440.245	/	442.850	-5.861
Targa	-1.500	81.250	/	82.000	-1.125
Butane					
Enterprise	-7.250	130.750	/	131.250	-7.250
Enterprise $/t	-32.84	592.30	/	594.56	-32.84
Enterprise Isobutane	-5.500	134.500	/	134.625	-5.875
LST	-7.250	125.750	/	126.250	-7.250
Ethane					
Enterprise ethane	-0.125	25.375	/	25.875	-0.125
Enterprise ethane $/t	-0.92	187.26	/	190.95	-0.92
Targa	-0.38	25.38	/	25.88	nc
Natural gasoline					
Enterprise	-7.500	203.000	/	205.250	-5.750

US Gulf coast LPG	Low		High	Mean
Propane				
fob USGC, spot terminal fee $/t	+67.73	/	+83.36	+75.55
fob USGC ¢/USG	95.094	/	98.094	96.594
fob USGC $/t	495.44	/	511.07	503.25
del Japan (AUSJ) $/t	820.5	/	836.0	828.25
del ARA (AUSE) $/t	660.5	/	676.0	668.25
AFEI™ propane calculated netback USGC $/t				425.21
Butane				
fob USGC ¢/USG	144.902	/	147.902	146.402
fob USGC $/t	656.41	/	670.00	663.20

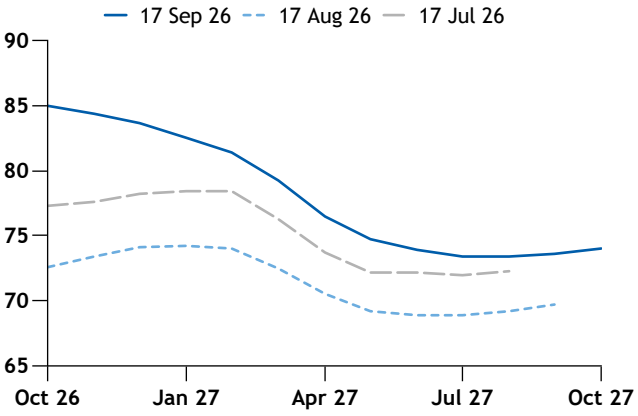
US forward market ¢/USG	±	Bid		Ask	±
Mont Belvieu LST propane					
Sep 26	-0.750	85.500	/	86.000	-0.750
Oct 26	-1.625	84.250	/	84.750	-1.625
Nov 26	-1.375	83.750	/	84.250	-1.375
Dec 26	-1.500	82.875	/	83.375	-1.500
4Q 26	-1.500	83.625	/	84.125	-1.500
Mont Belvieu EPC butane					
Sep 26	-5.000	129.250	/	129.750	-5.000
Oct 26	-3.875	130.250	/	130.750	-3.875
Nov 26	-3.500	129.250	/	129.750	-3.500
Dec 26	-3.250	128.125	/	128.625	-3.250
4Q 26	-3.500	129.250	/	129.750	-3.500

LPG Freight rates	$/t	±
VLGC Ras Tanura-Chiba	238.00	+8.00
VLGC Houston-Chiba (via Panama)	325.00	nc
VLGC Houston-Flushing	165.00	nc

Americas: Enterprise in-well averages (Sep 26) USC/USG	Month to date	±
Propane	80.682	+0.102
Butane	126.859	+0.399

Delivered LPG Brazil $/t	Mid	±
Propane Santos	726.41	-9.10
Propane-butane 90:10 Santos	742.46	-11.48
Propane-butane 70:30 Santos	774.57	-16.23
Propane-butane 50:50 Santos	806.67	-20.98
Propane Suape	684.49	-9.17
Propane-butane 90:10 Suape	700.54	-11.54
Propane-butane 70:30 Suape	732.65	-16.30
Propane-butane 50:50 Suape	764.75	-21.05

Mont Belvieu LST forward curves USC/USG



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US DEALS

Mont Belvieu spot deals

	Timing	¢/USG	bl
Butane EPC	Sep	129.500	10,000
	Sep	129.500	10,000
	Sep	130.000	10,000
	Sep	130.000	10,000
	Sep	130.000	5,000
	Sep	130.500	10,000
	Sep	130.500	10,000
	Sep	130.500	10,000
	Sep	130.750	10,000
	Sep	131.000	10,000
	Sep	131.250	10,000
	Sep	131.500	10,000
	Sep	131.500	10,000
	Sep	132.000	10,000
	Sep	132.250	10,000
	Sep	133.000	10,000
	Oct	131.000	10,000
	Oct	131.000	10,000
	Sep/Oct	-0.500	10,000
	Sep/Oct	-0.500	10,000
Butane EPC/Propane LST	Sep	44.500	5,000
Ethane EPC	Sep	25.625	25,000
	Sep	25.625	10,000
	Sep	25.625	10,000
	Sep	25.625	10,000
	Sep	25.625	10,000
	Sep	25.750	10,000
	Sep	25.750	10,000
	Sep	25.750	10,000
	Sep	25.750	10,000
	Sep	25.750	5,000
	Sep	25.750	5,000
	Sep	25.750	5,000
	Sep	25.875	10,000
	Sep	25.875	10,000
	Oct	25.625	25,000
	Sep/Oct	0.000	25,000
Isobutane EPC	Sep	138.000	10,000
	Sep	141.000	10,000
Natgaso EPC	Sep	206.000	10,000
	Sep	207.000	10,000
	Sep	207.500	10,000
	Sep	208.000	10,000
	Sep	208.000	10,000
	Sep	208.250	25,000
	Sep	208.250	10,000
	Sep	208.500	10,000
	Sep	208.750	10,000
	Sep	210.500	5,000
	Sep	210.750	10,000

Mont Belvieu spot deals

	Timing	¢/USG	bl
	Oct	205.250	25,000
	Sep/Oct	3.000	25,000
Propane EPC	Sep	81.000	10,000
	Sep	81.125	10,000
	Sep	81.250	10,000
	Sep	81.500	10,000
	Sep	81.500	10,000
	Sep	81.500	10,000
	Sep	81.625	25,000
	Sep	81.625	10,000
	Sep	81.625	10,000
	Sep	81.625	10,000
	Sep	81.750	10,000
	Sep	81.750	10,000
	Sep	81.750	10,000
	Sep	81.875	10,000
	Sep	81.875	10,000
	Sep	81.875	10,000
	Sep	81.875	10,000
	Sep	82.000	10,000
	Sep	82.000	10,000
	Sep	82.000	10,000
	Sep	82.000	10,000
	Sep	82.000	10,000
	Sep	82.000	10,000
	Sep	82.000	5,000
	Sep	82.000	5,000
	Sep	82.125	15,000
	Sep	82.125	10,000
	Sep	82.125	10,000
	Sep	82.125	5,000
	Sep	82.250	50,000
	Sep	82.250	10,000
	Sep	82.250	10,000
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	Sep	82.375	10,000
	Sep	82.375	10,000
	Sep	82.375	10,000
	Sep	82.375	10,000
	Sep	82.500	10,000
	Sep	82.500	10,000
	Sep	82.500	10,000
	Sep	82.625	10,000
	Sep	82.625	5,000
	Oct	82.000	10,000
	Oct	82.000	10,000
	Oct	82.000	10,000
	Oct	82.000	10,000

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US DEALS

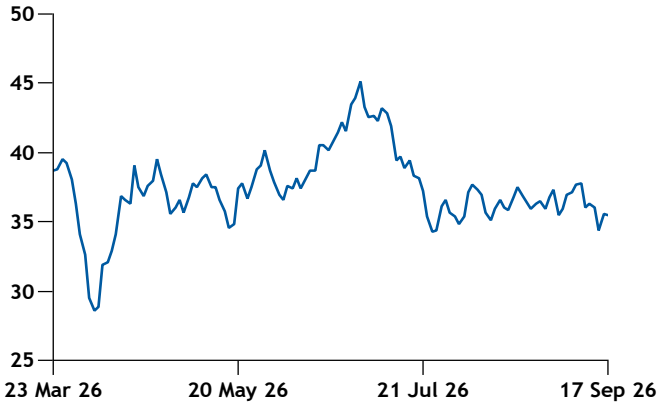
Mont Belvieu spot deals

	Timing	¢/USG	bl
	Oct	82.000	5,000
	Oct	82.125	15,000
	Oct	82.125	5,000
	Oct	82.250	50,000
	Oct	82.500	5,000
	Sep/Oct	0.000	50,000
	Sep/Oct	0.000	15,000
	Sep/Oct	0.000	10,000
	Sep/Oct	0.000	10,000
	Sep/Oct	0.000	10,000
	Sep/Oct	0.000	10,000
	Sep/Oct	0.000	5,000
	Sep/Oct	0.000	5,000
	Sep/Oct	0.125	5,000
Propane LST	Sep	85.500	10,000
	Sep	85.500	10,000

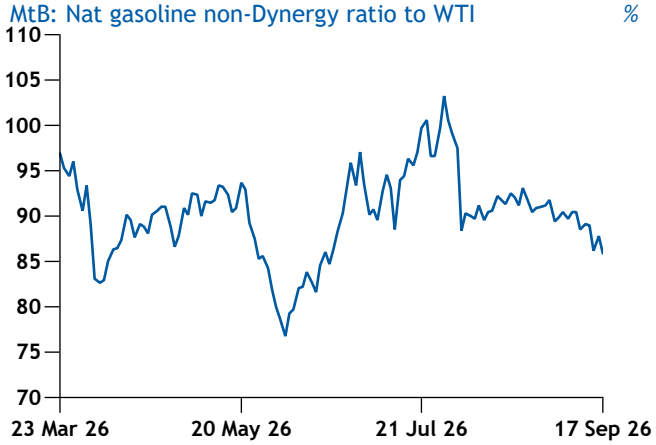
Mont Belvieu spot deals

	Timing	¢/USG	bl
	Sep	85.500	10,000
	Sep	85.500	10,000
	Sep	85.500	5,000
	Sep	85.625	25,000
	Sep	85.750	20,000
	Sep	85.875	10,000
	Sep	86.000	10,000
	Sep	86.500	10,000
	Oct	84.750	20,000
	Sep/Oct	1.000	20,000
Propane LST/Propane EPC	Sep	3.000	10,000
	Sep	3.625	10,000
	Sep	4.000	25,000
	Sep	4.000	10,000
	Sep	4.000	10,000

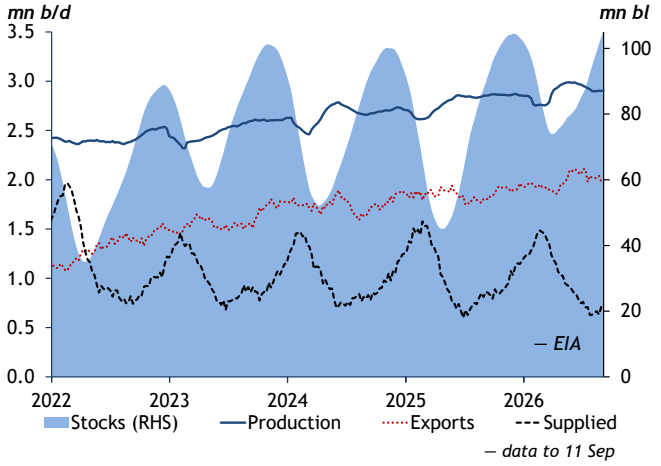
Propane LST ratio to Nymex WTI %



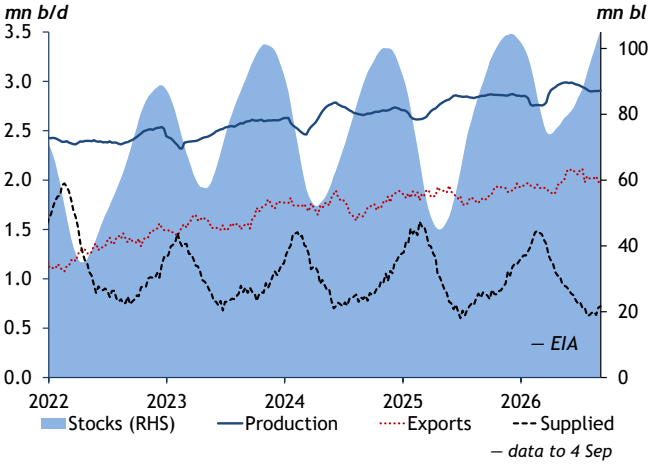
MtB: Nat gasoline non-Dynergy ratio to WTI %



EIA propane stocks *mn bl*



EIA 8-week averages



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INTERNATIONAL SWAPS

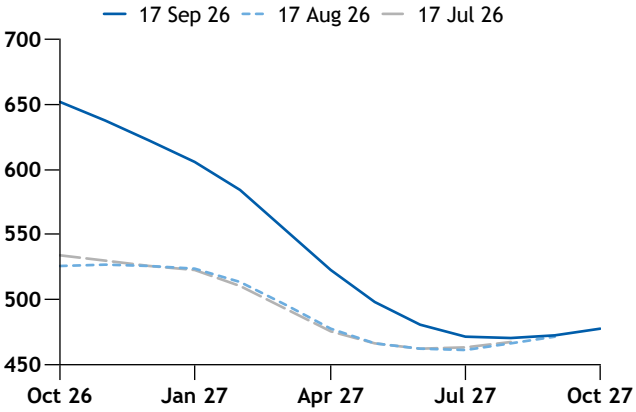
October cif ARA failed to trade during the 16:15-16:30 liquidity session. One mini deal for 1,000t was concluded seconds after timestamp at $651/t. The value was deemed a little weak, and the market priced the contract a dollar higher at $652/t, down by $16/t. The October-November backwardation narrowed by $2.75/t to $15/t, and November cif ARA at $637/t, down by $13.25/t

October naphtha paper lost $11/t to $829.75/t, widening the propane-naphtha differential by $5/t to -$177.75/t. The Q4 spread sits at -$163/t

October AFEI fell by almost 3.5pc or $29/t to $844/t, narrowing the east-west spread by $13/t to $192/t. The narrowest level since 20 August.

October CP edged down $11/t to $659/t.

Cif ARA propane forward curves $/t



Reported done ($/t)

651(1kt) Oct cif ARA
22(5kt) Jan-Feb cif ARA
659(2kt), 658(2kt) Oct CP
32(2kt) Oct-Nov CP
866(2kt), 865(2kt), 863(2kt), 862(2kt)Oct AFEI
829(2kt) Nov AFEI
36(5kt) Oct-Nov AFEI
58.50(5kt) Dec-Feb AFEI
23(5kt) May-Jun AFEI
195(5kt), 188(3kt) Oct AFEI-CP

International swap prices (4:30pm London) $/t

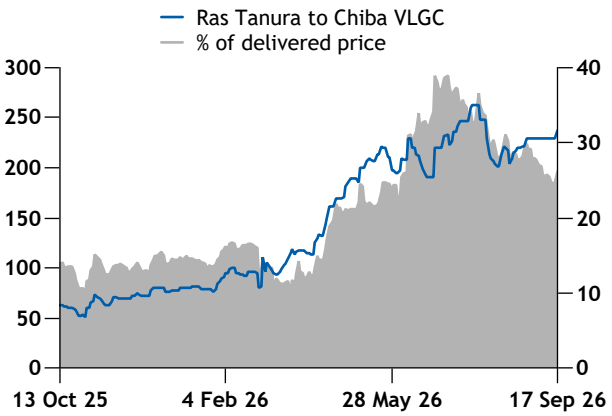
	Propane cif ARA	Naphtha northwest Europe	Propane CP	Propane Argus Far East Index (AFEI)™	Propane Mont Belvieu LST ¢/USG	Propane less naphtha	AFEI™ less propane cif ARA	Mont Belvieu less Propane cif ARA	Propane Mont Belvieu less AFEI™	AFEI™ less propane CP
M1 differential to physical	**+34.50**	**+24.50**	**+239.00**	**+67.00**	**-**					
Oct 26	652.00	829.75	659.00	844.00	85.000	-177.75	+192.00	-209.15	-401.15	+185.00
Nov 26	637.00	799.00	627.50	810.75	84.375	-162.00	+173.75	-197.41	-371.16	+183.25
Dec 26	622.00	771.50	608.50	779.25	83.625	-149.50	+157.25	-186.31	-343.56	+170.75
Jan 27	606.00	752.75	595.50	752.50	82.500	-146.75	+146.50	-176.17	-322.67	+157.00
Feb 27	583.75	730.75	580.50	723.50	81.375	-147.00	+139.75	-159.79	-299.54	+143.00
Mar 27	553.25	709.25	563.50	687.50	79.250	-156.00	+134.25	-140.36	-274.61	+124.00
Apr 27	522.25	687.75	533.00	650.50	76.500	-165.50	+128.25	-123.68	-251.93	+117.50
May 27	497.75	671.00	504.50	620.50	74.750	-173.25	+122.75	-108.30	-231.05	+116.00
Jun 27	481.25	657.50	484.50	596.75	73.875	-176.25	+115.50	-96.36	-211.86	+112.25
Jul 27	472.00	646.00	471.00	582.75	73.375	-174.00	+110.75	-89.72	-200.47	+111.75
Aug 27	470.25	636.25	463.50	575.50	73.375	-166.00	+105.25	-87.97	-193.22	+112.00
Sep 27	473.00	628.25	462.50	576.00	73.625	-155.25	+103.00	-89.41	-192.41	+113.50
Oct 27	478.00	623.00	466.00	579.75	74.000	-145.00	+101.75	-92.46	-194.21	+113.75
4Q 26	637.00	-	631.75	811.25	84.333	-	+174.25	-197.63	-371.88	+179.50
1Q 27	581.00	731.00	579.75	721.25	81.042	-150.00	+140.25	-158.77	-299.02	+141.50
2Q 27	500.50	672.00	507.25	622.50	75.042	-171.50	+122.00	-109.53	-231.53	+115.25

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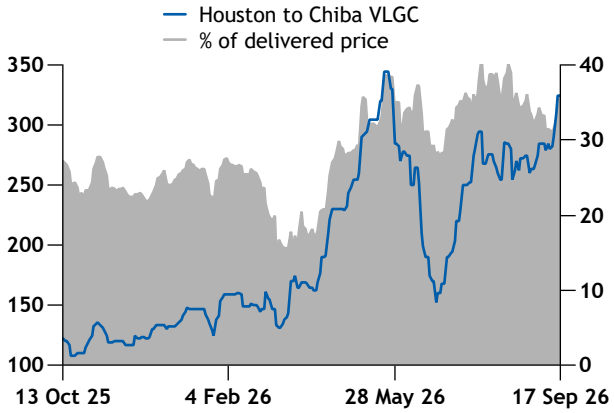
FREIGHT SNAPSHOT (see *Argus Gas Freight* for more)

LPG Freight rates			$/t
	Size	Rate	±
Ras Tanura-Chiba	VLGC	238.00	+8.00
Houston-Chiba (via Panama)	VLGC	325.00	nc
Houston-Flushing	VLGC	165.00	nc
Ras Tanura-New Mangalore/Haida (5-day rolling average)	VLGC	166.65	+1.09
Houston-Lagos (5-day rolling average)	MGC	118.81	-0.65
Houston-Callao/Pisco (5-day rolling average)	MGC	112.50	-0.37

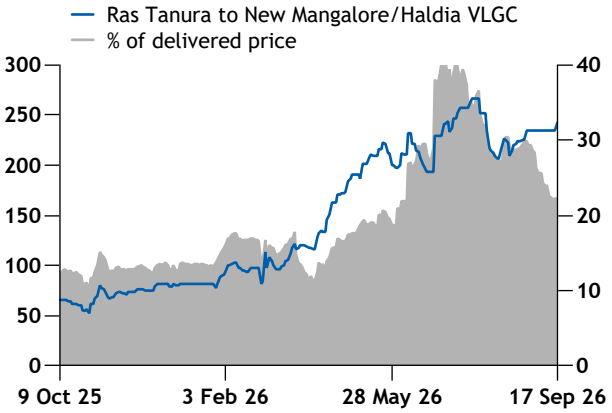
Ras Tanura-Chiba VLGC AFEI propane $/t



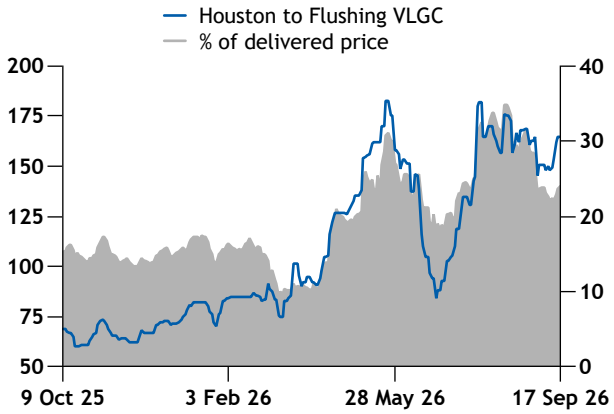
Houston-Chiba VLGC AFEI propane $/t



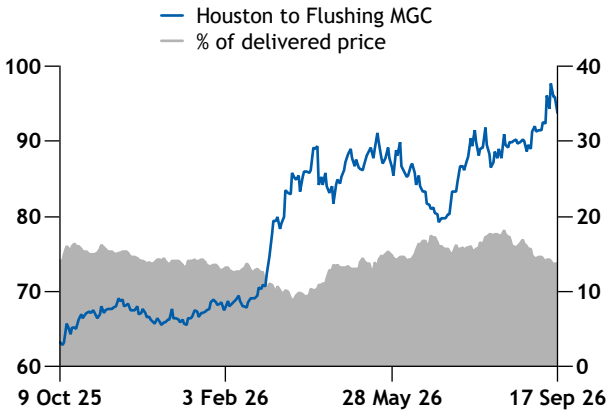
Ras Tanura - India VLGC 50:50 $/t



Houston-Flushing VLGC cif ARA propane $/t



Houston-Flushing MGC cif ARA propane $/t

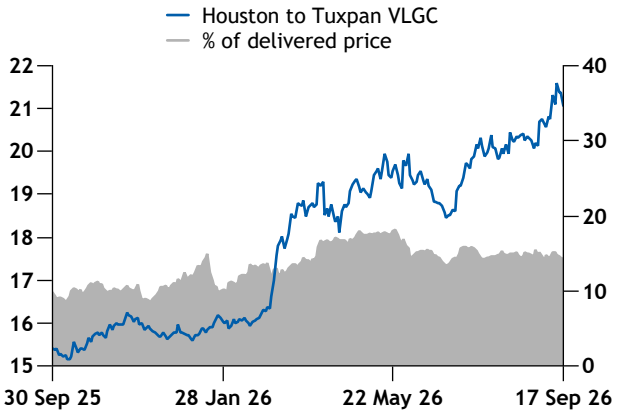


Full range of VLGC, MGC and coaster rates as well as commentaries, news and arbitrage maps are available in **Argus** *Gas Freight*. For more information, please e-mail: **FreightTeam@argusmedia.com**

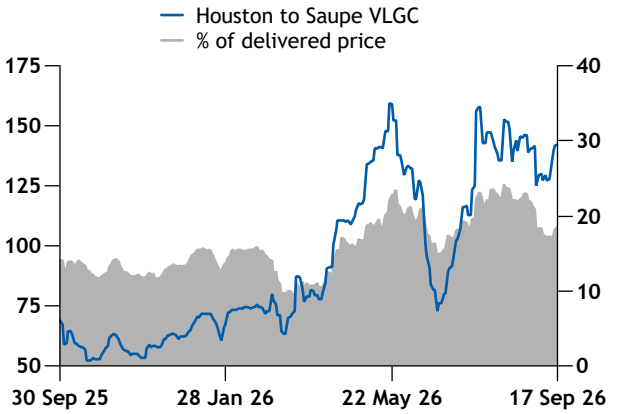
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FREIGHT SNAPSHOT (see *Argus Gas Freight* for more)

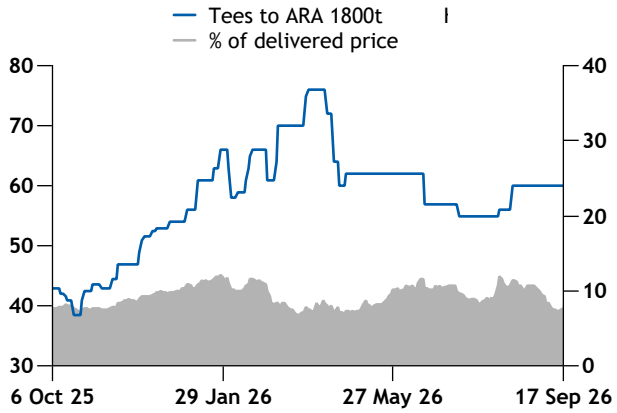
Houston-Tuxpan MGC Enterprise propane $/t



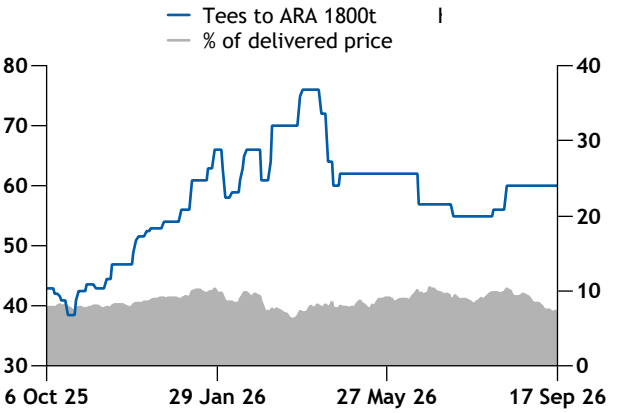
Houston-Suape VLGC 50:50 $/t



Tees-ARA 1,800t butane coaster $/t



Tees-ARA 1,800t propane coaster $/t



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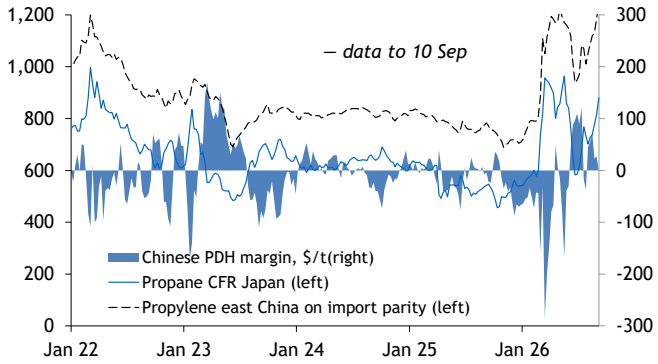
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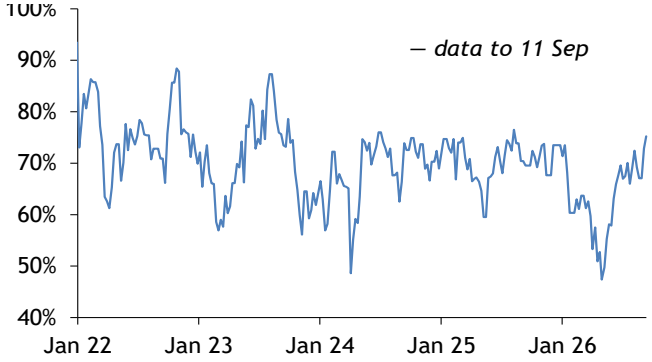
PETROCHEMICALS CHARTS

Asia PDH cash margin $/t



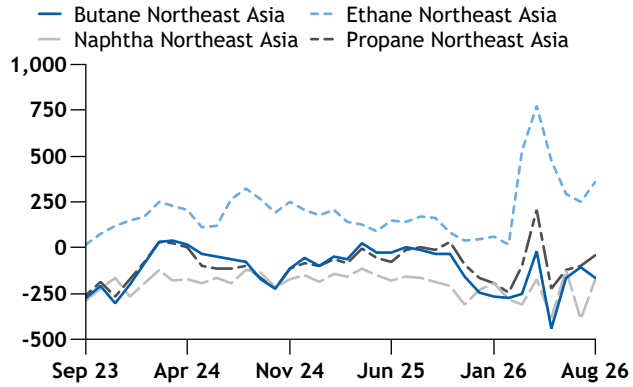
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China PDH operating rates %

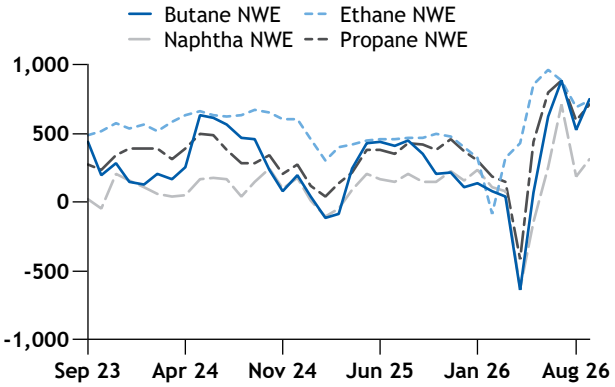


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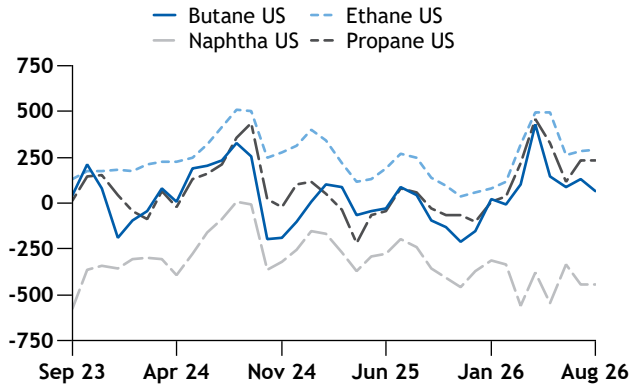
NEA steam cracker gross spot cash margin $/t



NWE steam cracker net contract cash margin $/t



US steam cracker gross spot cash margin $/t



Argus Olefins Margins Service

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China oversupply clouds Braskem restructuring

Braskem's debt restructuring faces mounting pressure from a weak global polyolefins outlook, with a new wave of Chinese polyethylene (PE) and polypropylene (PP) capacity threatening the margin recovery needed to stabilize the company's balance sheet, according to Brazilian investment bank UBS BB.

The bank downgraded the Brazilian producer to sell from neutral and cut its target price to R3.75/share ($0.70) from R10.50.

UBS BB said global markets have largely reverted to the oversupplied conditions that prevailed before Mideast Gulf supply disruptions temporarily lifted polymer margins. The bank expects 7.6mn metric tonnes (t)/yr of new PE capacity to start up globally in 2027, around 60pc of it in China, compared with demand growth of just 4.6mn t/yr. Another 3.1mn t/yr of PP capacity is expected to come on line, about 75pc of which in China.

The outlook raises concerns for Braskem, which is relying on stronger operating performance to support its ongoing extrajudicial restructuring.

UBS BB now forecasts 2027 PE-naphtha spreads at $395/t, PE-ethane spreads at $823/t and PP-propylene spreads at $485/t, reflecting what it describes as low-cycle market conditions likely to persist until later in the decade.

As a result, the bank cut Braskem's 2027 Ebitda forecast to $1.13bn from $2.06bn previously and said even consensus expectations of about $1.3bn would leave the company highly leveraged and cash consumptive.

Braskem has until 22 November to reach an agreement with a majority of creditors under its restructuring process. UBS BB estimates the company needs to reduce net debt by roughly $6bn-6.5bn to restore sustainable leverage and cash generation.

The bank said a solution will likely require some combination of debt extensions, haircuts, debt-to-equity conversions and fresh capital. Under debt-conversion scenarios, minority shareholders could face dilution of 70-95pc.

For UBS BB, the key issue is no longer just Braskem's debt burden, but whether global polymer markets can recover sufficiently to support a turnaround. The bank's answer is increasingly unsupportive.

By Fred Fernandes

Margins, supply reshape China coal-to-olefins

New projects in China's coal-to-olefins (CTO) industry have been increasingly integrated with renewable and green hydrogen power sources, and carbon capture utilisation and storage (CCUS) facilities, and plan to produce more downstream specialty chemicals.

The move could help producers cut carbon emissions during the production process, move into the higher-value products segment and improve their efficiency. This comes as the US-Iran war shifted the focus towards feedstock security and margins.

Most new projects are designed with an olefin capacity of 8mn t/yr with downstream polymer units of more than 400,000 t/yr. The larger facilities help operators capture economies of scale and reduce unit production costs. Older projects in the CTO sector typically have a capacity of 600,000 t/yr or less, with downstream polymer plants at 300,000 t/yr or lower.

An increasing number of CTO plants, particularly in resource-rich regions such as Inner Mongolia, Ningxia and Xinjiang, are incorporating renewables and green hydrogen into their power sources. By combining coal conversion with low-carbon energy sources, producers aim to reduce lifecycle emissions, improve energy efficiency and to meet increasingly stringent environmental standards. This is emerging as one of the defining characteristics of China's next generation of modern coal-to-chemical projects.

Some companies have also announced investments into CCUS facilities, reflecting efforts to align their coal-to-chemical developments with China's carbon emissions reductions goals.

The sector has also increasingly focused on specialty chemicals and high-value products, such as polyolefin elastomer (POE) and metallocene polyethylene (mPE), rather than commodity volumes alone, which could help the country reduce its import reliance in the specialty chemicals segment. China's import dependency ratios for POE and mPE came in at about 80pc and 70pc, respectively, in 2025, according to market sources.

C6 metallocene linear low-density polyethylene (LLDPE) was offered recently at around $1,300/t cfr China, about $200/t above C4 LLDPE, traders in east China said. At the same time, C4-based POE was valued at roughly $1,350/t and C8-based POE was assessed at around $1,600/t, a major producer said. This represents a premium of about $250-500/t over C4 LLDPE, indicating higher profitability for specialty products.

This comes against the backdrop of the US-Iran war, which started in late February. The conflict disrupted supplies, including naphtha, that transit the strait of Hormuz.

Naphtha-to-polymer margins have deteriorated sharply after the war started, falling from an average of around

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-$200/t in 2025 to about -$300/t during January-August. Weaker economics prompted some oil-based producers to reduce operating rates.

But CTO producers have been able to maintain higher operating rates because they are less exposed to feedstock supply disruptions, allowing them to partially cushioned China's polymer market from supply shortages. CTO-to-polymer margins have also remained positive, with margins generally ranging at $200-400/t this year, depending on market conditions.

China's broader policy

The shift towards green power and higher-value products reflects a broader policy of improving China's coal-based petrochemical production, instead of abandoning it altogether.

This policy direction was reaffirmed in the coal industry development plan released in August for the 15th Five-Year Plan period, which continues to see coal as a key pillar of China's energy security strategy.

Coal-based routes have become an established component of China's feedstock diversification strategy and are unlikely to disappear despite the country's broader decarbonisation goals. Coal-based routes accounted for about 8.5mn t/yr of China's ethylene capacity in 2025, making up 14pc of national olefins output, according to *Argus*-compiled data.

China's total ethylene capacity is projected to expand from around 60mn t/yr in 2025 to about 83mn t/yr by 2030, *Argus*-compiled data show. Coal and methanol-based olefins capacity is expected to increase in tandem over the same period, with its share of total olefins productions at around 15pc.

China's ethylene growth will continue to be led primarily by steam cracking projects, which accounted for about 84pc of its national ethylene capacity in 2025. Steam cracking projects are expected to make up around 87pc of the country's national ethylene capacity in 2030, *Argus*-compiled data show. But coal-based routes are set to retain a meaningful but complementary role in the overall supply mix.

Unlike most major petrochemical producers, China's olefins industry is supported by both steam cracking and coal-based production routes. The resulting feedstock diversity reflects differences in regional resource availability, production economics, and energy security considerations.

ANNOUNCEMENTS

Mideast Gulf LPG prices: Feedback request

Argus seeks feedback on its Mideast Gulf and wider Asian LPG coverage given the disruption to trade caused by the US-Iran conflict.

In line with *Argus*' long-standing reporting methodology, prices are assessed based on transactions, bids, offers and other relevant market information.

Argus seeks specific market feedback on the relevance of netback cfr India and Indonesia prices to the determination of fob Middle East values.

Argus is committed to providing transparency to markets, and will continue to monitor the situation and provide updates as needed.

To provide feedback, please contact singaporelpg@argusmedia.com

Hormuz transits rise to 15 Wednesday: Windward

Vessel transits through the strait of Hormuz rose to 15 on Wednesday, six more from the previous day, according to data from maritime security Windward.

Of the 15 vessels that crossed the strait, eight were inbound and seven outbound, according to Windward. For inbound traffic five used the US-assisted southern lane and three the Iranian controlled northern lane, while outbound

ANNOUNCEMENT

Argus successfully completes annual Iosco assurance review

Argus has completed the 13th external assurance review of its price benchmarks covering crude oil, oil products, LPG, chemicals, thermal and coking coal, natural gas, biofuels, biomass, metals, fertilizers and agricultural markets. The review was carried out by professional services firm PwC. Annual independent, external reviews of oil benchmarks are required by international regulatory group Iosco's Principles for Oil Price Reporting Agencies, and Iosco encourages extension of the reviews to non-oil benchmarks. For more information and to download the review visit our website https://www.argusmedia.com/en/about-us/governance-compliance

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traffic was split between three on the southern lane and four on the northern.

Traffic levels through the strait of Hormuz are still well below its pre-war level of around 135 vessels a day.
By Delfina Marchese

Italy scraps road tax to counter price surge

Italy approved a decree scrapping road tax for about 14.5mn cars and motorcycles in an effort to offset rising energy prices, the government said.

The exemption applies to vehicles with an engine power of up to 80kW, which covers around 70pc of Italy's car stock, with one vehicle per person eligible.

The measure will apply in 2027 alone, but the government said it intends to abolish the tax permanently through measures in its next budget. Prime minister Giorgia Meloni said that with no end in sight to the US-Iran war and fuel prices constantly rising, it no longer made sense to tackle the problem at the pump.

"We have chosen a structural measure rather than an emergency measure," she said late on Wednesday.

Rome has approved 15 packages since March to temper fuel price rises, mainly by offering discounts at the pump that have cost the state more than €2.3bn ($2.65bn). The latest decree includes a 12.2¢/litre discount on diesel fuel from 18-25 September followed by a 6.1¢/l discount from 26 September to 5 October.

Diesel prices have risen by more than those of gasoline this year, because of a Russian ban on diesel exports and the effects of the US-Iran war on availability from the Mideast Gulf.

Scrapping the 2027 vehicle road tax will cost €2.36bn, according to a draft version of the Italian decree. Government sources said unused EU Recovery fund money, including loans and grants will partly cover the cost. The new one-off diesel discounts will cost €111.8mn, the sources said.

Rome's move is one of several by European governments to help consumers with rising fuel costs. Germany plans measures to ease what chancellor Friedrich Merz described as "too big a burden", Spain has made a series of cuts to its fuel taxes, and the UK fuel retailers' association has called on the government not to raise fuel duty at the start of 2027.
By Stephen Jewkes

Ineos Chocolate Bayou cracker compressor trips

Ineos' mixed-feed cracker No. 1 in Chocolate Bayou, Texas, had a compressor trip on 15 September.

The compressor trip on the 930,000 metric tonne (t)/yr cracker resulted in off-specification ethylene being routed to the flare, according to a filing with the Texas Commission on Environmental Quality (TCEQ). Flaring began at 9pm ET on 15 September and lasted for 22 hours until 7pm ET on 16 September. Operations teams made process adjustments to stabilize the cracker unit and minimize emissions, the company said. The same unit last had a compressor trip in late May.

September-delivery ethylene at Enterprise Products Partners' (EPC) Mont Belvieu, Texas, traded between 24.875-25¢/lb yesterday. US ethylene spot prices have been very stable, in the mid 20s¢/lb for the last two months.
By Michael Camarda

US gasoline, aromatics tighten on diesel focus

US oil refineries are focusing the highest run rates in 22 years on diesel production as two wars increase overseas demand, a move that has tightened domestic supplies of gasoline and aromatic blending components.

Prices for aromatics blended into gasoline stand at multi-year highs, with the ethylbenzene (EB) assessment reaching levels reaching a record-high of 503¢/USG on 8 September. EB feedstock benzene and toluene and xylenes prices all reached four-year highs in September. Benzene peaked at 547¢/USG on 15 September and toluene and xylenes both peaked at 564¢/USG on 16 September, *Argus* data show.

The rise in aromatics prices has been driven by increased blending of low-octane, light-naphtha into US gasoline supplies, as blending naphtha boosts demand for high-octane aromatic blendstocks to raise gasoline's octane rating to retail specifications.

Naphtha blending demand is rising because of high gasoline prices that have increased gasoline's premium to naphtha, known as the naphtha-gasoline spread, into September, bucking seasonal trends. The spread normally narrows after peak high-octane blending demand in June (*see chart*). But the naphtha-gasoline spread widened to 157¢/USG in September, up by 22¢/USG from June, *Argus* data show.

The unseasonably wide naphtha-gasoline spread can be traced to higher gasoline prices, rather than a particularly weak naphtha market that caused supply builds in prior years. The naphtha-gasoline spread stands above levels seen during the fall of 2022 and 2023, when falling naphtha exports boosted US supplies. Naphtha exports in 2022 and 2023 were 258,000 b/d and 281,000 b/d, respectively, while naphtha exports so far this year have averaged 402,000 b/d.

Also contributing to this year's unseasonably high prices

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for aromatics blendstocks toluene, xylenes and EB are plant turnarounds at two aromatics producers in September and October that have tightened supplies further.

The US has also received fewer aromatics imports than in the past four years because of feedstock supply issues in Asia-Pacific that have capped refinery run rates in the region. That has forced Asian petrochemical producers to prioritize supplying their regional trading partners, even with open arbitrage opportunities to the US in spite of import tariffs.

Focus on diesel

Aromatics demand for gasoline blending has also been supported by US refiners' decision to prioritize diesel production, tightening supplies of gasoline and blending components. With the harvest season boosting domestic diesel demand and wars in Ukraine and the Mideast Gulf creating supply constraints that have boosted export demand, the Nymex ultra-low sulfur diesel (ULSD) contract settled at a record high this week.

Refiners' focus on diesel at the expense of gasoline has outweighed the seasonal shift to winter-grade gasoline, which this year was allowed to begin on 1 September, two weeks earlier than usual. The shift to winter specifications permits lower cost, higher-vapor pressure blendstocks like butane to enter the gasoline blend pool, which typically reduces demand for aromatic blendstocks.

Gasoline prices also remain unseasonably high. Conventional 87-grade gasoline prices stand $1.68/USG higher than year-earlier levels and $0.97/USG higher than the five-year rolling average for the month of September, *Argus* data show.

Meanwhile, premium 93-grade gasoline prices, which include additional high-octane blendstocks, stand $1.83/USG higher than a year earlier and $0.98/USG higher than the five-year rolling average for September.

Higher gasoline prices stem from the overseas conflicts that have reduced inventories and increased global crude prices. Gasoline inventories totaled 207.7mn bl and motor gasoline blending components totaled 193.1mn bl in the week ended 11 September, down from a year earlier by 9.9mn bl and 9.6mn bl, respectively, according to US Energy Information Administration (EIA) data. Inventories of gasoline and blendstocks are poised to tighten further, pushing prices higher, as refiners prioritizing diesel production.

Meanwhile, crude prices have surged since the start of the US-Iran war, with WTI Houston crude closing at $107.78/bl on 15 September and crude prices peaking this year on 6 April at $119.66/bl, *Argus* data show.

Refinery rates at 22-year highs

US refiners are running all out to capture record high margins, particularly for diesel. Refinery operating rates have averaged 97.3pc so far in September, the highest average monthly rate since June 2004 and well above the roughly 90-95pc range of recent years, EIA data show.

As US refinery run rates increase, so has diesel output. ULSD production last week was up by 7.7pc from a year earlier at 5.04mn b/d, according to EIA data. In August, ULSD production rose to 5.01mn b/d, the highest output since December 2025.

US diesel production has climbed since the beginning of the Mideast Gulf war to help meet European demand for fuels typically sourced from the Middle East and Russia. US Gulf coast ULSD exports to Europe climbed to 590,000 b/d in the week ended 11 September, up by 490,000 b/d from the prior week, according to Vortexa vessel-tracking data, and the highest exports to the continent in Vortexa records dating to January 2016.

Record high US diesel exports have contributed to a draw down in inventories, which totaled 107.9mn bl in the week ended 11 September, down by 16.8mn bl from the year prior. US refiners in September usually build diesel stocks ahead of seasonal turnarounds, when they shift away from maximum diesel yields. If diesel inventories remain low in October, gasoline and aromatic blendstock prices could gain further support.

With tight diesel and gasoline inventories and aromatic chemical prices near multi-year highs, the market has little room for disruption. Any major refinery outage or major Gulf coast storm could quickly drive fuel and aromatic petrochemical prices higher.

By Jake Caldwell, Blake Del Papa and Hunter Fite

UP rebuffs calls for rail merger concessions

The head of Union Pacific (UP) dismissed suggestions that US regulators should require the railroad to offer its Class I competitors trackage rights and other concessions as a condition for approving its proposed merger with Norfolk Southern.

The merger would create a single rail network stretching more than 50,000 route miles and handling about 40pc of US rail freight volumes, according to the companies. UP and Norfolk Southern say a coast-to-coast network would speed transit times by one to two days, saving shippers an estimated $3.5bn/yr and removing about 2.1mn trucks from US highways.

Three of UP's four Class I competitors, BNSF Railway,

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Canadian Pacific Kansas City and CSX, oppose the merger and want the Surface Transportation Board (STB) to deny the application, warning it would create a behemoth railroad with monopoly-like pricing power.

To address concerns about the pricing power of a combined UP-Norfolk Southern, BNSF, CPKC and CSX have advanced a long list of proposed conditions that the STB should require as part of any approval.

UP chief executive Jim Vena dismissed the notion that its competitors are entitled to concessions.

"The idea to give up tracks of your railroad for no reason at all just goes against the fundamental principle of how business should work," Vena told a Morgan Stanley conference in Laguna Beach, California, on 16 September.

BNSF said concessions are warranted and, in a preliminary filing, outlined measures it would seek, including rights to use more than 800 miles of Norfolk Southern track between Chicago, Illinois, and intermodal terminals in Pennsylvania.

Without referring to BNSF directly, Vena said long-distance trackage rights do not "make a particle of sense in business" and that UP would just "reset the price higher for us" as a condition of their use.

Of potential impact to commodity shippers, BNSF also said the STB should order the creation of a neutral carrier to handle switching between BNSF and UP-served facilities on the Gulf coast. BNSF cited "a lack of effective rail competition" on the Gulf coast, stretching from Corpus Christi, Texas, to the west bank of the Mississippi river.

Similarly, CPKC wants more access to UP's Gulf coast network between Robstown and Beaumont, Texas, as well as in the vicinity of Baton Rouge, Louisiana, which has a heavy concentration of refineries and petrochemical facilities.

The UP-Norfolk Southern merger agreement allows UP to terminate the deal if the STB requires significant conditions such as trackage rights. UP would have to pay a $2.5bn break-up fee to Norfolk Southern if it terminates the merger.

The STB on 18 August resumed its review of the merger after pausing the proceedings to gather additional data from the applicants. The regulator also adopted a procedural schedule that includes public comments, hearings and a likely final ruling in 2027.

The merger would be the first test of STB rules adopted in 2001 that require Class I railroads to demonstrate that major mergers enhance, rather than merely preserve, competition.

The merger has already drawn criticism from some US lawmakers, signalling a challenging path ahead. A group of 23 US senators urged the STB to conduct a rigorous review, warning that the merger could affect more than 50,000 rail workers and reduce competition.

However, the merger has recently gained new support from agricultural, LPG and biofuel shippers, including Poet Biofuels and Ferrellgas, as well as from South Carolina governor Henry McMaster.

By Chris Baltimore

Panama auction prices, delays at July levels

Conditions at the Panama Canal have eased in recent weeks to levels last seen in July with falling auction prices and shrinking delays, driven in part by VLGC charterers favouring the Cape of Good Hope over competing for scarce Panama transit slots. The decline came despite strong chartering demand from the Atlantic, driven by disruptions to Mideast Gulf LPG supply caused by the escalating US-Iran conflict.

Auction prices for Neopanamax locks plummeted to $750,000 by 14 September after reaching record highs of $3.1mn on 24 August. The rate had averaged $1.15mn in July, with a sharp rise at the end of the month.

The auction price for the older Panamax locks followed a similar trend and dropped to $135,000 on 15 September from record highs of $1.1mn in August. The rate in July averaged $357,730. The older locks remain at a discount as they typically have more transit slots available than the larger Neopanamax locks that most VLGCs use.

Congestion at the canal for both Neopanamax and Panamax locks, north and southbound, had dropped to two days by 26 August from record highs of 21 days on 25 August and 19 days on 28 August, respectively. Delays in July averaged three days for both locks.

In addition, water levels at the Gatun Lake have not dropped to the danger level of 80ft last seen during the 2023 crisis, but held around 84ft, which is below ideal but not low enough to justify further reductions in transits, allowing them to continue.

Projections until mid-November by the ACP show that levels will not exceed 84.4ft, as the authority warned that a potentially severe 2026-27 El Nino could reduce precipitation and runoff further ahead of next year's dry season, prompting it to limit transits through the canal.

The US-Iran war has hampered key LPG flows from the Mideast Gulf to east Asia. Shipments dropped to 1.5mn bl in August from 14mn bl in February, according to Kpler data.

Limited available product coming from the Mideast Gulf coupled with persistently high east Asian demand, turned buyers towards US cargoes as an alternative, seeing it as a

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more economic opportunity to cover losses from the war and over their highly priced domestic product, which has been bolstered by rising crude futures. Chartering activity increased from the Atlantic hub and buoyed freight rates. Loadings from the US Gulf reached around 30mn bl in August and 13mn bl so far in September. Loadings in February were lower at 26mn bl, Kpler data show.

The freight rate for Houston to Chiba VLGC reached a three-month high of $325/t on 16 September, after reaching its highest on record at $345/t on 22 May. The route averaged $154/t in February before the conflict.

But the increase in exports from the Atlantic has not been without challenges. Transit demand has been high at the canal with the congestion driving up delays and auction costs. To relieve pressure on the canal's Gatun Lake, the Panama Canal Authority reduced slot availability for both Panamax and Neopanamax locks, further adding to waiting days either side of the canal.

Pressure has also been relieved by many charterers choosing to journey via the Cape of Good Hope despite the 40-day longer voyage. Shipments via the Cape have been at a discount to the Panama route — although the longer voyage should mean a significant premium — but prices for auction sales and waiting days have dropped while fuel prices have soared, bringing the two rates to parity.

By Charlotte Buchanan



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