

A blue-tinted background image showing laboratory equipment, including test tubes, a graduated cylinder, and a microscope. The text 'CHEMICALS MONTHLY UPDATE' is overlaid in white.

CHEMICALS MONTHLY UPDATE

July 2025

Navigating subdued trends amid global uncertainty

In July, the chemical sector experienced pricing pressure due to elevated global tariffs, including stricter US Section 301 duties on Chinese imports, which disrupted trade and inflated input costs. Weak demand in the West, slowing growth in China, and regulatory actions in the EU and India further added to uncertainty, driving supply chain shifts and weighing on overall price stability. Despite near-term challenges, India's chemical industry stands to gain export share in value-added chemical segments due to lower comparative tariff burdens. The government is actively reviewing the impact and exploring policy responses. Meanwhile, specialty chemical players are expected to remain steady, backed by healthy domestic demand and structural benefit through PLI schemes. As we advance, the global trade environment remains highly dynamic, with the US tariff outlook remaining uncertain, and potential 50% hikes are expected to start in August 2025 if a trade agreement with India is not reached. This uncertainty has heightened volatility in cross-border chemical flows, forcing companies to reassess sourcing and pricing strategies. However, the recently signed UK-India FTA and ongoing EU trade negotiations enhance India's long-term export prospects, particularly in European markets. On the earnings front, Indian chemical companies delivered a mixed performance in Q1FY26, while margin stress remains in commodity-linked players. The sector shows early signs of recovery, supported by operational efficiency and export-driven opportunities in specialty segments. Overall, the sector continues to navigate global uncertainties and pricing pressures, but improving demand visibility, cost discipline, and a gradual revival in exports signal a potential turnaround, particularly for value-added and specialty-focused players in the coming quarters.

The pricing environment in the current month generally persists, although select categories have shown resilience. Refrigerant pricing remains steady, despite domestic softness, which has been partly offset by exports, benefiting companies such as SRF and NFIL. On the other hand, Methanol prices spiked substantially, while Ethanol and Acetone prices saw a steep decline. Palm oil prices remained elevated, led by favorable pricing and deeper downstream integration into high-value product categories. Isopropyl Alcohol and Benzene witnessed price corrections of 1% MoM each, while Aniline and Ethyl Acetate registered a decline of 2% MoM and 1% MoM, respectively. Phenol and Bromine prices remain flat during the month. Among industrial chemicals, Heavy soda ash pricing is expected to remain subdued, weighed down by persistent global oversupply, muted Chinese demand, and competitive import pressures in the Indian market.

The chemicals sector is expected to witness optimism driven by capex incurred and potentially better pricing in H2FY26. Strong support from the government, in the form of safeguard duties and initiatives such as PLI and Make in India, is also expected to seed growth in the sector. On the whole, Indian chemical companies' long-term growth prospects in the speciality chemicals sector are expected to be driven by massive revenue opportunities from the perspective of import substitution and a potential rise in exports to global customers. Companies such as Aarti Industries, Acutaas Chemicals, GHCL, Laxmi Organics, Navin Fluorine, Neogen Chemicals, SRF, and Vinati Organics are likely to benefit from the demand for value-added chemical products.

Chemicals Monthly Price Update

Chemicals	Domestic Market Price Rs./kg				Chemical Companies
	Apr'25	May'25	Jun'25	Jul'25	
Acetone	77	76	68	61	Deepak Nitrite
Aniline	144	140	127	125	Nocil
Benzene	82	77	79	80	Aarti Industries
Caustic Soda	45	46	50	46	Gujarat Alkalies, DCW, Punjab Alkalies & Chemicals
Ethyl Acetate	78	76	78	77	Jubilant Ingrevia, Laxmi Organics
Fatty Alcohols	150	150	150	150	Galaxy Surfactants
Heavy Soda Ash	41	34	35	36	GHCL, Tata Chemicals
Iso Propyl Alcohol (IPA)	101	92	93	89	Deepak Nitrite
Methanol	28	25	24	27	RCF, NFL, Deepak Fertilizers, GNFC
Phenol	109	104	105	105	Deepak Nitrite Ltd.
Potassium Bromide	275	275	265	265	Archean Chemical
Vinyl Acetate Monomer (VAM)	89	87	78	77	Aarti Industries

Source Indiapetrochem

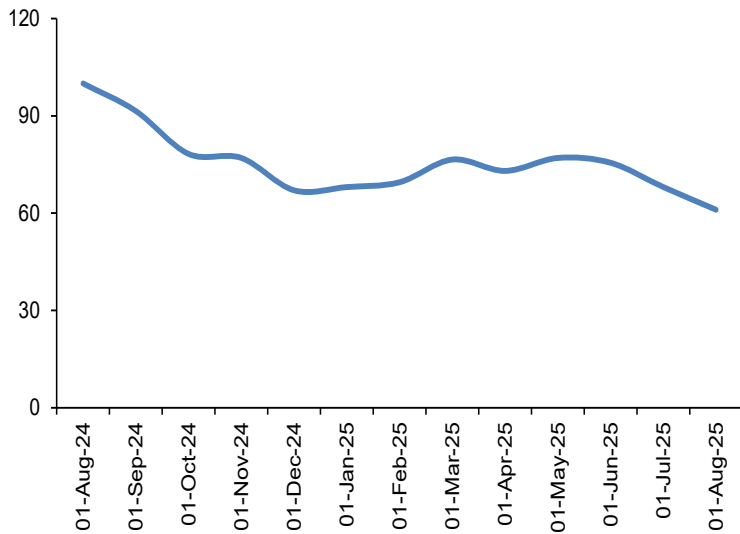
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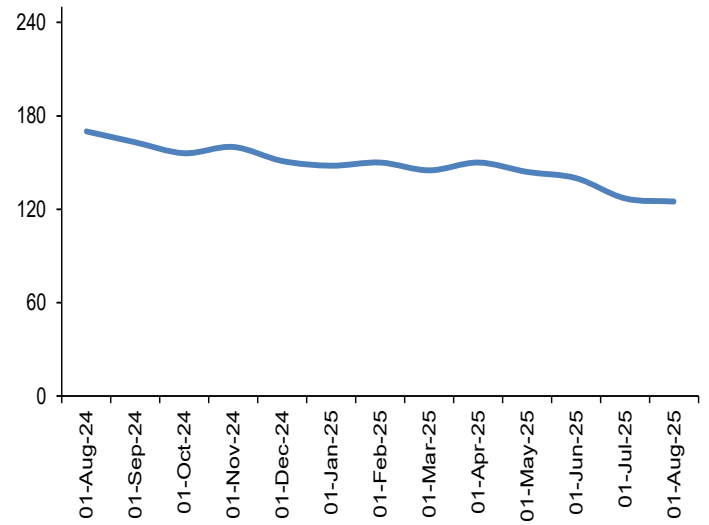
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Chemicals Monthly Update (July 2025)

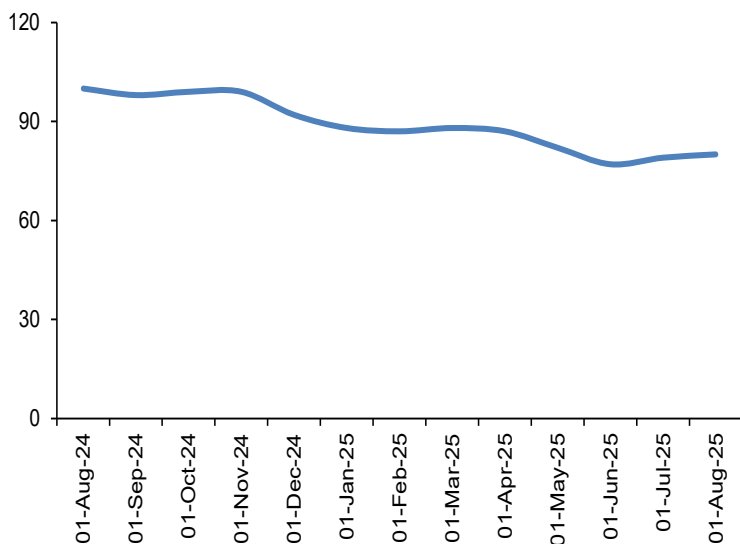
Acetone prices decreased ~10% MoM (Price Rs./Kg)



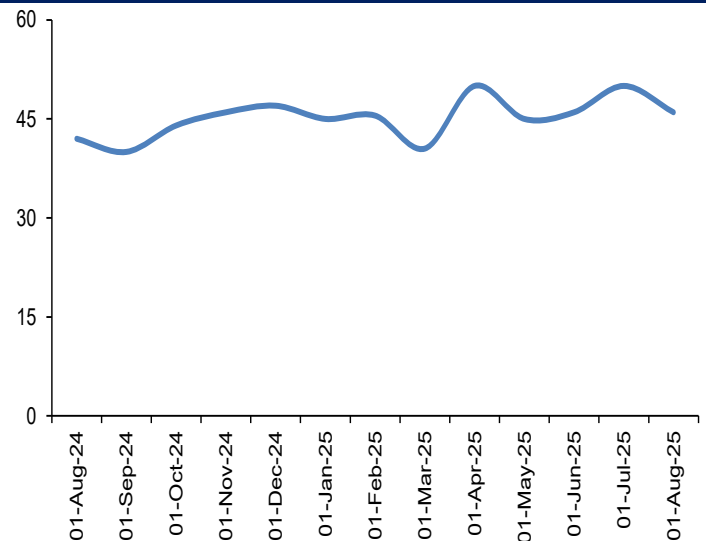
Aniline prices drops ~2% MoM (Price Rs./Kg)



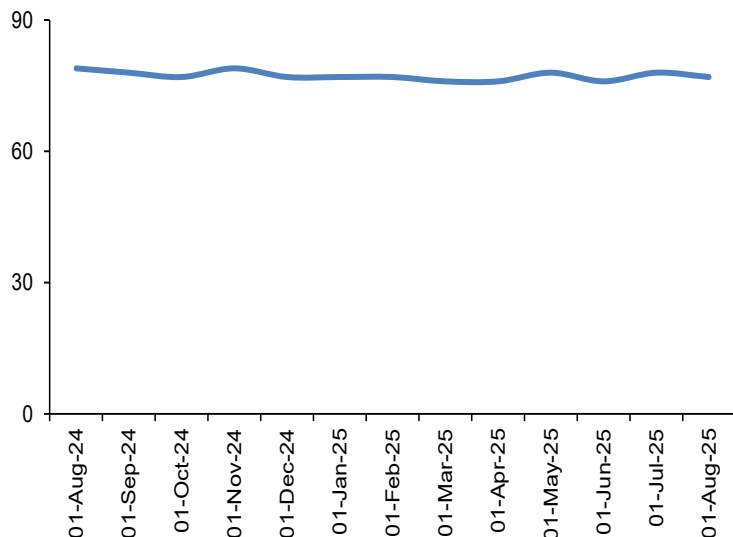
Benzene prices up ~1% MoM (Price Rs./Kg)



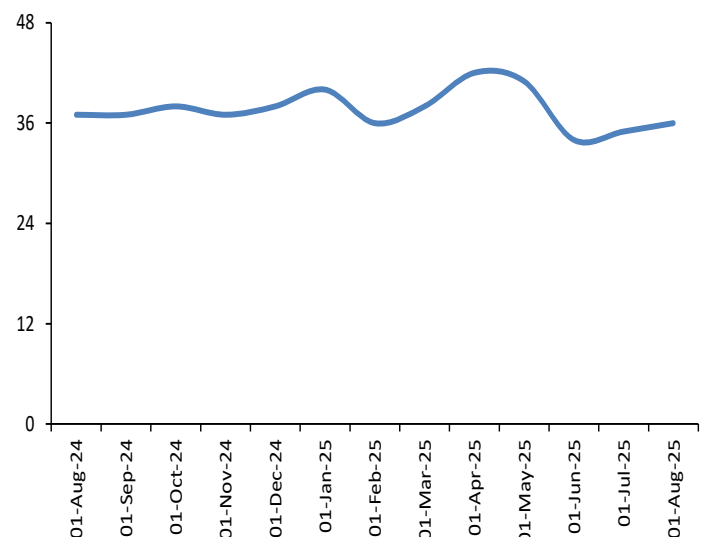
Caustic Soda down ~8% MoM (Price Rs./Kg)



Ethyl Acetate decline marginally MoM (Price Rs./Kg)



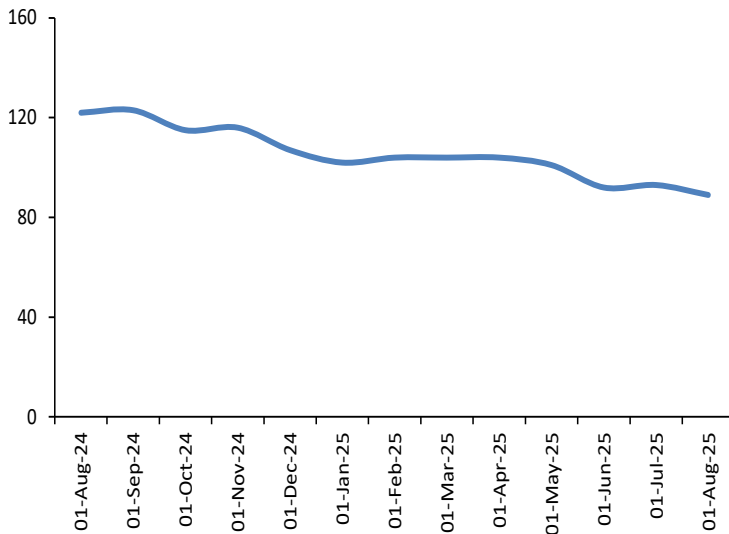
Soda Ash prices increased ~3% MoM (Price Rs./Kg)



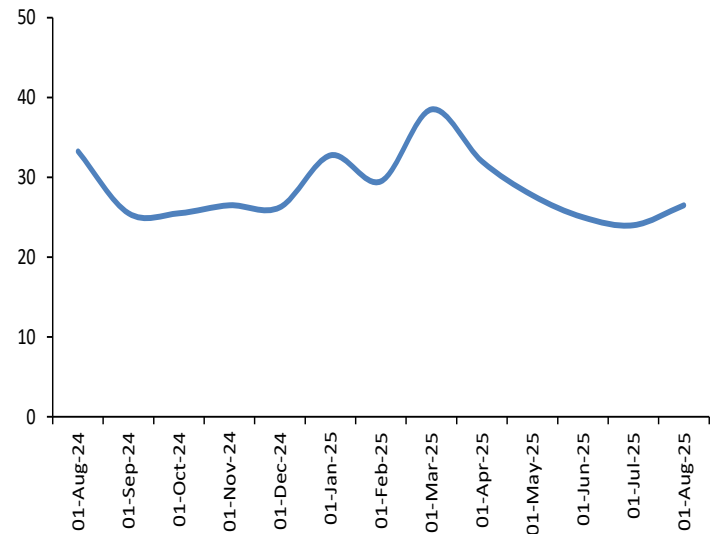
Source : Indiapetrochem

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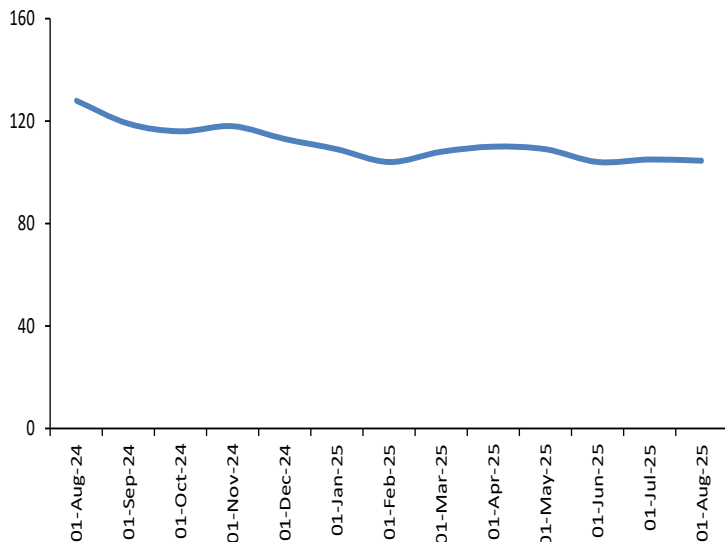
Isopropyl Alcohol prices drop ~4% MoM (Price Rs./Kg)



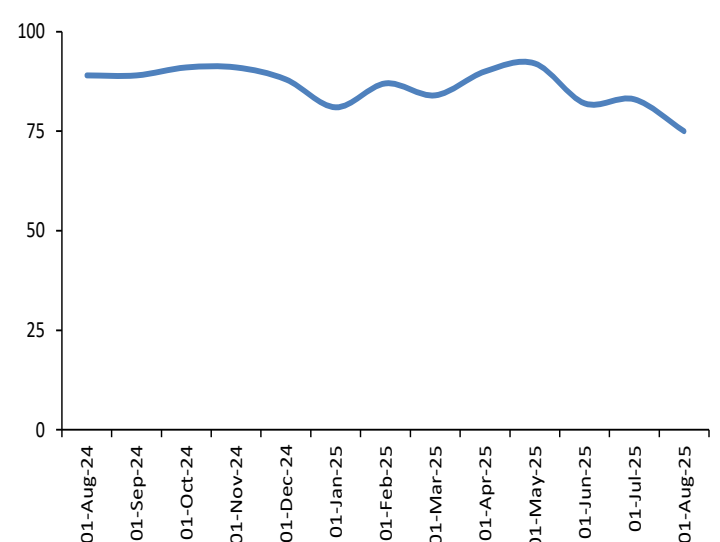
Methanol prices surge 10% MoM (Price Rs./Kg)



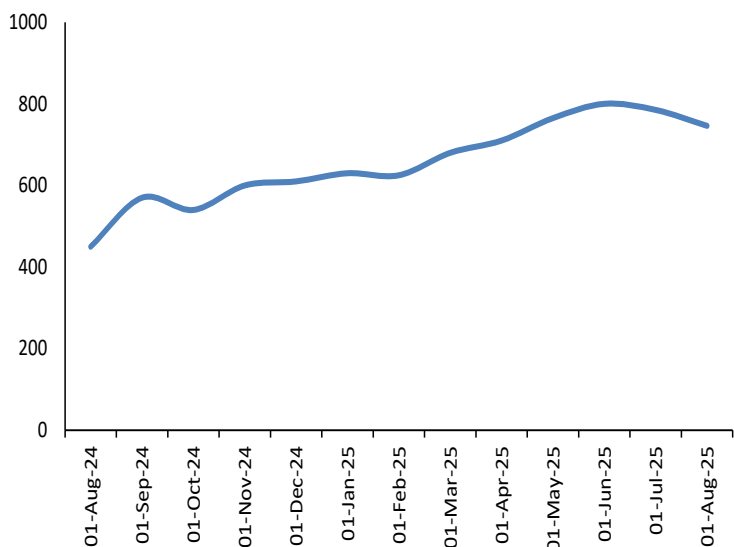
Phenol prices remains muted MoM (Price Rs./Kg)



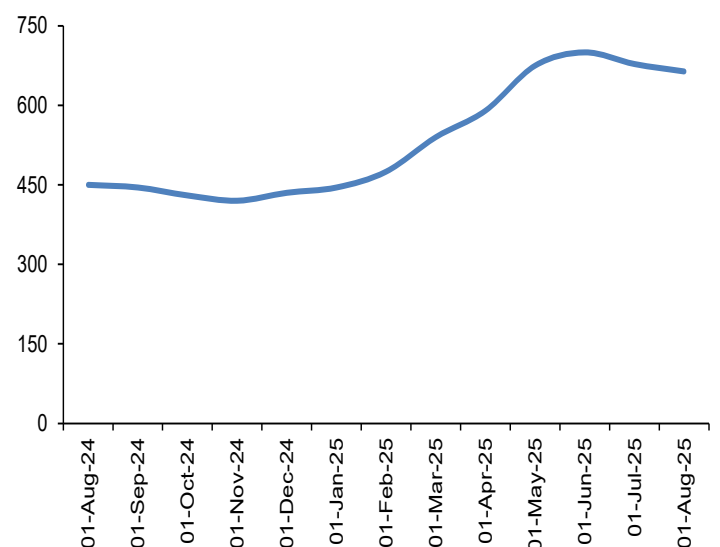
Ethanol prices steep decline MoM (Price Rs./Kg)



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



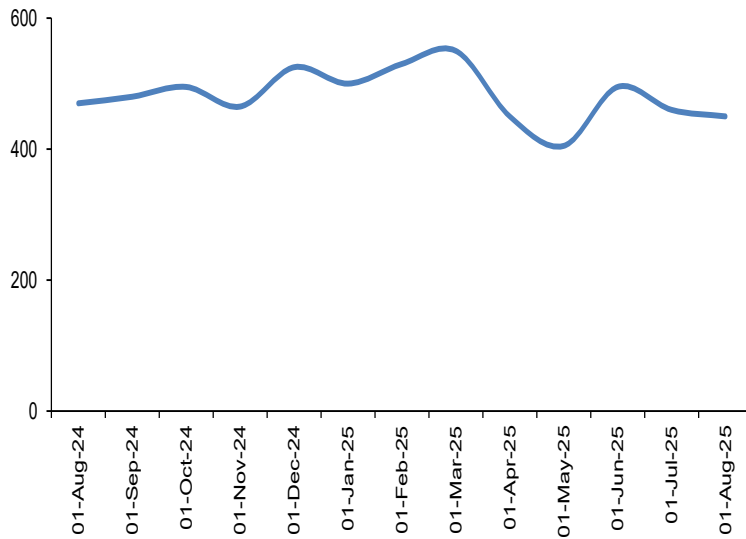
Refrigerant R134a prices dropped MoM (Price Rs./Kg)



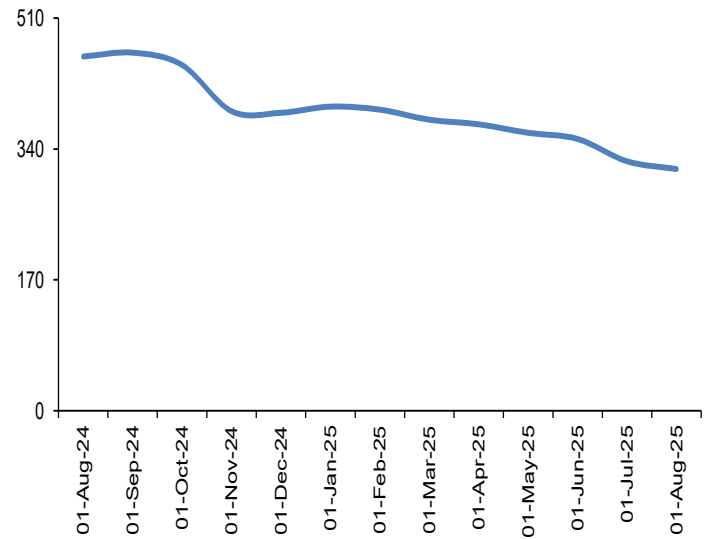
Source : Indiapetrochem

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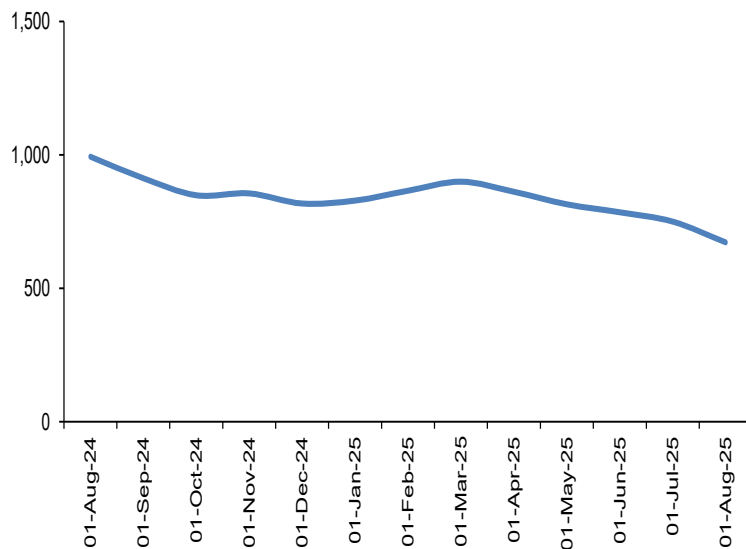
China Caustic Soda (USD/MT)



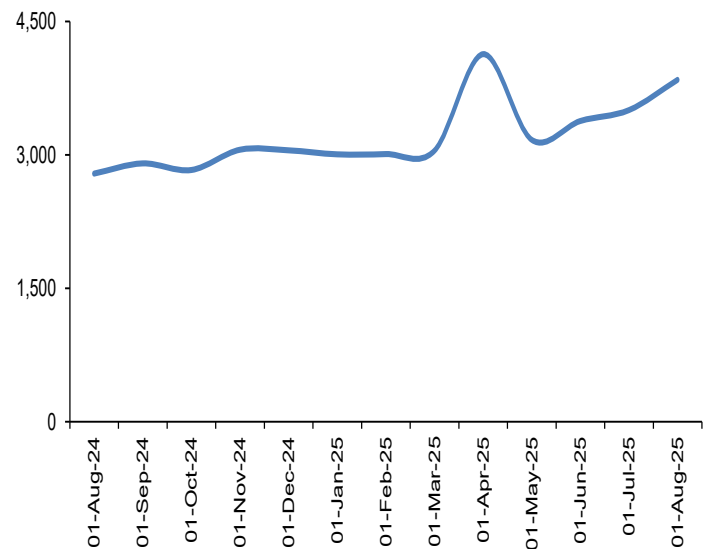
China Acetic Acid (USD/MT)



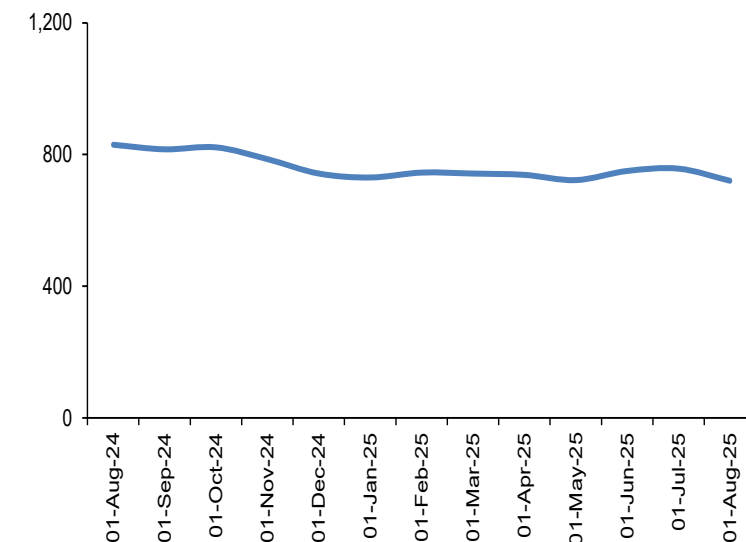
China Acetone (USD/MT)



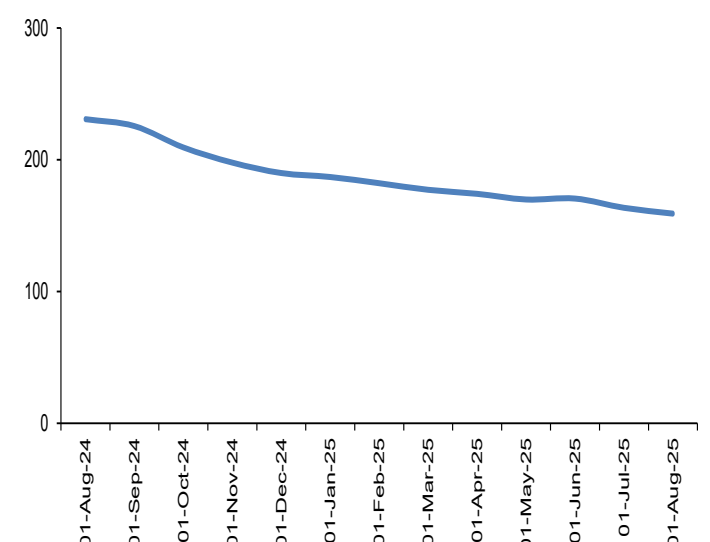
China Bromine (USD/MT)



China Ethyl Acetate (USD/MT)



China Soda Ash FOB (USD/MT)



Source : Bloomberg

Disclaimer Appendix

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