



LPG and NGLs

Outlook | September 2025

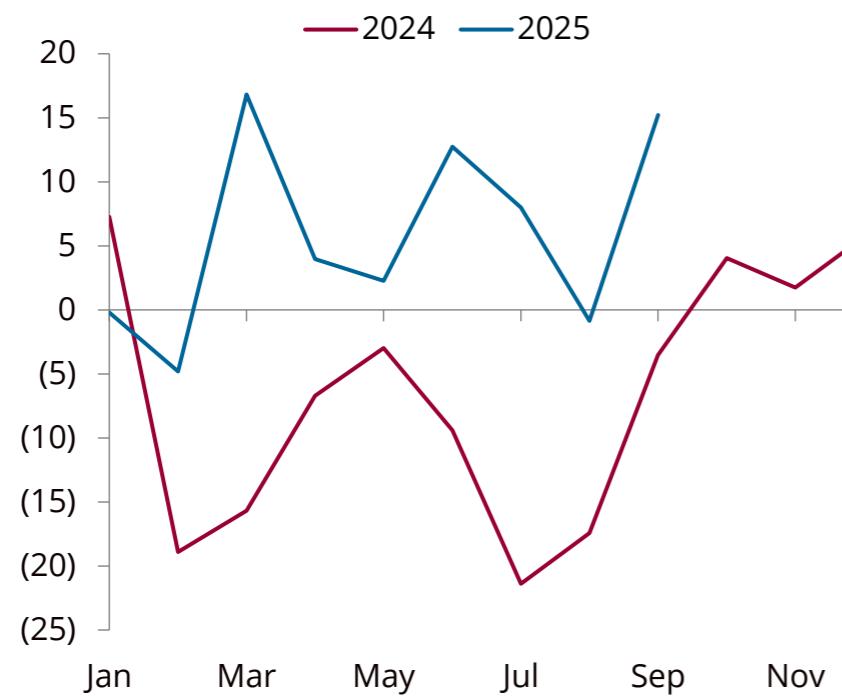
Ships don't lie



# Drone strikes on Russian refineries cut naphtha supply, buoy Asian naphtha market

## Mediterranean–Japan naphtha netback

\$/t



- Drone strikes on Russian refineries will reduce Ust-Luga splitter output of naphtha by around 1 Mt in Q4 25, reducing flows (along with Middle Eastern refinery maintenance) primarily to Asian naphtha markets at least into 2026.
- Concurrently, Asia naphtha demand will continue to grow by 4 Mt y/y in Q4 25 as up to 6 Mtpa of ethylene capacity is expected to start production by end-2026. With further capacity expected to come online in H1 26, we currently see upside forward Asian naphtha crack spreads in Q1 26.
- In the US, reduced Capex will drag on NGLs production growth into 2026, but rising gas production from the Permian, Haynesville and Appalachia basins will drive y/y growth in 2027.
- In the Middle East, we have lowered our bal-2025 LPG supply forecast by around 50 kb/d as the ramp-up of Saudi Arabia's Jafurah gas field will be slower than expected. We still have 0.1 mb/d higher y/y LPG production in Q4 25, which will weigh on Saudi Aramco CP forward structure (along with higher y/y VLGC freight).
- In Europe, ARA propane structure will remain weaker y/y, despite lower North Sea LPG production on higher y/y resupply from the US (amid rejigged trade flows).

Sources: Argus Media Group, Energy Aspects

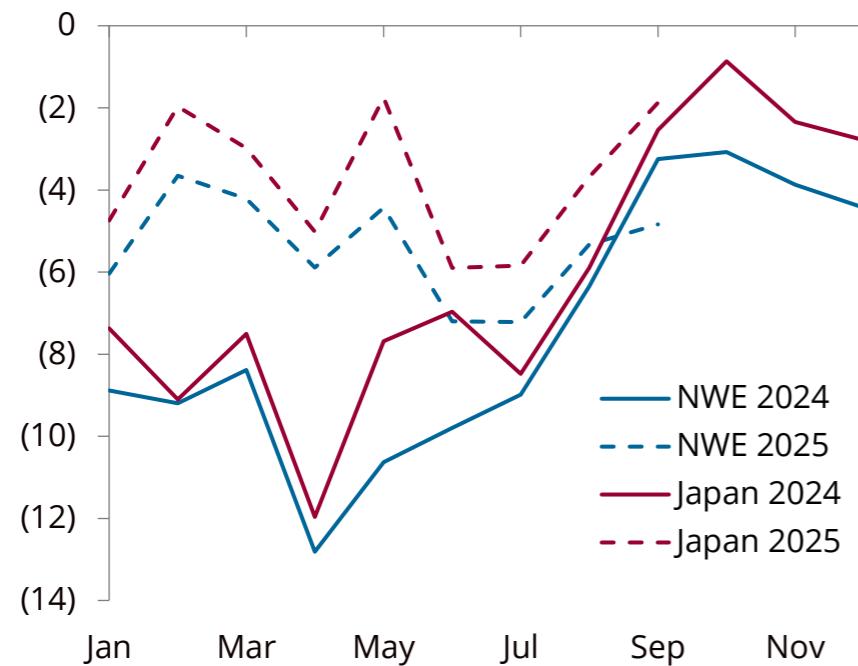
## Global naphtha outlook



# Tighter Q4 25 in Asia will support east–west spreads higher as demand grows

## Prompt naphtha cracks y/y

\$/bbl

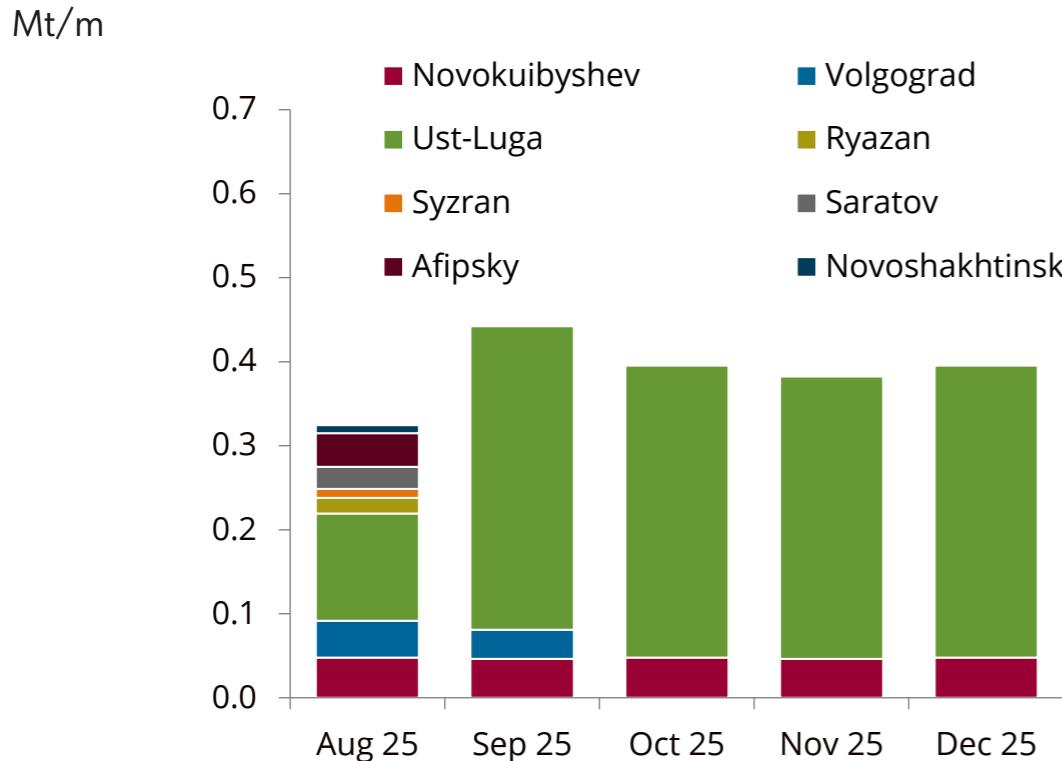


- Asia demand will continue to grow in Q4 25 with additional 6 Mtpa of ethylene capacity expected to start production by end-2026. As such, our balances show a 4 Mt y/y demand growth for Asia in Q4 25.
- Around 2.8 Mtpa of import reliant capacity has been added in 2026 and another 1 Mtpa (BASF Zhanjiang) in Q4 25 will boost naphtha import demand further.
- China will bring a further 8.2 Mtpa of naphtha-fed capacity online next year and we expect this to bring upside to cracks in 2026.
- Consolidation of older steam cracking capacity in China, Japan and South Korea will ease market tightness but will not equal the capacity set to start up in the coming years. Closures are unlikely to start before H2 26.
- Disruption to Russian supply will tighten balances going into Q1 26. We have revised down Russian supply by 1 Mt in Q4 25. This will add to tightness caused by refinery turnarounds in the Middle East.
- European demand will remain lacklustre and propane favoured as a feedstock through the winter. But a stronger east–west spread y/y in Q4 25 will help clear length.

Sources: LSEG, Energy Aspects

# Russian outages add further tightness on top of refinery maintenance in Q4 25

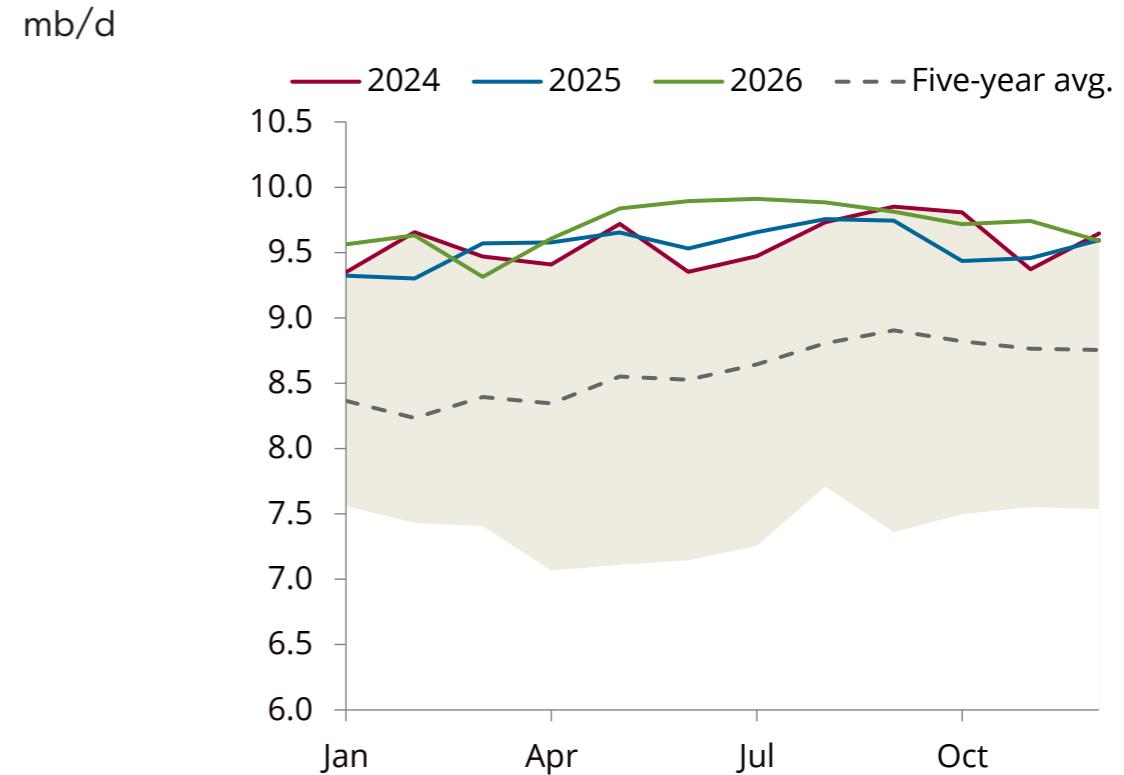
## Naphtha production lost in Russia



Drone attacks in Ust-Luga will reduce production at its splitters until end-January 2026 at the earliest. This will tighten naphtha supply in Asia.

Sources: OliX, Energy Aspects

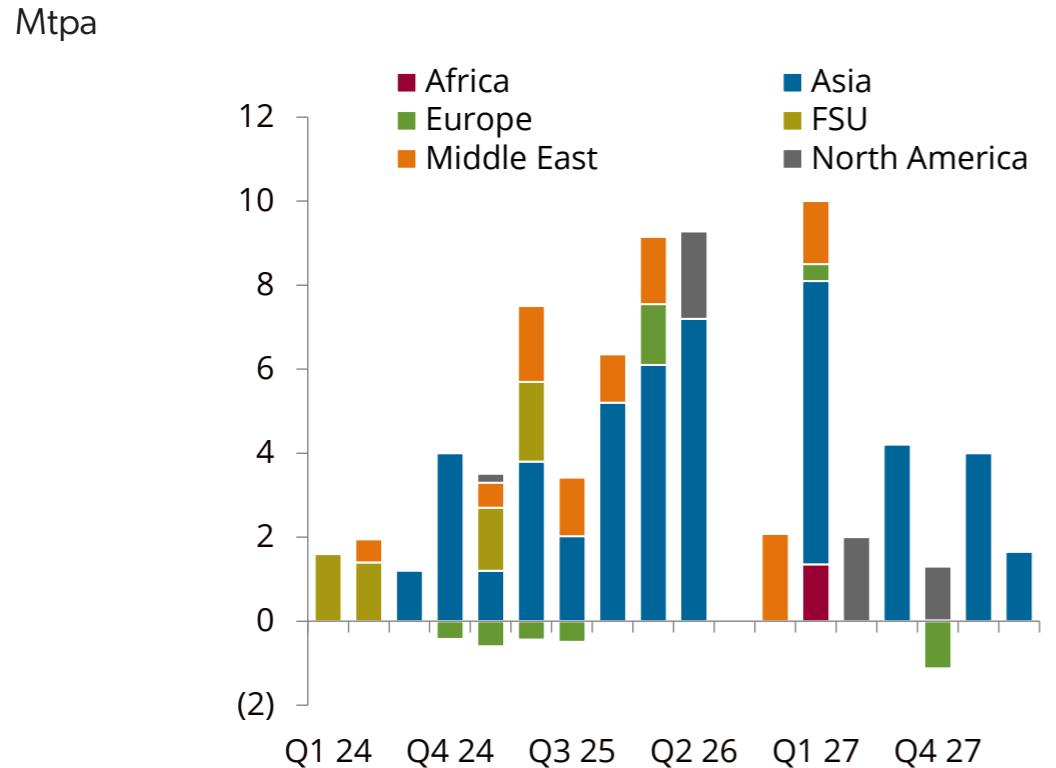
## Middle Eastern refinery runs



Satorp and Riyadh refineries will be down for maintenance in Q4 25, reducing naphtha production in the region. Middle East naphtha production set to fall by 0.4 Mt q/q in Q4 25.

# Asian steam cracker consolidation beyond 2026, will not outpace growth

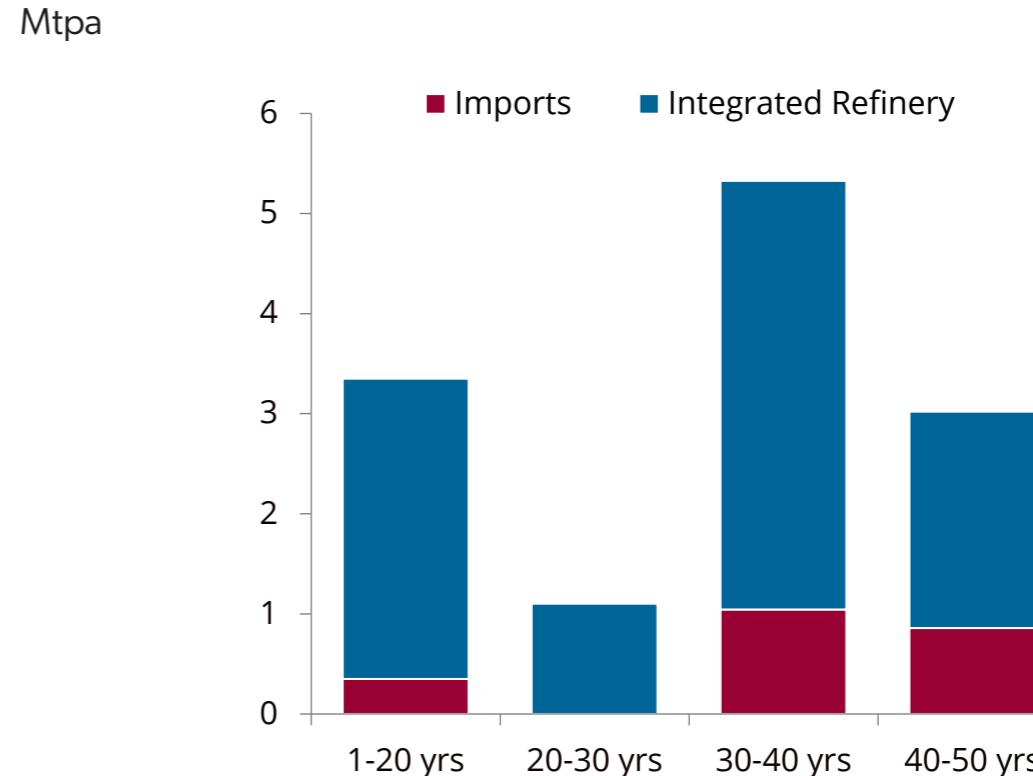
## Ethylene capacity additions



China could add up to 5.4 Mtpa of ethylene capacity by end-2025. Another 17 Mtpa of ethylene capacity could be added east of Suez in 2026.

Source: Company reports, Energy Aspects

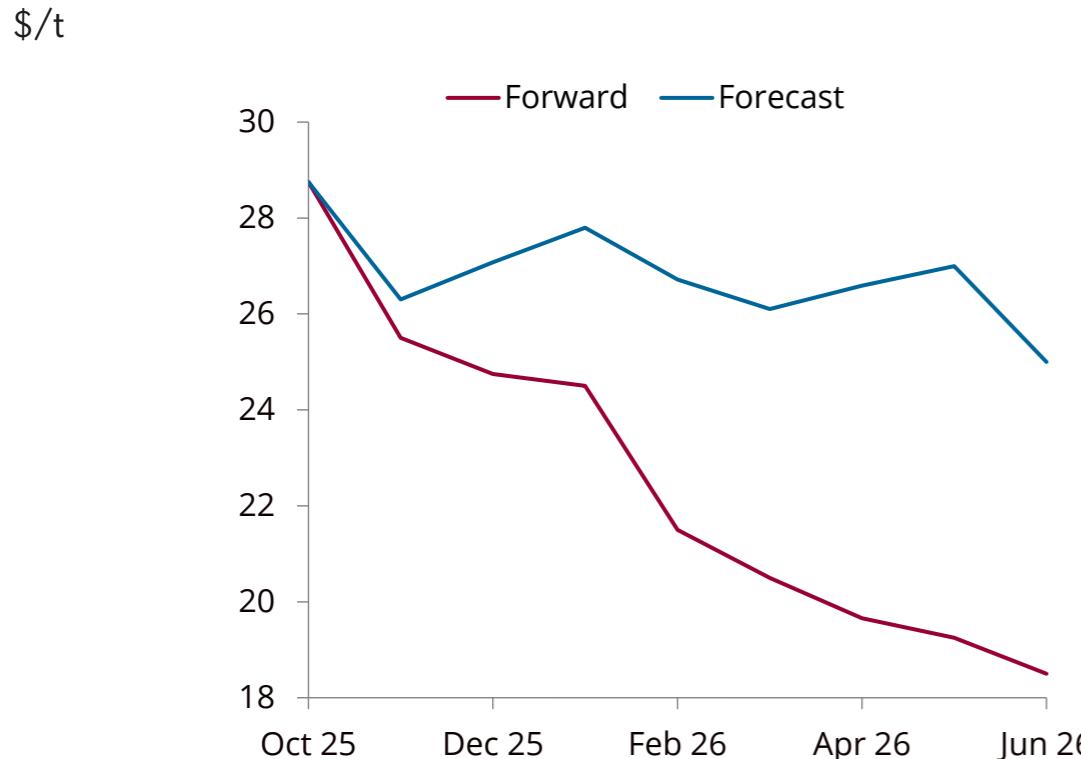
## South Korean steam cracker capacity by age



3.7 Mtpa of South Korean ethylene capacity, 3 Mtpa of older Chinese capacity and 1.4 Mtpa of Japanese capacity all currently at risk of closure beyond 2026.

# East–west spreads will be higher y/y in Q4 25, arb flows stronger

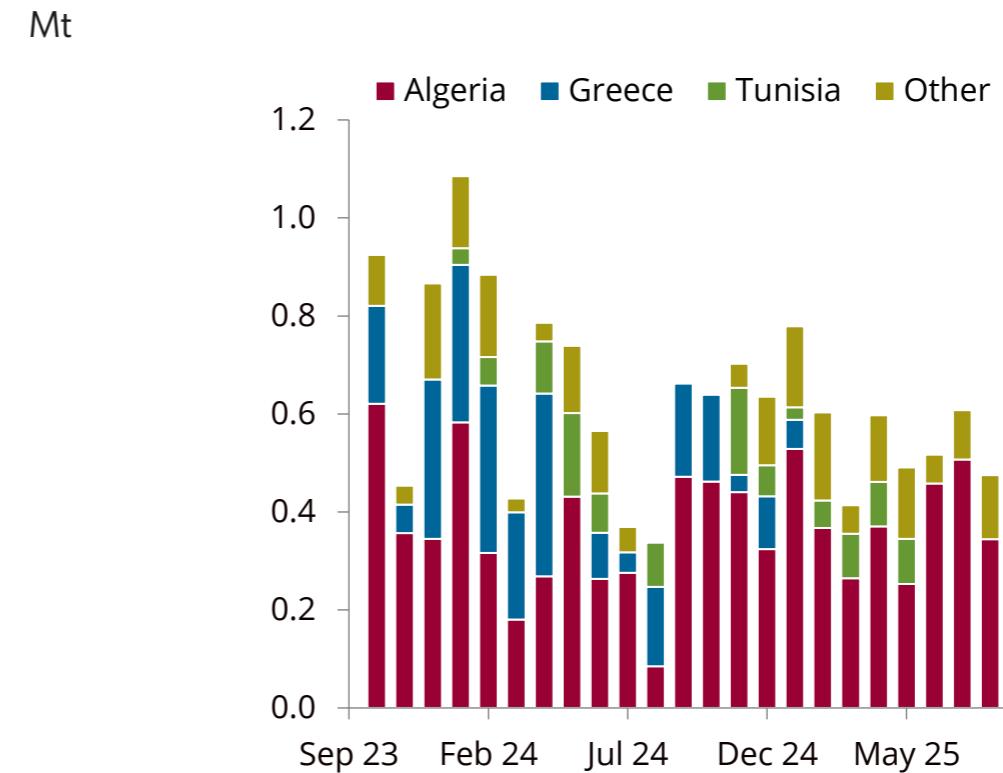
## East–west naphtha spreads



The east–west forward curve is currently undervalued and will rise as demand increases in Asia, keeping prompt east–west spreads around \$25/t.

Sources: Argus Media Group, General Index, ICE, OilX, Energy Aspects

## Mediterranean–Asia naphtha flows

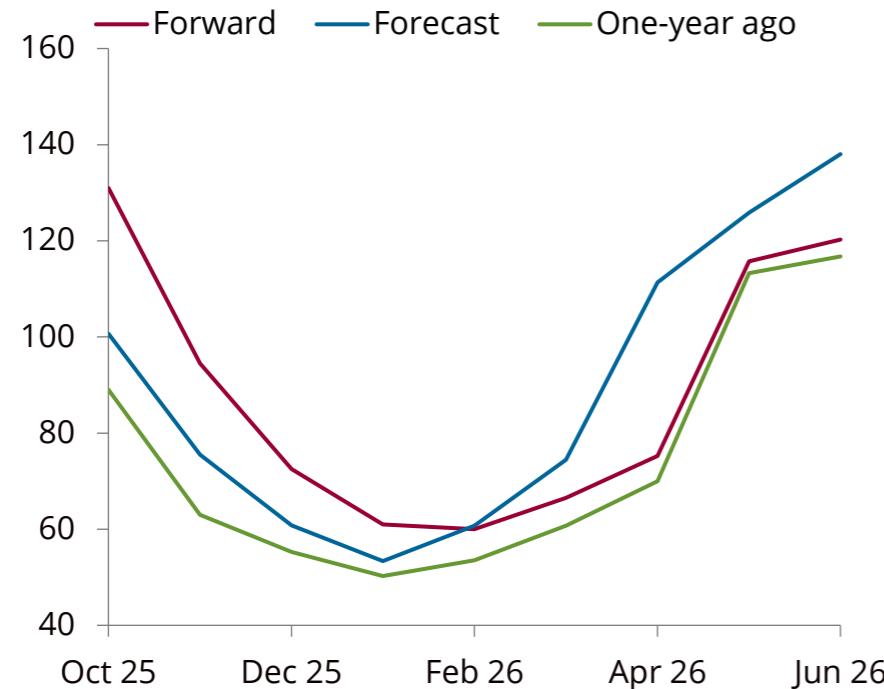


With economic incentive in place, flows from the Mediterranean will rise on the back of disruption to Russian supply.

# Gasoline–naphtha spreads to see downside in Q4 25, before stronger 2026

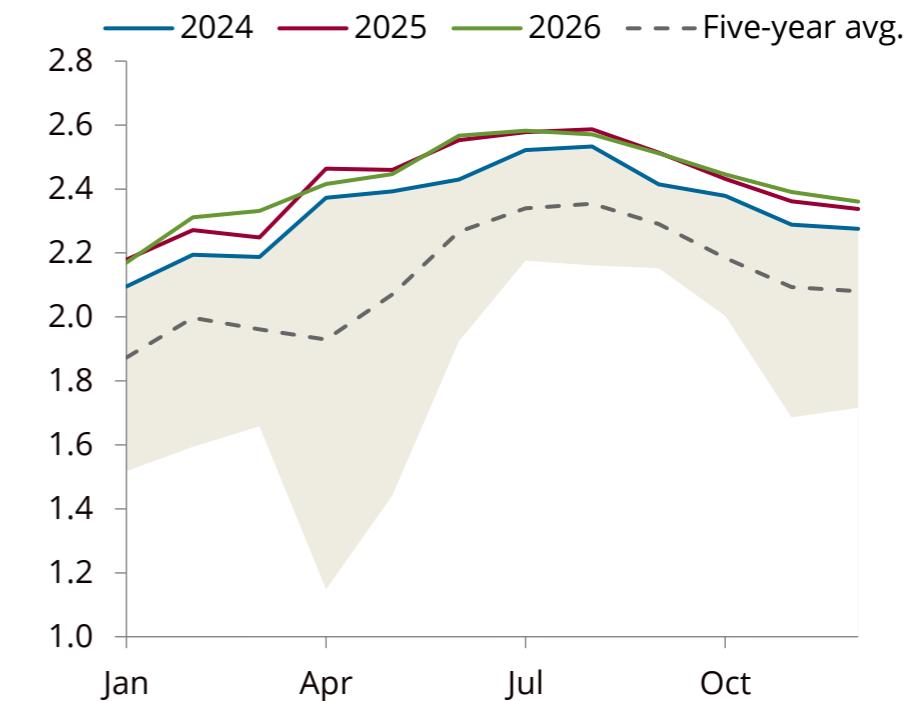
## Gasoline–naphtha spread in Northwest Europe

\$/t



## Gasoline demand in Europe

mb/d



Gasoline naphtha spread to see downside in rest of 2025 as RFCC issues at Dangote resolve.

European gasoline demand stronger y/y in Q1 26, supporting gasoline–naphtha spreads.

Sources: Argus Media Group, General Index, CME, Energy Aspects

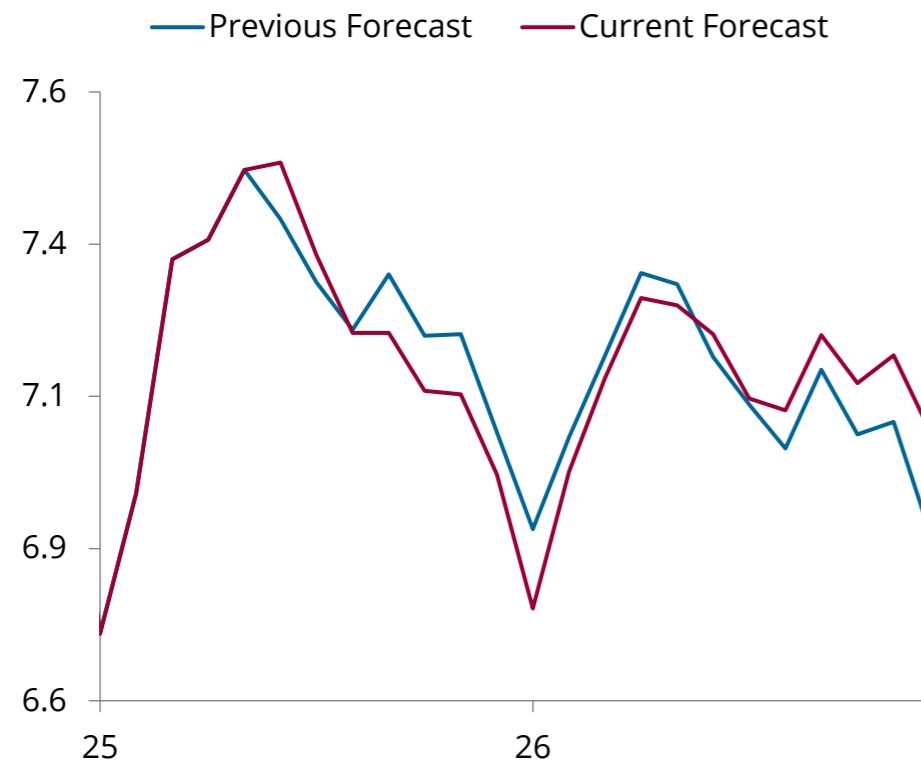
## Global LPG outlook



# Rising production in NGLs-rich basins lifts production, 2026 now shallow y/y decline

## US NGLs production forecast comparison

mb/d

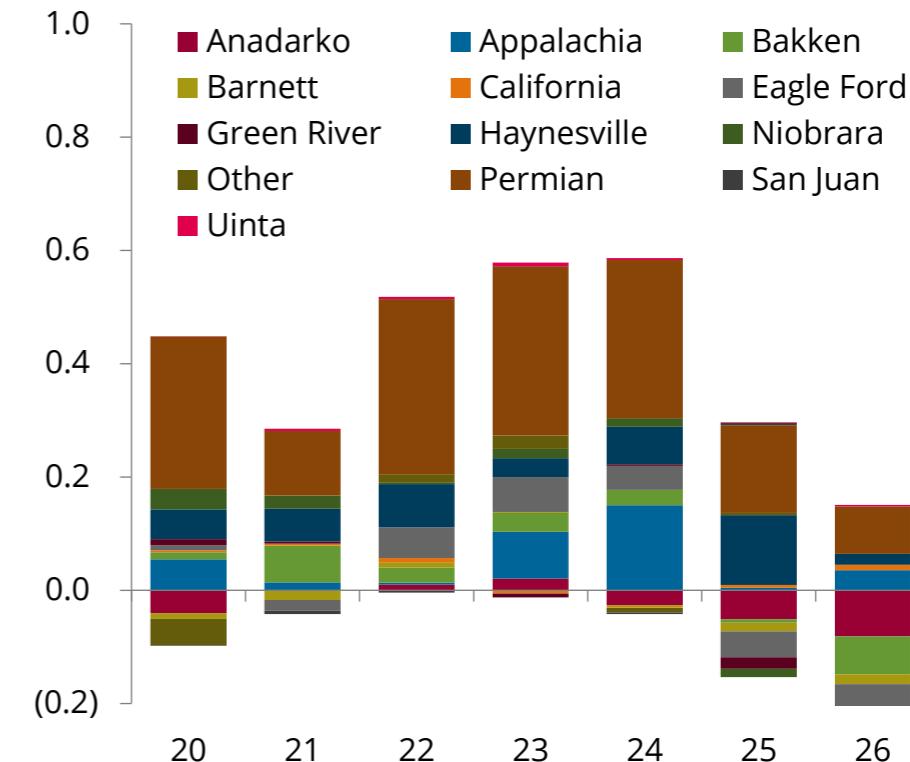


Resurgent gas production in the Permian and Haynesville basins has softened the y/y decline in NGL production in 2026 to a 78 kb/d decline, up from a 0.15 mb/d decline.

Source: EIA, Energy Aspects

## US NGLs production y/y growth forecast

mb/d



Permian and Haynesville production will grow by 0.16 and 0.12 mb/d y/y, respectively, in 2025, while Appalachia supply growth in 2026 will help stem broader y/y production decline.

# Limited Chinese demand for US cargoes to keep AFEI lower y/y in Q4 25

AFEI M1-M2

\$/t



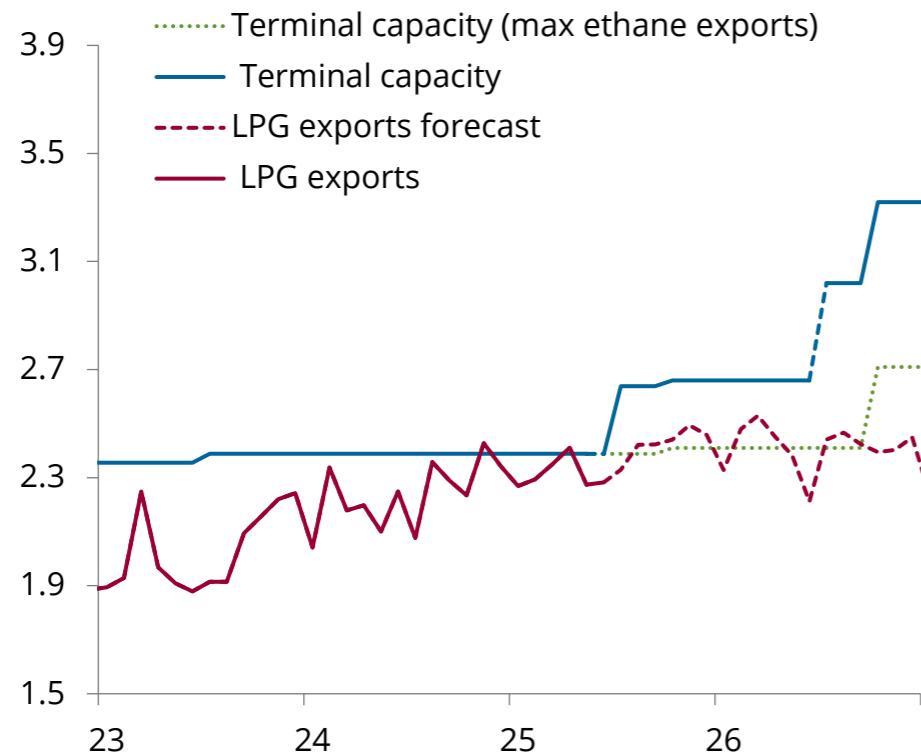
- In August, China's LPG imports from the US increased by 0.40 Mt (0.15 mb/d) m/m as the 10% tariff (Chinese tariff on US imports) has been extended by another 90 days, providing some short-term certainty but imports will remain 0.44 Mt (0.16 mb/d) lower y/y.
- We expect US flows to Japan and South Korea to continue to track higher y/y in Q4 25. Volumes to the two countries rose by a total of 0.63 Mt (0.24 mb/d) y/y in August.
- We anticipate both the AFEI structure and cash differential will remain lower y/y in Q4 25 due to limited Chinese demand for US propane. This leaves more product to clear into the pricing centre, pushing AFEI prices lower.
- A decrease in naphtha supply due to the attacks at Ust-Luga has led to higher Asian naphtha prices, causing the Asian propane–naphtha differential to fall below -\$50/t. This has encouraged more steam crackers in Asia (ex-China) to maximise LPG usage, thereby increasing Asian LPG demand by 0.2–0.3 Mt/m (76–114 kb/d).

Source: Argus Media Group, Energy Aspects

# Rising demand for US LPG in Q4 25 will draw US stocks after September peak

## US LPG exports forecast

mb/d

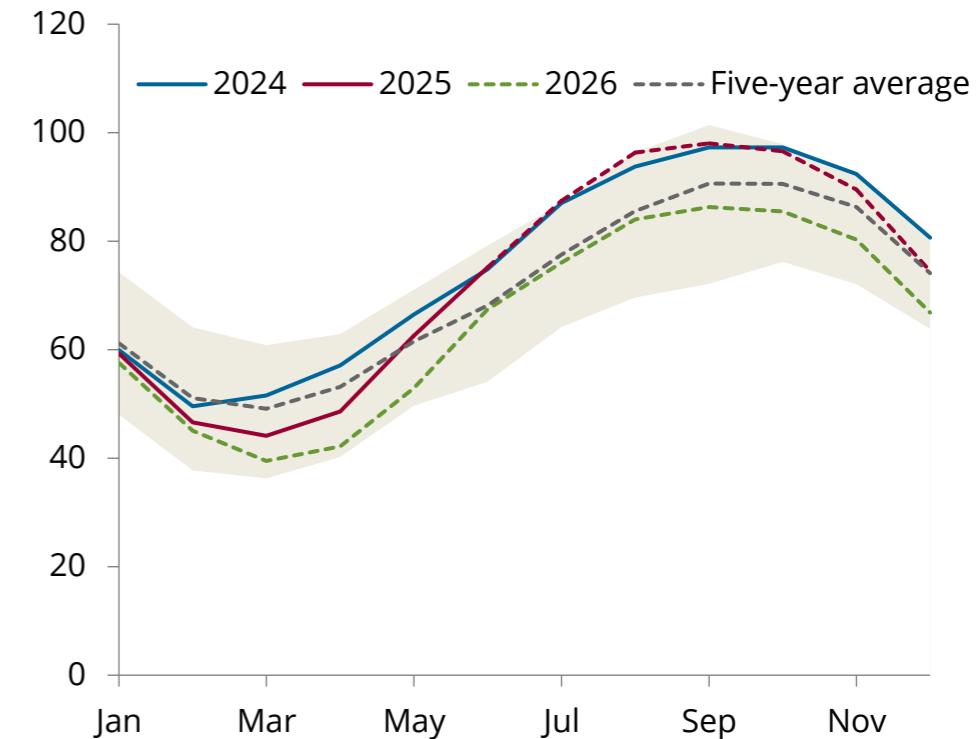


We expect US LPG exports to pick up in September amid early signs of improving US-Asia spot arbs. Chinese tariffs on US LPG will direct US volumes to Japan and South Korea.

Source: EIA, Energy Aspects

## US propane stocks

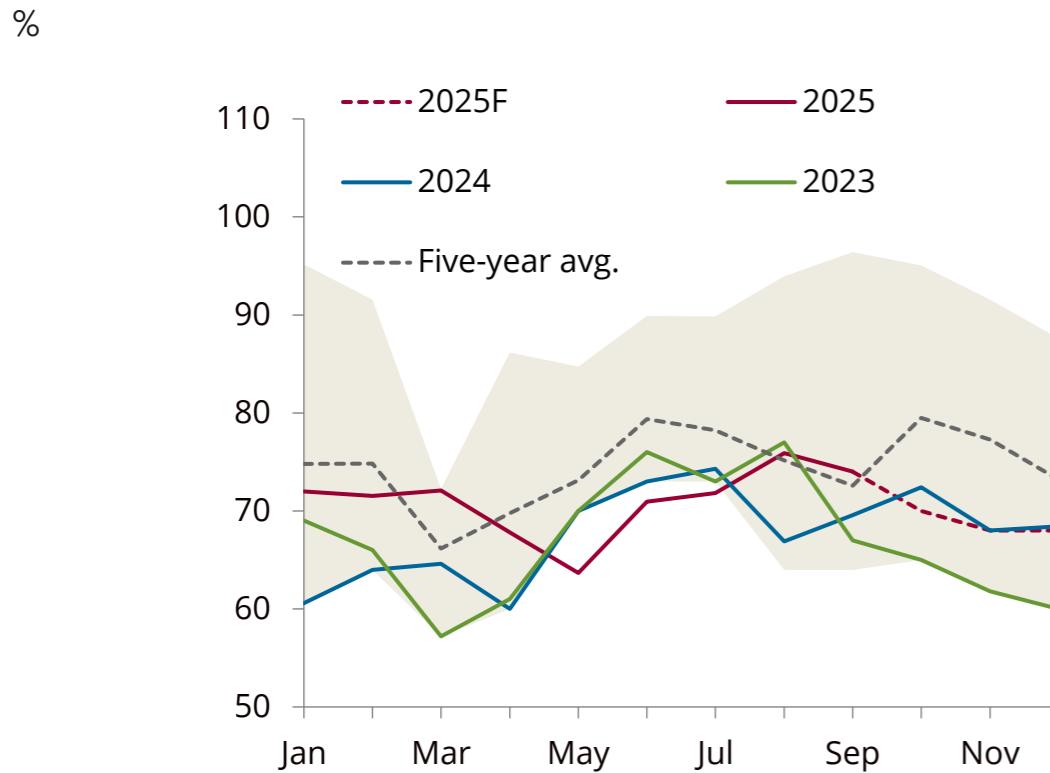
mb



US propane stocks will likely peak in September at 98 mb as US LPG exports rise in Q4 25.

# Lower y/y feedstock prices to sustain high Chinese PDH utilisation in September

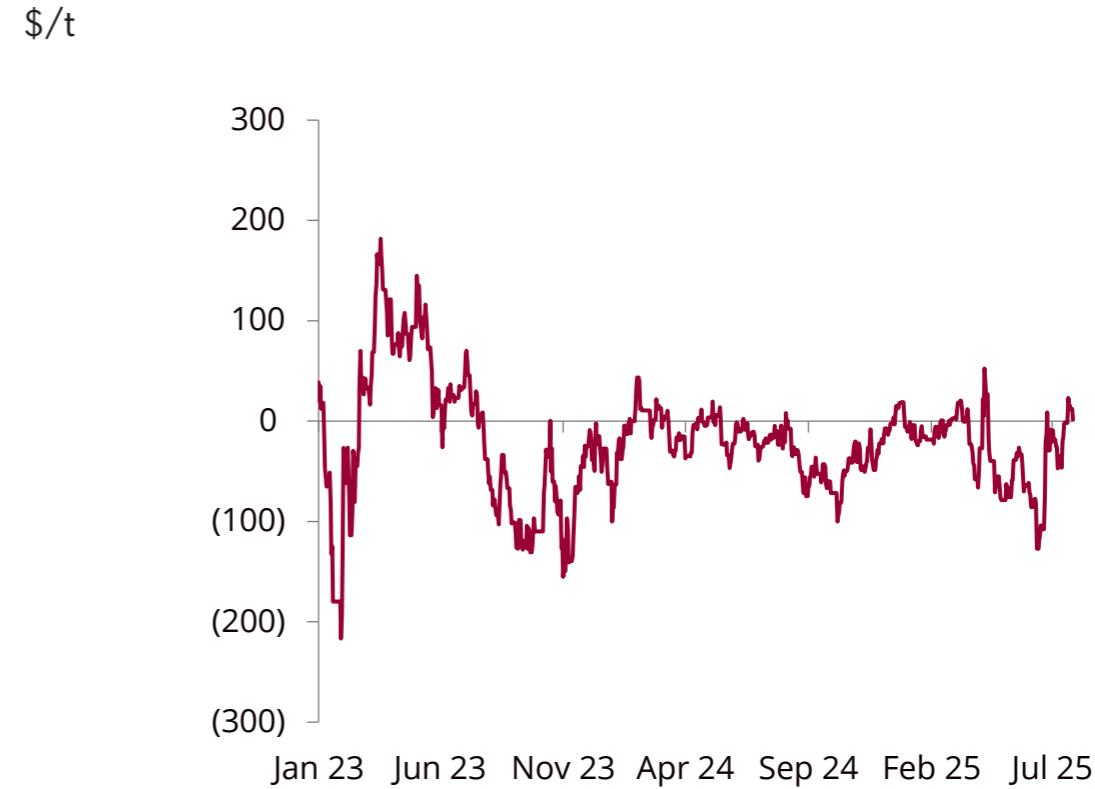
Chinese PDH utilisation rate



We project PDH utilisation will average 74% in September (+4 ppts from our previous forecast), as y/y lower feedstock prices currently support Chinese standalone PDH margins.

Source: Argus Media Group, Oilchem, Energy Aspects

China daily standalone PDH margin

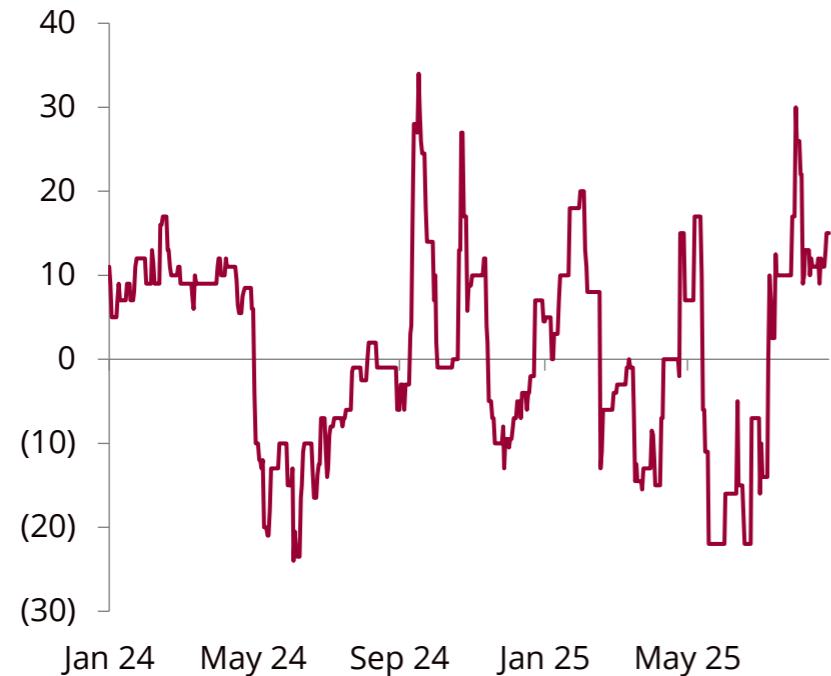


Chinese standalone PDH margins remain above the breakeven level, and we expect them to stay strong y/y for the rest of Q3 25.

# Asian butane–propane spread to continue diverging into Q4 25 due to ongoing tariffs

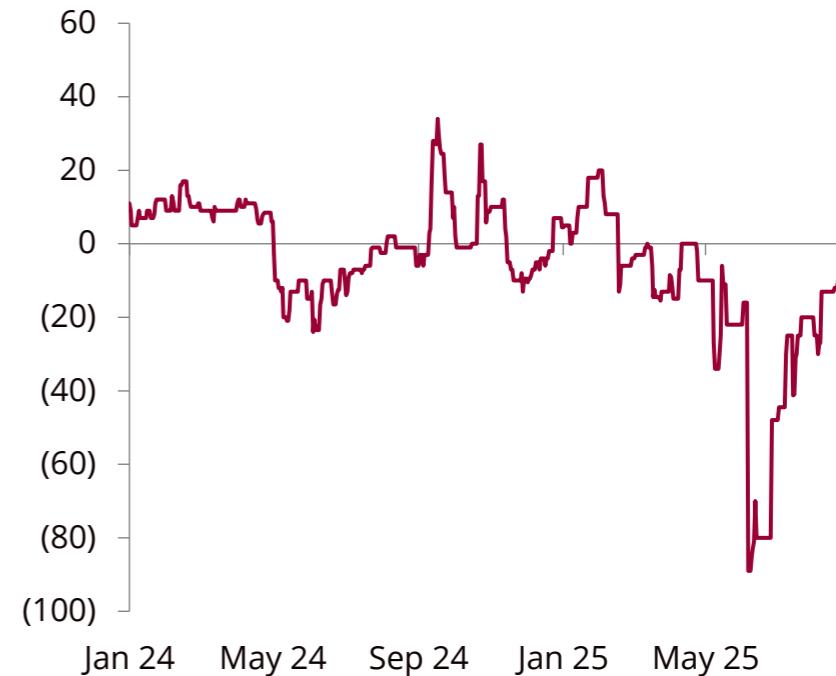
AFEI butane–propane physical spread

\$/t



ANI butane–propane physical spread

\$/t



We expect the AFEI butane–propane physical spread to remain strong in Q4 25, driven by increased butane demand from Asian countries (ex-China) for res-com sectors.

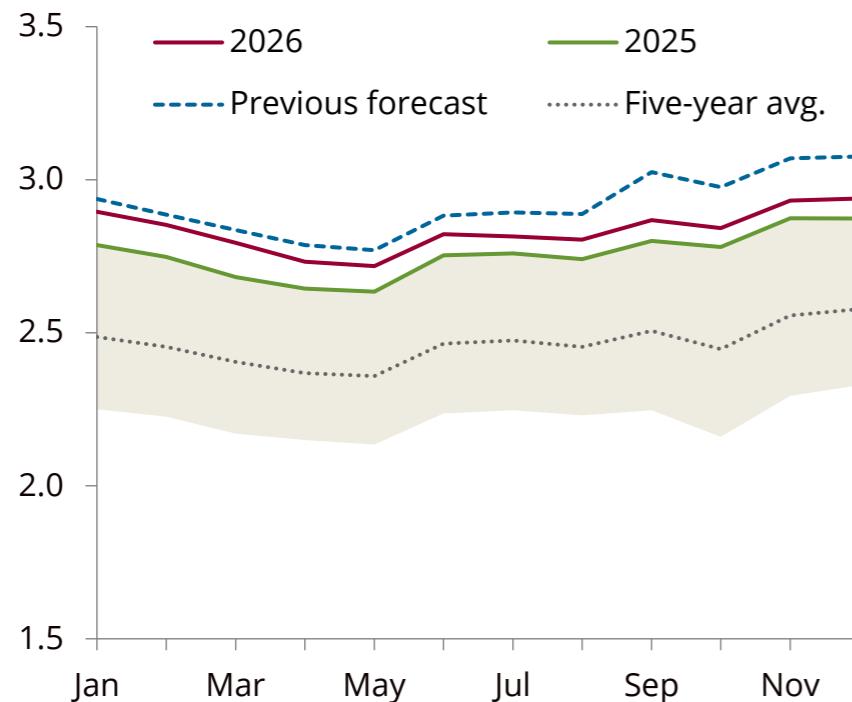
Source: Argus Media Group, Energy Aspects

We anticipate Chinese propane prices to outperform butane through most of Q4 25, as the 10% tariff on US cargoes encourages China to purchase pricier Middle East propane.

# Lower Middle East LPG production forecast for bal-2025, but remains higher y/y

## Middle East LPG production forecast

mb/d

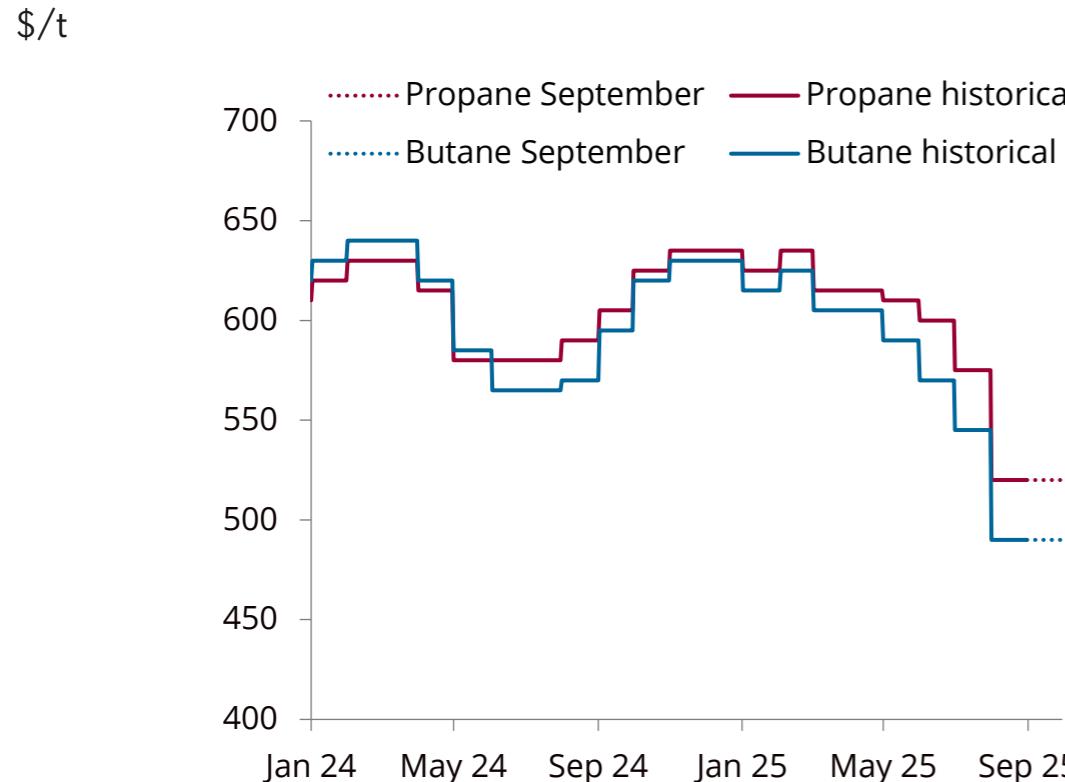


- We have lowered our Middle Eastern LPG production forecast for bal-2025 by around 50 kb/d, primarily on lower historical Qatari LPG production data and a downward revision to Saudi LPG production expectations. This is due to a slower-than-expected ramp-up in future phases of the Jufairah unconventional gas field development.
- LPG production in Q1 26 will grow by about 0.1 mb/d y/y, which is primarily due to the OPEC8+ unwinds taking effect from Q2 25, so the y/y increase will temper later in 2026.
- Despite the downward revision, we still expect overall regional LPG production to rise by 0.11 mb/d y/y in Q4 25, off the back of repeated unwinds to voluntary crude oil production cuts through 2025, which results in some higher LPG production through associated gas NGLs production.
- The last unwind, totalling 0.55 mb/d of crude oil production cut unwinds in September, will result in around 35 kb/d of additional LPG supply, which will need to clear onto the water due to limited domestic LPG demand regionally. Since April, an additional 0.1 mb/d of LPG has been exported from Middle Eastern OPEC countries.
- We expect most of this to clear to Asian markets, with increasing demand for evenly-split propane–butane cargoes in China amid rising MTBE production.

Source: Energy Aspects

# Aramco LPG contract prices to rise slower y/y in Q4 25; forward structure weaker y/y

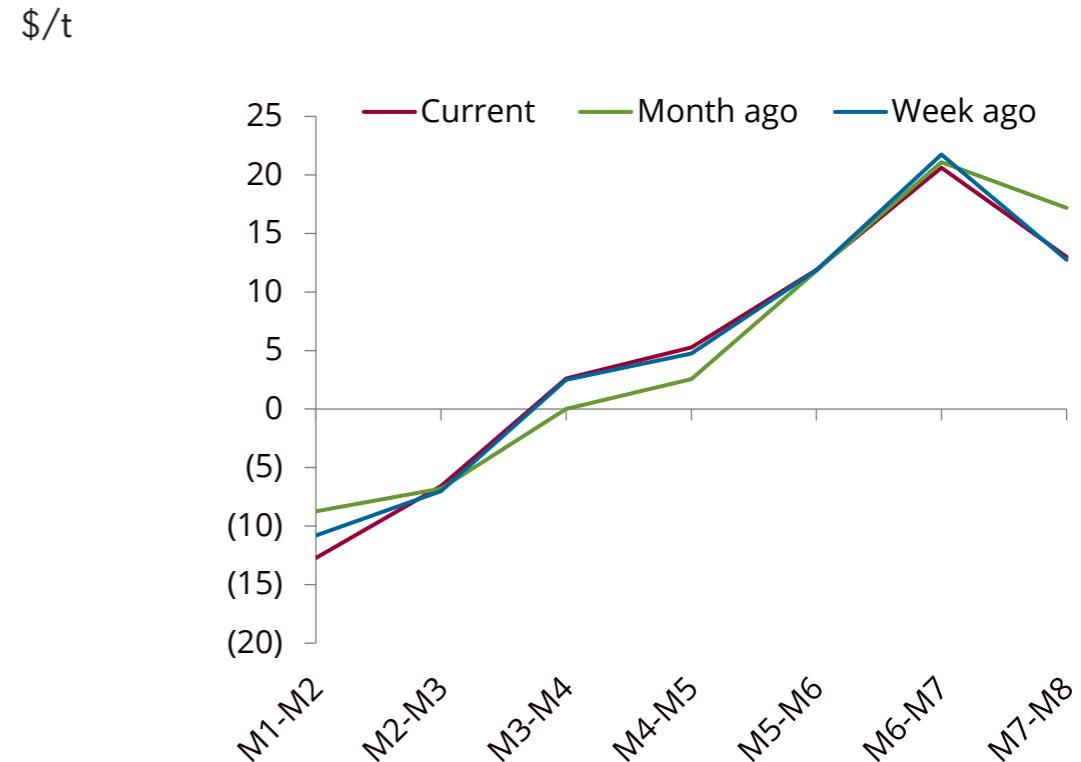
Aramco propane and butane CP prices



Aramco CPs have risen m/m from August every year since 2020. This year bucks the trend as more supply and high freight pressure export prices, which will slow price rises in bal-2025.

Source: CME, Argus Media Group, Energy Aspects

Aramco CP propane forward timespreads

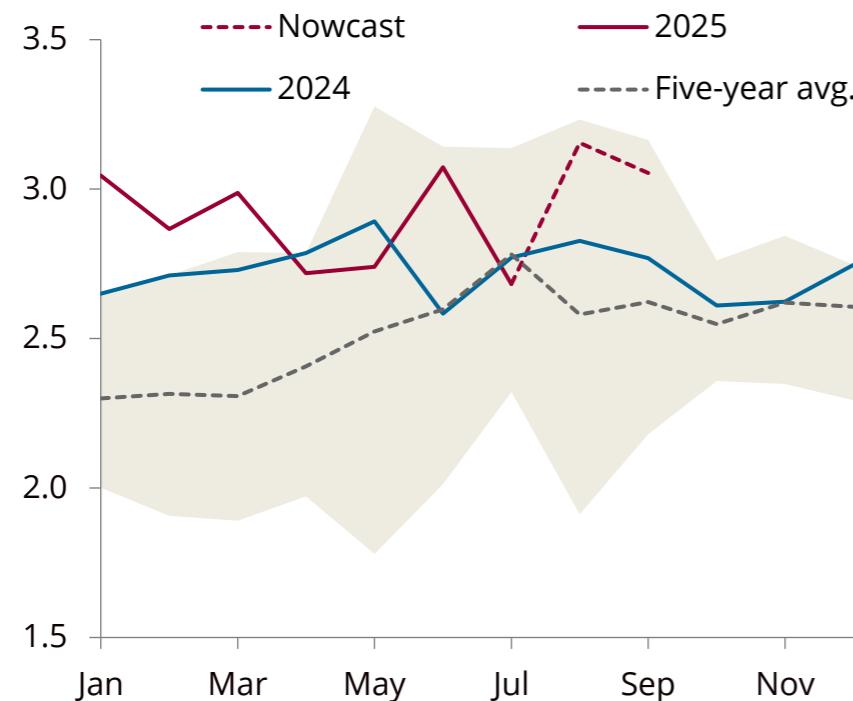


Although spot VLGC freight has eased from multiyear highs, Aramco CP's forward contango has deepened. We flagged this risk and expect weaker structure y/y due to higher y/y supply.

# Middle East Gulf–Japan VLGC freight to remain higher y/y through bal-2025

## Middle East LPG in transit

Mt

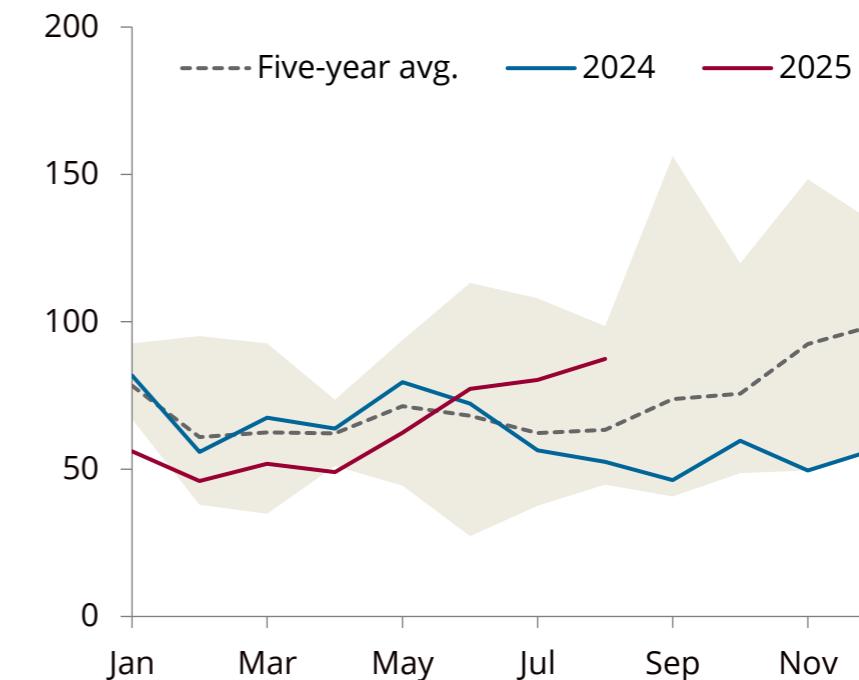


On the back of rising y/y LPG supply, LPG in transit from the Middle East will remain higher y/y through bal-2025. Part of this will be longer voyages to China rather than to India.

Source: CME, Baltic Exchange, OilX, Energy Aspects

## Middle East Gulf–Japan VLGC freight seasonality

\$/t

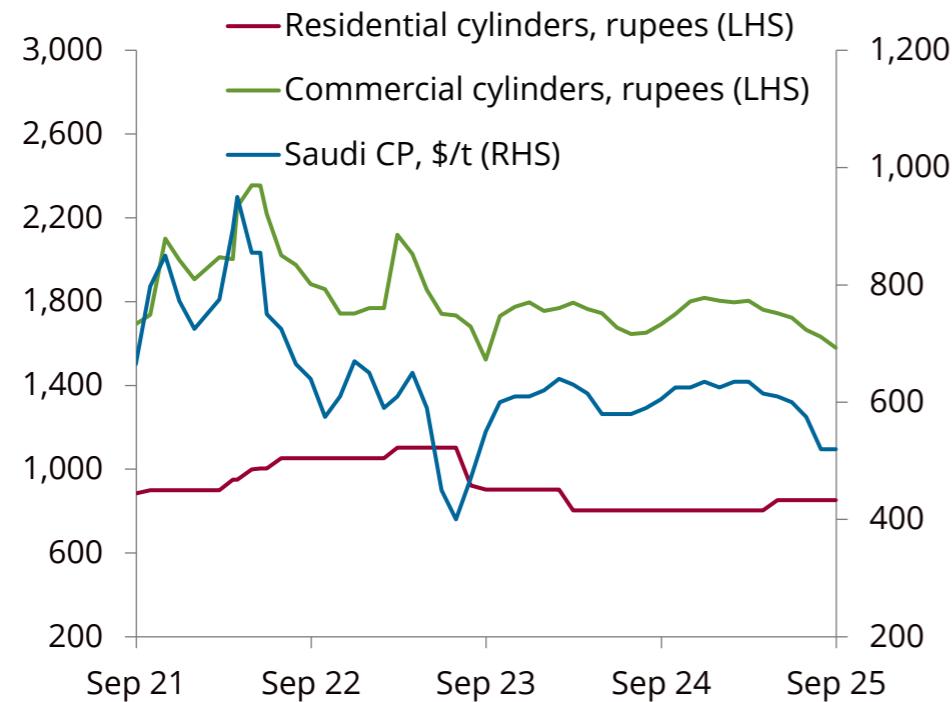


A consequence of both longer voyages and more supply is higher y/y Middle East–Asia VLGC freight rates likely into 2026. We previously flagged limited new vessel supply until Q4 26.

# Indian commercial LPG cylinder prices unlikely to fall further, but will remain lower y/y

## Aramco LPG CP, Indian LPG cylinder prices

\$/t; rupees



While Indian LPG prices are unlikely to fall further as Aramco CP prices gradually rise, they should remain lower y/y, helping to keep Indian LPG demand higher y/y in Q4 25.

Source: CME, Argus Media Group, PPAC, Energy Aspects

## Indian LPG supply and demand forecasts

mb/d

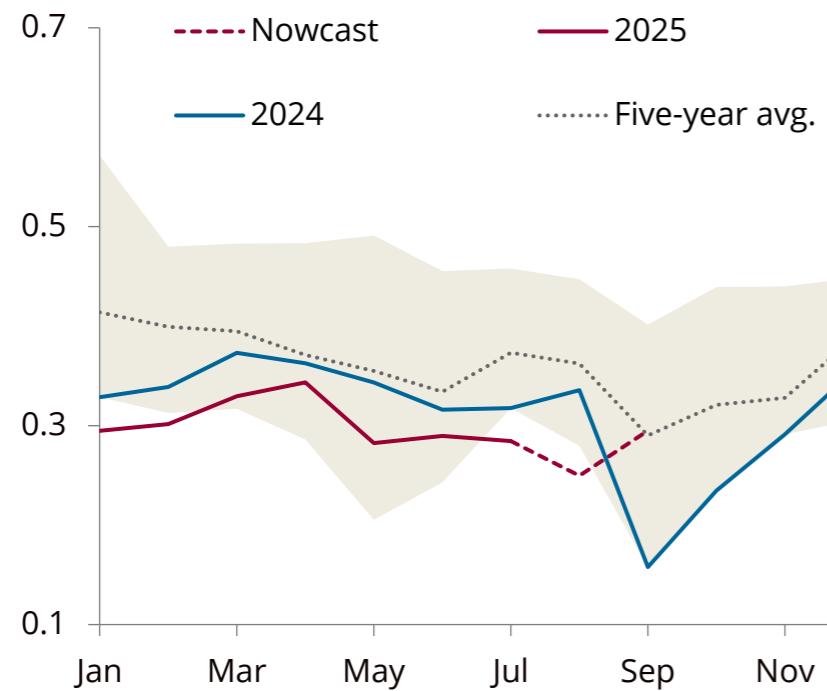
	Q1 25	Q2 25	Q3 25	Q4 25
<b>Demand</b>				
y/y chg.	40	80	42	40
m/m adj.	0	3	2	0
<b>Supply</b>	476	476	468	491
y/y chg.	(4)	5	18	21
m/m adj.	(10)	(12)	(8)	(1)
<b>Runs</b>	5,568	5,403	5,312	5,409
y/y chg.	186	18	112	86
m/m adj.	0	28	0	0

Indian LPG balances have tightened primarily on LPG demand, which will need to be imported from the Middle East and increasingly the US. This will buoy inbound VLGC freight rates.

# North Sea LPG exports to rise y/y in September, but will return to lower y/y in Q4 25

## North Sea LPG exports forecast

Mt



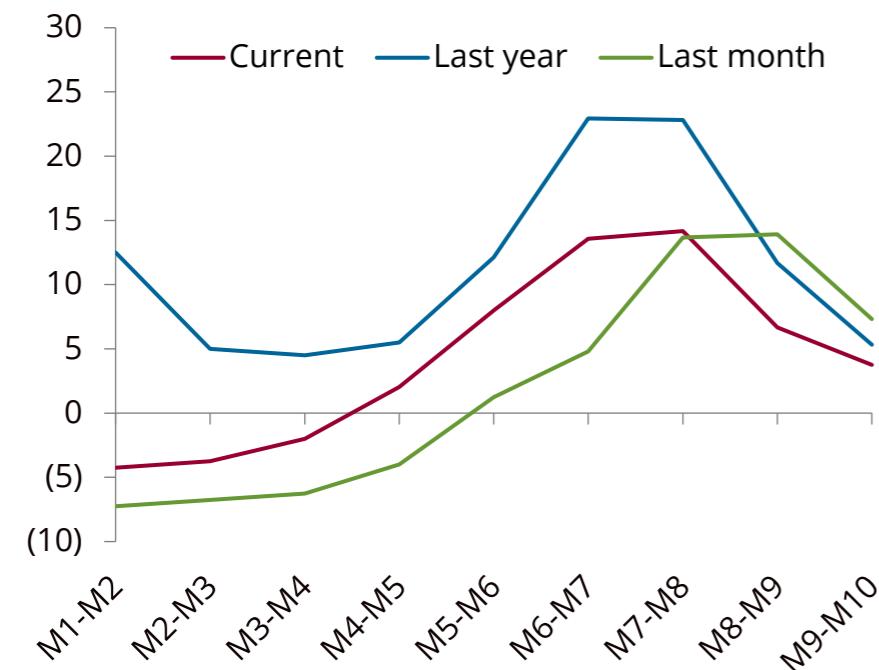
- North Sea LPG exports will rise y/y in September for the first time in 2025, but only due to less extensive upstream maintenance expected in Norway by Gassco in September. While the maintenance will still be major, market soundings indicate it will not be as extensive as September 2024.
- LPG exports were severely impacted by last year's maintenance, which included NGLs production infrastructure as well as field maintenance.
- We still expect LPG exports from North Sea producers to sit lower y/y through the rest of 2025, as overall LPG production is around 33 kb/d lower y/y because of both cuts to upstream production and wider y/y TTF–propane spreads, which incentivise maximum propane reinjection (spiking) to the natural gas stream.
- Our [Europe gas team sees Win-25 TTF prices as undervalued](#) due to the risk to inbound LNG supplies and the storage incentive at current prices, so maximum propane spiking should continue at least through bal-2025.
- LPG resupply from the US should remain ample, which has been the primary price driver for ARA propane YTD. We expect forward structure to remain weaker y/y with petrochemical demand for propane constrained by bearish sentiment (despite relatively strong steam cracking margins).

Source: OilX, Energy Aspects

# Higher US–NWE LPG flows y/y to keep Q4 25 ARA propane structure weaker y/y

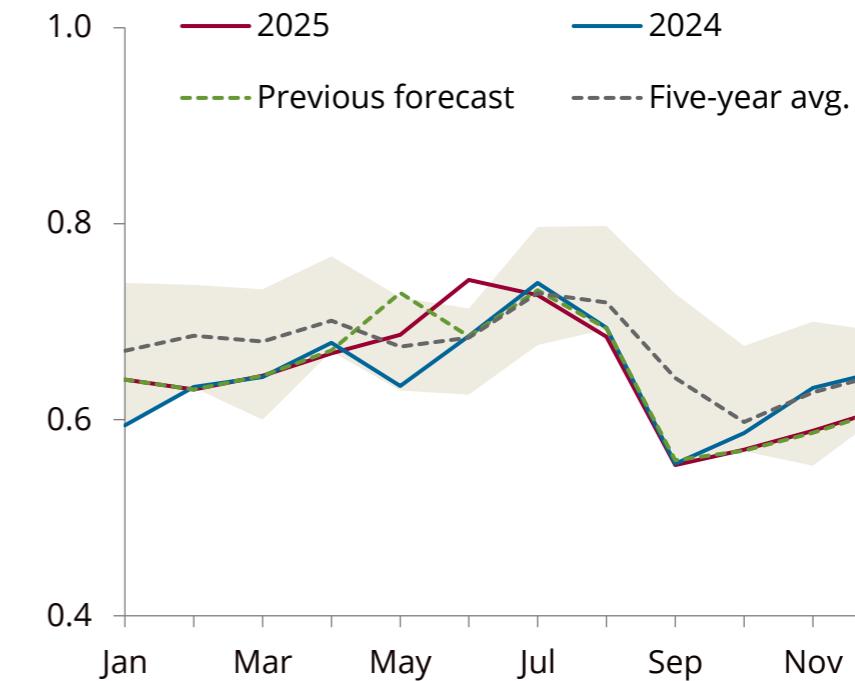
ARA propane timespreads

\$/t



European LPG production forecast

mb/d



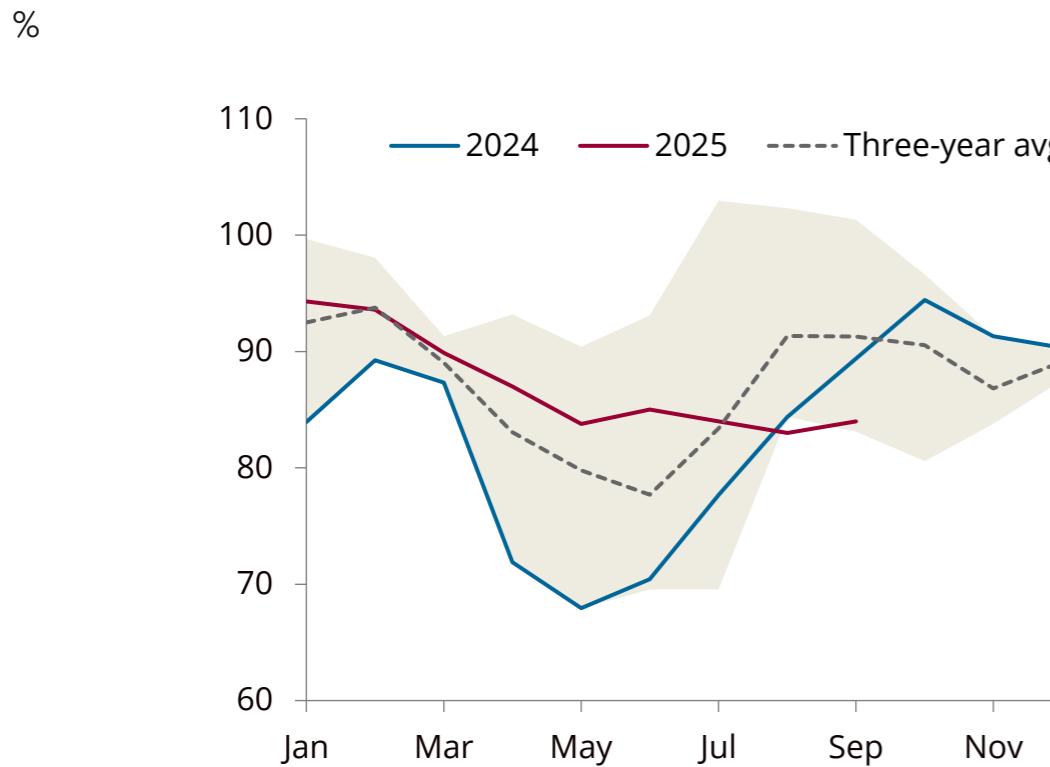
ARA propane forward structure will firm seasonally in Q4 25 but should remain weaker y/y due to a total of 1.5 Mt of extra US LPG landing in Europe in 2025 YTD up to September.

Source: CME, Argus Media Group, Energy Aspects

Our LPG production forecast for September is flat y/y, as upstream maintenance will be similar to 2024, but not as wide-ranging to impact LPG export terminals and therefore flows.

# NWE butane capped as Karsto butane splitter shutdown adds mixed butane supply

## Spot butane factor to NWE naphtha seasonality



- Northwest European and Mediterranean butane markets will remain tighter y/y through Q4 25. North Sea LPG production will remain lower y/y, which won't be an issue for propane due to plentiful US resupply, but less US-origin butane clearing into Northwest Europe will tighten regional butane supply. More US butane is clearing to Asian shorts y/y, in both 100% butane cargoes and as evenly split butane–propane cargoes destined for India.
- We had expected this to keep butane prices versus naphtha higher y/y through summer (which played out) and early winter, but sources have indicated Karsto's butane splitter currently offline may not resume operations ahead of its planned permanent shutdown in January 2026.
- North Sea butane supply will therefore shift to more mixed butane and less isobutane and n-butane if Karsto's butane splitter stops operating. This extra mixed butane could dampen potential winter upside in pricing if additional mixed butane supply clears into regional benchmark markets, as supply is higher in Northwest Europe than for n-butane.
- Mixed butane also generally sells at lower values than n-butane. The latter is favoured by propellant manufacturers and as petrochemical feedstock, as isobutane content in mixed butane reduces the efficiency of the steam cracking process.

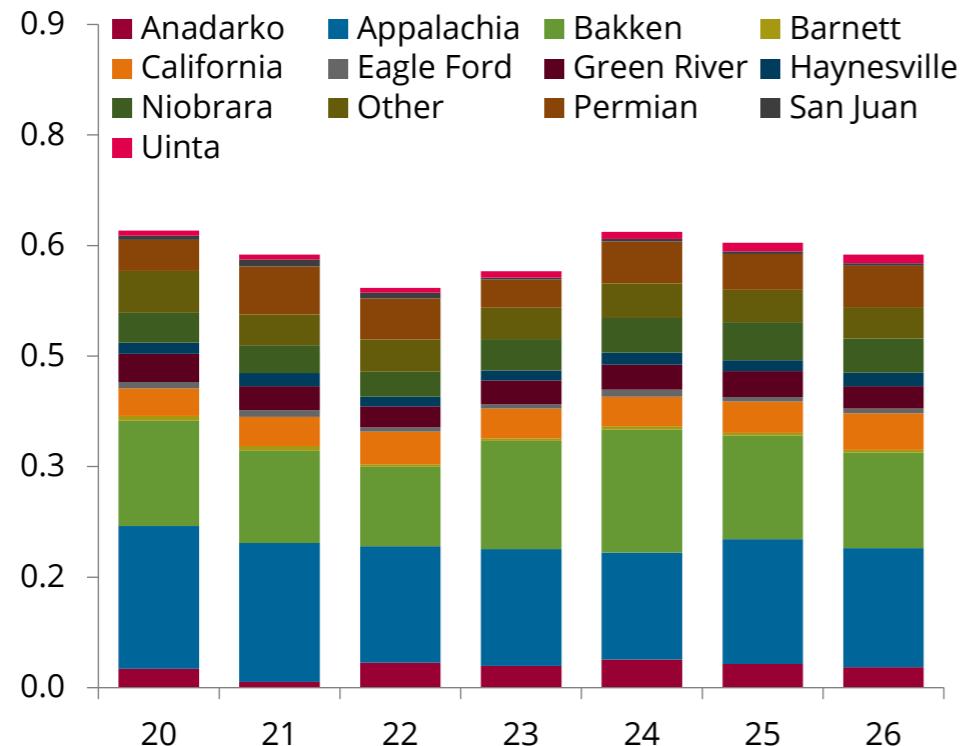
Source: Argus Media Group, CME, Energy Aspects

## Global ethane outlook

# Ethane premiums to gas must rise to incentivise ethane recovery further afield

## US ethane rejection by basin

mb/d

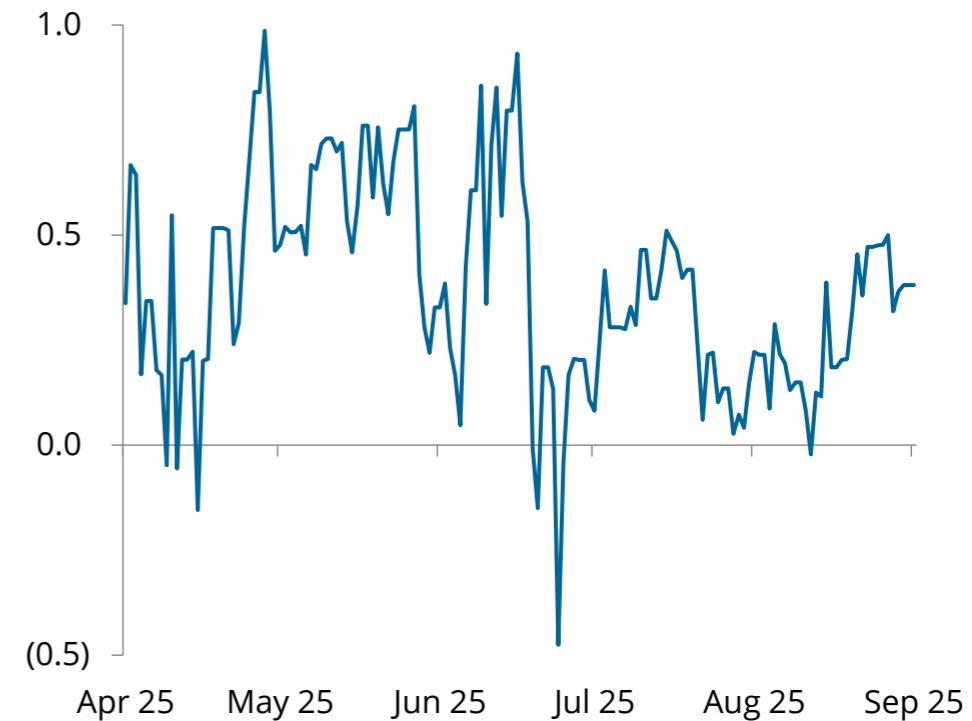


Larger tranches of marginal ethane recovery are available in the Bakken basin, followed by Appalachia, at progressively higher ethane premiums to natural gas.

Source: Argus Media Group, Bloomberg, EIA, Energy Aspects

## Mont Belvieu ethane frac spread

\$/MMBtu

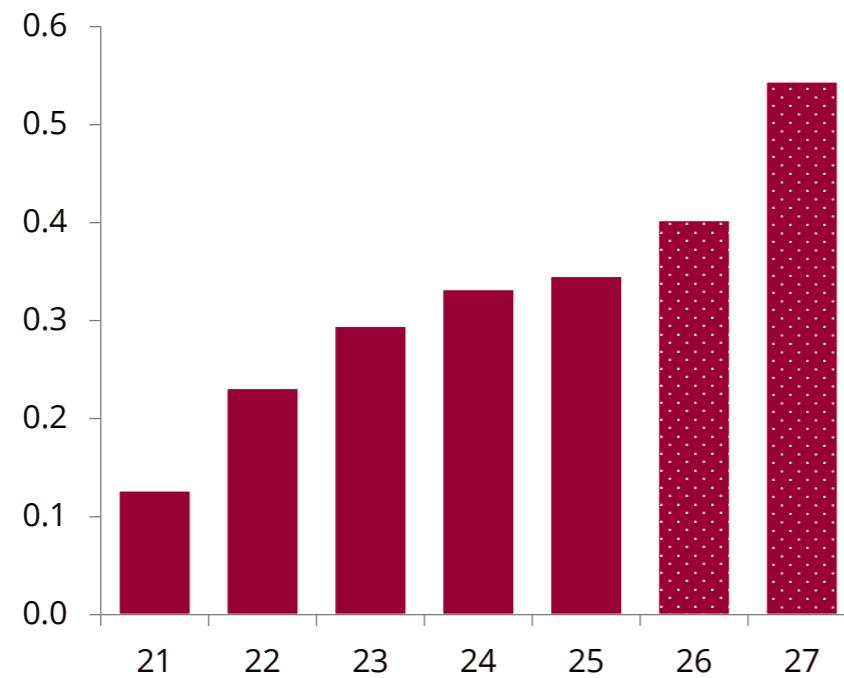


We expect Bakken ethane recovery to pick up once the Mont Belvieu ethane–Henry Hub spread consistently exceeds \$0.50/MMBtu.

# Ethane demand growth in China, US will need higher ethane prices to increase supply

**Chinese ethane demand**

mb/d

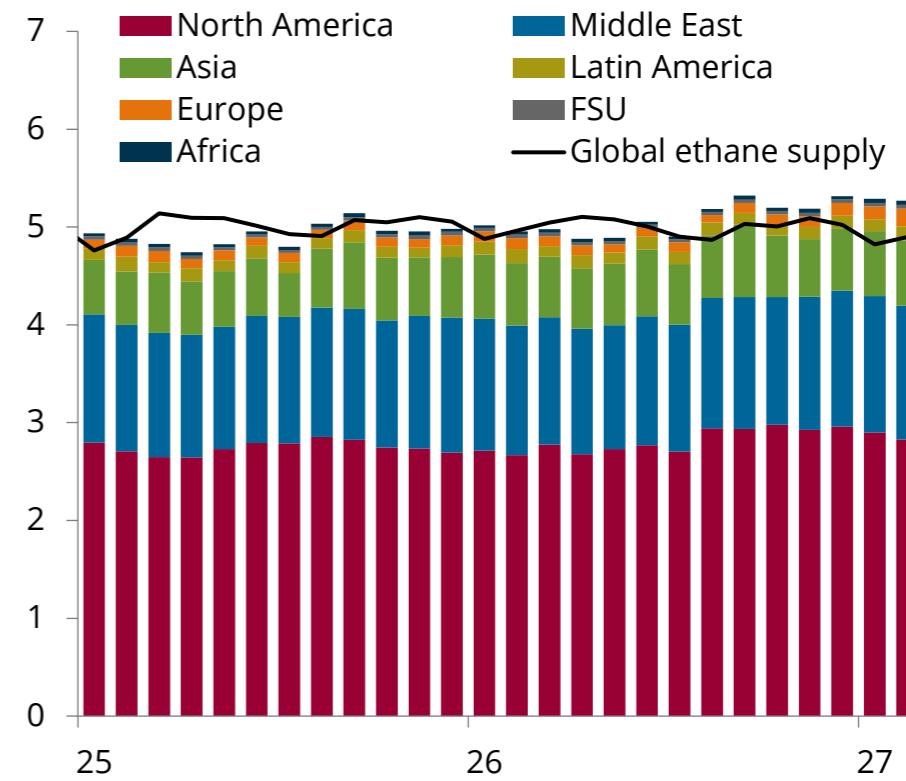


Ethane demand in China will grow by 15 kb/d in H2 25 versus H1 25, and will expand further over 2026-27, as more crackers are attracted by ethane economics despite geopolitics risks.

Source: China Customs, OilX, Energy Aspects

**Global ethane supply/demand balance**

mb/d



Global ethane markets will need an incremental 0.1 mb/d of more supply once the Golden Triangle cracker starts up on the USGC in mid-2026.

## Regional balances



# US NGLs balances – Lower US production tightens H2 25 balances

	<b>Q1 '25</b>	<b>Q2 '25</b>	<b>Q3 '25</b>	<b>Q4 '25</b>	<b>Q1 '26</b>	<b>Q2 '26</b>	<b>Q3 '26</b>	<b>Q4 '26</b>
<b>United States</b>	<b>2,902</b>	<b>4,318</b>	<b>3,730</b>	<b>3,020</b>	<b>2,911</b>	<b>4,042</b>	<b>3,582</b>	<b>2,880</b>
Demand	3,819	3,285	3,460	3,638	3,735	3,284	3,477	3,850
Supply	6,721	7,604	7,191	6,658	6,646	7,326	7,059	6,730
<b>Ethane</b>	<b>482</b>	<b>695</b>	<b>392</b>	<b>554</b>	<b>429</b>	<b>587</b>	<b>305</b>	<b>356</b>
Demand	2,394	2,406	2,507	2,381	2,394	2,407	2,543	2,610
Supply	2,877	3,101	2,899	2,935	2,823	2,993	2,848	2,965
<b>Propane</b>	<b>1,260</b>	<b>1,992</b>	<b>1,996</b>	<b>1,538</b>	<b>1,364</b>	<b>1,952</b>	<b>1,972</b>	<b>1,581</b>
Demand	1,205	573	574	924	1,084	549	559	896
Supply	2,466	2,565	2,570	2,462	2,448	2,501	2,531	2,476
<b>Normal Butane</b>	<b>589</b>	<b>929</b>	<b>787</b>	<b>365</b>	<b>559</b>	<b>881</b>	<b>765</b>	<b>350</b>
Demand	19	83	142	110	50	106	148	126
Supply	609	1,012	928	475	609	986	913	476
<b>Isobutane</b>	<b>259</b>	<b>223</b>	<b>262</b>	<b>256</b>	<b>277</b>	<b>248</b>	<b>268</b>	<b>264</b>
Demand	200	224	237	223	207	223	226	219
Supply	459	447	499	479	484	471	495	483
<b>Natural Gasoline</b>	<b>311</b>	<b>480</b>	<b>294</b>	<b>306</b>	<b>281</b>	<b>375</b>	<b>272</b>	<b>329</b>
Demand	--	--	--	--	--	--	--	--
Supply	311	480	294	306	281	375	272	329
<b>Total</b>	<b>2,902</b>	<b>4,318</b>	<b>3,730</b>	<b>3,020</b>	<b>2,911</b>	<b>4,042</b>	<b>3,582</b>	<b>2,880</b>
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Supply	6,721	7,604	7,191	6,658	6,646	7,326	7,059	6,730

- June EIA data showed US NGLs production rose by just 12 kb/d m/m to 7.48 mb/d, but it was still higher than the 81 kb/d decline we expected, primarily because US ethane recovery came in much stronger than we had anticipated.
- US LPG production for June matched our forecasts, with propane and normal butane averaging 2.29 mb/d and 0.71 mb/d, respectively. US propane stocks rose by 12.6 mb m/m to 75.2 mb, exceeding our expectations
- We have increased our forecast for 2026 by 19 kb/d to 7.11 mb/d due to growing rich-gas production in the Haynesville and Appalachia basins.
- Total US ethane exports fell by only 71 kb/d m/m in response to US restrictions on China, according to EIA data—nearly half the impact we expected and out of step with the EIA's June 2025 *Short-Term Energy Outlook*.
- Ethane balances tightened m/m on growing ethane cracking margins, driving demand through August but loosening gradually into Q1 26 amid rising ethylene stocks and higher feedstock price as ethane export demand picks up.

Source: Energy Aspects

# Asia LPG balances – Balances looser y/y in Q4 25 due to supply gains

	Q1 '25	Q2 '25	Q3 '25	Q4 '25	Q1 '26	Q2 '26	Q3 '26	Q4 '26
<b>China</b>	(1,147)	(1,008)	(1,210)	(1,172)	(1,191)	(1,289)	(1,237)	(1,067)
Demand	2,785	2,754	2,897	2,789	2,930	2,987	2,974	2,801
Supply	1,638	1,746	1,687	1,617	1,740	1,698	1,737	1,734
<b>India</b>	(573)	(507)	(576)	(578)	(607)	(517)	(603)	(617)
Demand	1,049	982	1,044	1,068	1,086	997	1,079	1,107
Supply	476	476	468	491	479	480	475	490
<b>Japan</b>	(431)	(334)	(292)	(400)	(431)	(313)	(268)	(375)
Demand	515	413	376	481	505	387	341	446
Supply	85	79	85	82	74	74	73	71
<b>Korea</b>	(244)	(257)	(275)	(261)	(271)	(293)	(290)	(270)
Demand	326	337	355	337	344	366	362	342
Supply	81	79	80	76	73	73	72	72
<b>Southeast Asia</b>	(71)	(123)	(119)	(117)	(104)	(157)	(155)	(134)
Demand	523	573	572	567	561	608	609	591
Supply	452	450	453	450	457	452	454	457
<b>Other Asia</b>	(11)	(8)	(16)	(14)	(10)	(8)	(14)	(11)
Demand	225	224	235	236	228	231	235	237
Supply	214	216	220	222	219	223	221	226
<b>Total</b>	(2,476)	(2,237)	(2,487)	(2,542)	(2,614)	(2,576)	(2,568)	(2,474)
Demand	5,422	5,284	5,479	5,479	5,656	5,576	5,601	5,524
Supply	2,945	3,047	2,992	2,937	3,042	3,000	3,033	3,050

- Q4 25 Asian LPG balances are 12 kb/d looser y/y, as supply gains have outweighed demand increases. However, balances are 79 kb/d tighter q/q due to overall Asian LPG demand driven by heating needs.
- Indian LPG demand will be around 40 kb/d higher y/y in Q4 25, supporting Indian LPG imports.
- Chinese LPG demand will tighten by 38 kb/d y/y in Q4 25 due to expansions in both PDH and steam cracker capacities.
- Japanese and Korean LPG demand will remain largely stable y/y in Q4 25 but will tighten q/q due to seasonal heating demand.

Source: Energy Aspects

# Naphtha balances – Asian demand higher y/y, Russian supply lowered

## Global naphtha balances

kt

	Q1 '24	Q2 '24	Q3 '24	Q4 '24	Q1 '25	Q2 '25	Q3 '25	Q4 '25	Q1 '26	Q2 '26
<b>N. America</b>	<b>1,998</b>	<b>2,565</b>	<b>2,029</b>	<b>2,400</b>	<b>1,754</b>	<b>2,315</b>	<b>2,099</b>	<b>1,797</b>	<b>1,741</b>	<b>2,346</b>
Demand	2,570	1,880	2,016	2,454	2,347	2,440	2,190	2,384	2,458	2,160
Supply	4,568	4,446	4,045	4,855	4,101	4,755	4,289	4,181	4,199	4,506
<b>Europe</b>	<b>(975)</b>	<b>(2,281)</b>	<b>(1,013)</b>	<b>(1,380)</b>	<b>(933)</b>	<b>(1,482)</b>	<b>(1,312)</b>	<b>(937)</b>	<b>(768)</b>	<b>(964)</b>
Demand	13,912	13,917	12,983	13,356	14,173	13,519	13,155	12,903	13,506	12,880
Supply	12,937	11,636	11,970	11,976	13,240	12,037	11,843	11,966	12,738	11,917
<b>FSU</b>	<b>4,356</b>	<b>4,552</b>	<b>4,036</b>	<b>4,332</b>	<b>3,968</b>	<b>4,625</b>	<b>3,668</b>	<b>3,499</b>	<b>3,947</b>	<b>4,318</b>
Demand	1,429	1,418	1,464	1,448	1,432	1,428	1,485	1,471	1,431	1,423
Supply	5,785	5,970	5,500	5,780	5,400	6,053	5,153	4,971	5,377	5,741
<b>M. East</b>	<b>6,701</b>	<b>6,119</b>	<b>6,373</b>	<b>6,449</b>	<b>6,124</b>	<b>6,143</b>	<b>6,570</b>	<b>6,520</b>	<b>6,192</b>	<b>6,140</b>
Demand	4,420	5,129	5,133	4,753	4,943	5,001	4,855	4,491	4,682	5,065
Supply	11,121	11,247	11,506	11,202	11,067	11,145	11,425	11,010	10,874	11,205
<b>Asia-Pac.</b>	<b>(12,039)</b>	<b>(12,324)</b>	<b>(12,994)</b>	<b>(13,074)</b>	<b>(13,108)</b>	<b>(13,895)</b>	<b>(14,895)</b>	<b>(17,269)</b>	<b>(15,645)</b>	<b>(17,060)</b>
Demand	54,589	52,878	54,596	55,526	54,014	54,201	56,465	58,883	57,389	58,340
Supply	42,550	40,553	41,602	42,453	40,906	40,306	41,570	41,614	41,744	41,280
<b>China</b>	<b>(3,024)</b>	<b>(3,277)</b>	<b>(3,860)</b>	<b>(2,765)</b>	<b>(3,433)</b>	<b>(4,596)</b>	<b>(4,609)</b>	<b>(5,700)</b>	<b>(4,703)</b>	<b>(6,087)</b>
Demand	23,205	22,354	23,932	23,814	23,318	23,986	24,717	25,932	24,750	26,204
Supply	20,181	19,077	20,072	21,049	19,886	19,390	20,109	20,232	20,047	20,117
<b>Global</b>	<b>1,623</b>	<b>278</b>	<b>465</b>	<b>1,281</b>	<b>(833)</b>	<b>(1,302)</b>	<b>(2,297)</b>	<b>(4,339)</b>	<b>(3,081)</b>	<b>(3,947)</b>
Demand	80,140	78,512	79,283	80,295	80,060	80,046	81,433	83,002	82,651	83,242
Supply	81,762	78,790	79,749	81,577	79,228	78,744	79,136	78,663	79,570	79,296

- Global naphtha market length is expected to drop by 5.6 Mt y/y in Q4 25 as Asian demand drives demand growth.
- Global supply will be down by 2.9 Mt y/y and demand up 2.7 Mt y/y in Q4 25.
- Q4 25 Asian demand will grow by 3.4 Mt y/y on new steam cracking capacity, much of which is in China.
- European demand is expected to fall by 0.5 Mt y/y in Q4 25 on steam cracker closures through the year.
- Middle Eastern supply will be down by 0.4 Mt q/q in Q4 25 on greater refinery maintenance in Saudi Arabia.
- Russian supply has been revised down by 1 Mt in Q4 25, down 0.8 Mt y/y on the back of drone attacks on Ust-Luga and other oil infrastructure.

Source: Energy Aspects

# Price forecasts

## Energy Aspects LPG/NGLs price actuals vs forecast (2024-27)

		Mont Belvieu				ARA		Saudi CP		AEI	
		Ethane (¢/USg)	Propane (¢/USg)	Propane (\$/t)	Butane (¢/USg)	Propane (\$/t)	Butane (\$/t)	Propane (\$/t)	Butane (\$/t)	Propane (\$/t)	Butane (\$/t)
<b>2024</b>	<b>forecast</b>	<b>19</b>	<b>78</b>	<b>405</b>	<b>96</b>	<b>545</b>	<b>541</b>	<b>600</b>	<b>597</b>	<b>633</b>	<b>630</b>
1st quarter	actual	20	83	432	102	527	585	627	637	611	621
2nd quarter	actual	19	75	391	89	517	470	592	591	621	615
3rd quarter	actual	16	74	386	96	584	542	580	565	655	642
4th quarter	actual	21	79	410	96	550	568	601	595	646	643
<b>2025</b>	<b>forecast</b>	<b>27</b>	<b>75</b>	<b>391</b>	<b>91</b>	<b>483</b>	<b>495</b>	<b>519</b>	<b>516</b>	<b>548</b>	<b>547</b>
1st quarter	actual	20	91	475	109	562	579	608	605	623	623
2nd quarter	forecast	26	70	364	83	441	451	470	468	497	493
3rd quarter	forecast	31	74	384	88	473	473	499	497	536	538
4th quarter	forecast	30	66	341	83	457	475	499	494	537	534
<b>2026</b>	<b>forecast</b>	<b>33</b>	<b>72</b>	<b>376</b>	<b>88</b>	<b>467</b>	<b>478</b>	<b>501</b>	<b>498</b>	<b>531</b>	<b>529</b>
1st quarter	forecast	37	74	385	91	456	473	493	490	505	506
2nd quarter	forecast	30	67	348	80	421	430	449	446	475	471
3rd quarter	forecast	35	75	390	89	480	480	506	504	544	545
4th quarter	forecast	32	73	381	91	510	528	557	552	599	596
<b>2027</b>	<b>forecast</b>	<b>33</b>	<b>76</b>	<b>394</b>	<b>91</b>	<b>489</b>	<b>500</b>	<b>525</b>	<b>522</b>	<b>556</b>	<b>555</b>

Source: Argus Media Group , LSEG, Energy Aspects



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