Oil & Petrochemicals Monthly Report

March | 2026

Geopolitical disruptions to drag global oil supply in 2026; recovery could be slower, keeping prices at premium

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April 2026

VAM, EDC, EVA, LLDPE and AA prices rose sharply in April; a notable increase in April prices for Propane and Butane by Aramco

- **Naphtha prices eased; propane and butane jumped in April:** Naphtha prices eased 0.9% M/M to USD 1,050 per ton in April*. Aramco increased Propane and Butane prices significantly to USD 750 and USD 800 per ton in April.
- **Product prices continue upward movement amid supply constraints: VAM** prices surged 109.5% M/M to USD 1,875 per ton in April* mainly because of severe supply disruption, amplified by geopolitical and weather related shocks. **EDC** prices increased 74.5% M/M to USD 445 per ton due to strong downstream PVC demand from Asia, and supply risks. **EVA** prices rose 40.2% M/M to USD 1,900 per ton owing to increased feedstock and logistics costs. **LLDPE** prices gained 30.1% M/M to USD 1,210 per ton driven by higher feedstock cost and loss Middle Eastern supply. **Acetic Acid** prices climbed 27.7% M/M to USD 645 per ton due to tight supply in Europe and India amid plant outages in China and southeast Asia.
- **Petchem Spreads Trend:** PP-propane spread widened to USD 660 per ton in April* from USD 646 per ton in March. PP-butane spread narrowed to USD 620 per ton in April* from USD 650 per ton in March. HDPE-naphtha spread increased to USD 145 per ton in April* from USD 50 per ton in March.

Oil prices climbed in March on supply constraints amid geopolitical escalation in Middle East; prices eased slightly in April amid ceasefire and negotiations

- **Brent crude spiked in March:** March saw Brent crude prices jump significantly, driven by the effective closure of the Strait of Hormuz and escalating Middle East hostilities that threatened 20% of global supply. While record IEA emergency reserve releases of 400mn barrels and volatile intraday sessions briefly tempered the rally, prices remained firm above the USD 100 per barrel. By mid-April, prices retreated toward the mid-USD 90s as a tenuous ceasefire and the prospect of US-Iran negotiations offered hope for a resolution; however, a significant war premium persists as a US naval blockade and a structural loss of 10mn barrels per day keep global balances critically tight.

  Brent prices fell 3.7% M/M, while WTI rose 0.4% M/M as of mid-April, ending at USD 99.4/bbl and USD 99.1/bbl, respectively. Natural gas prices at Henry Hub decreased 16.1% M/M to USD 2.6/mn Btu.
- **Manufacturing activity resilient in March 2026:** In the US, the ISM manufacturing PMI climbed to 52.7 from 52.4, driven by robust production and new orders offsetting energy-driven price inflation. The Eurozone's HCOB manufacturing PMI reached a 45-month high of 51.6, fueled by a surge in new order inflows and strengthened output. China's momentum eased, with the Caixin manufacturing PMI easing to 50.8 from 52.1; while post-holiday domestic demand provided a cushion from surging input costs.

Table 1: Petchem Prices - April* FY26

Name	Price (USD per ton)	M/M %	Q/Q %	Y/Y %	YTD %
Naphtha	1,050	-0.9%	90.9%	92.7%	94.4%
Saudi Propane	750	37.6%	42.9%	22.0%	51.5%
Butane-Saudi	800	48.1%	53.8%	32.2%	64.9%
Ethylene	1,380	20.0%	100.0%	82.8%	95.7%
Propylene-Asia	1,300	17.1%	80.6%	65.6%	83.1%
HDPE	1,290	24.0%	57.3%	48.3%	58.3%
LDPE	1,510	27.4%	67.8%	39.8%	65.9%
LLDPE	1,210	30.1%	59.2%	36.0%	57.1%
PP-Asia	1,260	13.5%	60.5%	35.5%	61.5%
Styrene-Asia	1,360	3.0%	57.2%	48.6%	71.1%
Polystyrene-Asia	1,680	25.8%	70.6%	47.4%	71.4%
PET - Asia	1,190	17.8%	48.8%	65.3%	54.5%
PVC-Asia	1,065	25.3%	61.4%	53.2%	66.4%
MEG (Asia)	700	22.8%	53.8%	40.0%	57.3%
Methanol-China	440	15.8%	66.0%	69.2%	79.6%
DAP-Gulf	760	5.6%	16.0%	17.8%	11.8%
Urea-Gulf	825	16.2%	101.2%	117.1%	108.9%
Ammonia-Gulf	650	27.5%	25.0%	106.3%	25.0%
MTBE-Asia	960	-14.3%	52.4%	51.2%	54.8%
EDC	445	74.5%	122.5%	107.0%	122.5%
MEG (SABIC)	730	19.7%	19.7%	-3.9%	12.3%
PC	2,425	19.5%	55.9%	52.5%	55.9%
Acetic Acid-AA	645	27.7%	55.4%	46.6%	59.3%
EVA	1,900	40.2%	72.7%	49.0%	65.9%
Vinyl Acetate Monomer-VAM	1,875	109.5%	137.3%	128.7%	137.3%

Note: *Prices as of April 12, 2026 with 1M, 3M, Y/Y and YTD change

Source: Argaam, Reuters Eikon, AlJazira Capital Research

Table 2: Economic Calendar

Date	Country	Event
April 15,22,29	US	Weekly Petroleum Status Report
16-Apr	US	US Initial Jobless Claims
23-Apr	US	S&P Global US Manufacturing PMI
30-Apr	US	GDP Annualized QoQ
30-Apr	KSA	M3 Money Supply YoY
30-Apr	KSA	SAMA Net Foreign Assets SAR
30-Apr	KSA	GDP Constant Prices YoY
5-May	US	Trade Balance
5-May	KSA	S&P Global Saudi Arabia PMI
8-May	US	Unemployment Rate
12-May		EIA Short-term Energy Outlook
13-May		IEA Oil Market Report
13-May		OPEC Monthly Oil Market Report
14-May	KSA	CPI YoY
30-Jun	KSA	Current Account Balance

Source: Bloomberg, EIA, OPEC, IEA

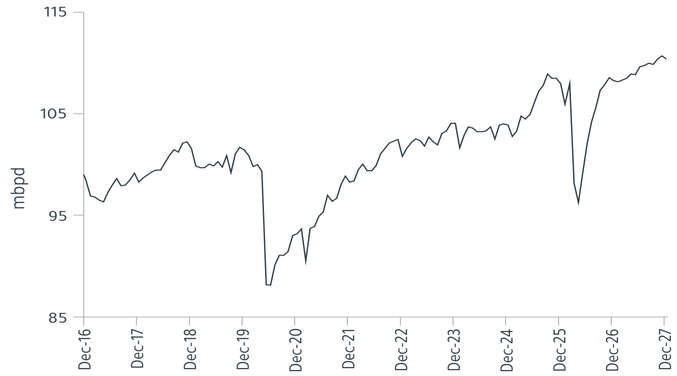
Key comments from international energy agencies

Crude oil supply

Global supply

- Global supplies of crude oil and liquid fuels are expected to decline by 2.0 mbpd to 104.3 mbpd in FY26 (vs. the previous estimate of an increase of 0.7mbpd), while supplies are expected to increase by 5.2 mbpd in FY27 (vs. 2.6 mbpd increase in previous estimate), as per EIA. Non-OPEC supply is forecast to grow 0.4 mbpd to 72.9 mbpd in FY26 and 1.9 mbpd to 74.8 mbpd in FY27.
- Global oil supply dropped by 10.1 mbpd to 97 mbpd in March, according to IEA. OPEC+'s production fell 9.4 mbpd M/M to 42.4 mbpd.

Figure 1: World Oil Production



Source: Bloomberg, AlJazira Capital Research

OPEC Supply

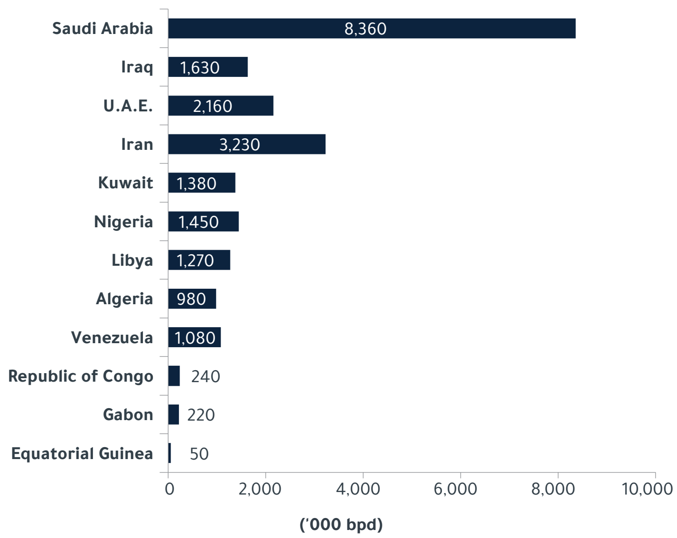
- OPEC crude oil production decreased by 7.88 mbpd M/M in March to 20.8 mbpd, as per OPEC's secondary sources.
- On average, OPEC members are expected to produce 21.9 mbpd of crude oil in Q2-26 (vs 26.4 mbpd in Q1-26), as per EIA.
- OPEC's average crude production is estimated at 25.6 mbpd in FY26 and 28.5 mbpd in FY27, according to EIA.
- OPEC's unplanned oil supply disruptions averaged 8.25 mbpd in March (vs. 0.96 mbpd in February), as per EIA.

Table 3: OPEC Oil Production ('000 bpd; excl. Angola)

Prod. ('000 bpd)	Cap.	Dec 2025	Jan 2026	Feb 2026	Mar 2026	% M/M Chg.
Equatorial Guinea	80	60	50	40	50	*25.0%*
Gabon	230	230	210	220	220	*0.0%*
Republic of Congo	300	270	240	270	240	*-11.1%*
Venezuela	980	900	820	980	1,080	*10.2%*
Algeria	1,060	970	970	970	980	*1.0%*
Libya	1,290	1,320	1,280	1,300	1,270	*-2.3%*
Nigeria	1,600	1,520	1,490	1,450	1,450	*0.0%*
Kuwait	2,820	2,560	2,570	2,550	1,380	*-45.9%*
Iran	3,830	3,270	3,350	3,410	3,230	*-5.3%*
U.A.E.	4,650	3,590	3,560	3,600	2,160	*-40.0%*
Iraq	4,800	4,370	4,340	4,390	1,630	*-62.9%*
Saudi Arabia	12,000	10,000	10,000	10,430	8,360	*-19.8%*
Total OPEC	**33,640**	**29,060**	**28,880**	**29,610**	**22,050**	***-25.5%***

Source: Bloomberg

Figure 2: OPEC March Oil Production ('000 bpd)



Source: Bloomberg

Crude oil demand

Global

- **OPEC** estimates a 1.4 mbpd increase in global consumption in FY26 (unchanged from previous month's estimate) and a further growth of 1.3 mbpd in FY27. IEA estimates global oil demand to decrease by 0.08 mbpd in FY26 (lower than earlier estimate by 0.73 mbpd). As per **EIA**, global consumption of petroleum and liquid fuels is forecasted to increase by 0.6 mbpd Y/Y in FY26 (vs. earlier projection of 1.2 mbpd increase) and 1.6 mbpd Y/Y in FY27 (~0.2 mbpd higher than earlier projection).
- Global demand for petroleum and liquid fuels stood at 102.9 mbpd in March, up 0.9% Y/Y, as per **EIA**.
- DoC (countries participating in the Declaration of Cooperation) crude demand for FY26 is forecasted to grow 0.6 mbpd Y/Y to 42.9 mbpd (unchanged from the previous month's estimate), according to **OPEC**. The DoC demand is estimated to increase to 43.6 mbpd in FY27, up by around 0.6 mbpd Y/Y.

Inventory

- Global oil inventories fell 85mn barrels in March, as supplies through the Strait of Hormuz were restricted, as per **IEA**.
- **EIA** forecasts OECD inventories at 2.75bn barrels by end-FY26 and 2.99bn by FY27.
- Natural gas inventories in the US are estimated at 4.0tn cu. ft. by October 2026, as per **EIA**.

Figure 3: OECD Monthly Oil Inventories

Source: US EIA, AlJazira Capital Research

Price outlook

- Brent spot prices are forecasted to average USD 96 per barrel in FY26 and at USD 76 per barrel in FY27, as per **EIA**. **Morgan Stanley** forecasts for Brent prices for Q2-26 at USD 110 per barrel and at USD 100 per barrel for Q3-26, citing slow recovery in supply. **UBS** expects Brent prices at USD 100 per barrel by end of Jue 2026 and USD 90 per barrel by December 2026. **EIA** expects natural gas prices at Henry Hub to average USD 3.67/mn Btu in FY26 and USD 3.59/mn Btu in FY27.

Table 4: World Oil Demand and Supply

(mbpd)	FY25				FY26E				FY25	FY26E	FY27E
World Crude Oil & Liq. Fuels Supply	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**			
OPEC Supp.	32.96	33.46	34.13	34.59	32.05	27.01	32.23	34.15	33.79	31.37	34.63
Non-OPEC Suppl.	70.68	71.72	73.84	73.75	71.86	72.16	73.46	74.08	72.51	72.90	74.83
Total World Supply	**103.64**	**105.19**	**107.97**	**108.35**	**103.91**	**99.18**	**105.70**	**108.23**	**106.30**	**104.27**	**109.47**
World Crude Oil & Liq. Fuels Cons.											
OECD Cons.	45.29	45.68	46.53	46.05	45.56	45.20	46.04	45.63	45.89	45.61	45.83
Non-OECD Cons.	57.00	58.27	58.41	58.59	57.92	59.07	59.37	59.44	58.08	58.96	60.33
Total World Cons.	**102.29**	**103.96**	**104.94**	**104.64**	**103.49**	**104.27**	**105.41**	**105.07**	**103.97**	**104.56**	**106.16**
OECD Comm. Inventory (mn barrels)	2,738	2,777	2,858	2,829	2,809	2,711	2,704	2,752	2,829	2,752	2,991
OPEC Surplus Crude Oil Prod. Cap.	1.03	1.00	1.00	0.91	3.53	n/a	n/a	n/a	0.98	n/a	n/a

Source: EIA STEO April 2026, AlJazira Capital Research

- The gap between crude consumption and supply is estimated to increase to 5.09 mbpd in Q2-26 (higher consumption than supply) vs. 0.42 mbpd in Q1-26 (higher supply than consumption).
- OECD's crude inventories are expected to be at 2.71bn barrels in Q2-26 compared to 2.81bn barrels in Q1-26.

Petrochemical sector news

- Advanced Global Investment Co. (AGIC), fully owned **by Advanced Petrochemical Co.**, signed final agreements with SK Gas Petrochemicals Co., an indirect subsidiary of SK Gas Co. Ltd., to execute a share-swap transaction as part of both parties' strategic plans. Under the deal, SK Gas Petrochemicals will acquire all 30% of shares held by AGIC in SK Advanced Co. Ltd.-Korea. AGIC will acquire SK Gas Petrochemicals' entire 15% stake in Advanced Polyolefins Industry Co. (Advanced Polyolefins) in Saudi Arabia. The deal consists of a share swap plus a net cash consideration of $129.3 million, payable by AGIC to SK Gas Petrochemicals. (Source: Tadawul)
- **SABIC Agri-Nutrients Co. (SABIC AN)** received the Ministry of Energy's approval to allocate feedstock for its seventh plant in Jubail Industrial City. The plant will produce 1.2mn metric tons per annum (mtpa) of conventional ammonia and 2.6 mtpa of urea. The new addition will increase the company's urea production capacity from 4.8mn mtpa to 7.4mn mtpa, a 54% increase over current levels. In a separate statement, the company said it received a letter from the Ministry of Energy on the feedstock allocations for its sixth plant in Jubail Industrial City, which will produce 1.24mn mtpa of low-carbon blue ammonia. (Source: Tadawul)
- Shareholders of **SABIC AN** approved the merger with National Chemical Fertilizers Co. (Ibn Al-Baytar) and the dissolution of Ibn Al-Baytar upon completion of the transaction. (Source: Tadawul)
- **The Capital Market Authority (CMA)** approved **Petrolube's** request to register and float 9mn shares on the Main Market (TASI). The shares to be offered represent 30% of the company's total 30mn share capital. (Source: Argaam)
- **Saudi Kayan Petrochemical Co.'s** shareholders approved the transfer of SAR 620.9mn from other equity items to the accumulated losses account, based on FY25 financial statements. (Source: Tadawul)
- **Saudi Arabia** has restored the East-West oil pipeline to full capacity after attacks during the US-Israel war on Iran that curtailed output. After repair work, the key pipeline is back to being able to pump approximately 7 mbpd, the kingdom's Ministry of Energy announced. (Source: Reuters)
- **Sadara Chemical Company**, a joint venture between **Aramco** and **Dow**, has temporarily shut down production citing ongoing supply chain disruptions. Sadara Chemical operates a complex in the Saudi city of Jubail with annual production capacity of over 3mn metric tons of chemicals and plastics. (Source: Reuters)

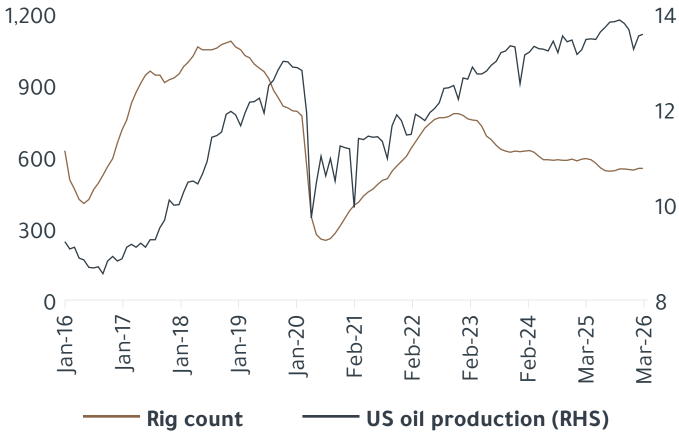
Table 5: KSA Petrochemical Companies Key Metrics

Company	Net profit (TTM; SAR mn)	P/E (Adjusted)	P/B	EV/ EBITDA	DPS (SAR) 2025	Dividend Yield (2025)	YTD returns
SABIC	-25,779.2	NEG	1.4x	9.5x	3.00	4.9%	18.9%
TASNEE	-1,765.3	NEG	0.9x	High	-	-	13.0%
YANSAB	79.1	High	1.8x	12.1x	2.00	5.7%	26.9%
SABIC Agri-Nutrients	4,322.1	17.5x	3.6x	8.2x	7.00	4.4%	43.6%
Sipchem	-860.5	NEG	0.9x	31.0x	1.00	6.0%	10.3%
Advanced	184.4	39.8x	2.5x	20.5x	-	-	-3.0%
KAYAN	-2,293.9	NEG	0.9x	21.3x	-	-	11.4%
SIIG	-103.7	NEG	1.1x	-	0.25	1.8%	13.7%
Nama Chemical	77.9	NEG	1.7x	-	-	-	-16.8%
Chemanol	-705.5	NEG	2.4x	-	-	-	22.3%
ALUJAIN	-833.9	High	0.8x	19.3x	3.00	10.8%	2.4%

Source: Bloomberg, Tadawul, Argaam, Aljazira Capital Research; Data as of April 14, 2026

US oil and gas developments

Figure 4: US Oil Production versus Rig Count



Source: US EIA, AlJazira Capital Research

US oil production averaged 13.56 mbpd in March 2026. Production increased 0.2% M/M and 0.8% Y/Y from 13.45 mbpd in March 2025.

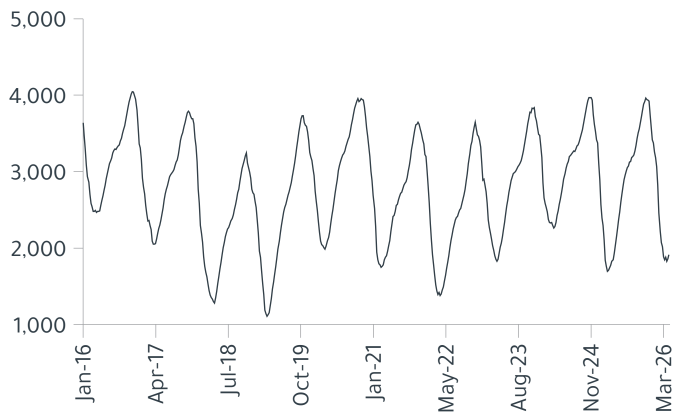
In the week ended March 27, the rotary rig count in the US stood at 543 (down 9 W/W). The average number of rigs fell 0.2% M/M in March vis-à-vis an increase of 1.1% in February. The average rig count was 7.2% Y/Y down in March. As of April 10, of the total 545 rigs, 411 (unchanged W/W) were used to drill for oil and 127 (down 3 W/W) for natural gas. In the US, oil exploration decreased 12.9% Y/Y, while gas exploration rose 21.0% Y/Y.

Figure 5: US Weekly Oil Inventories

- US weekly oil inventories increased 1.2% W/W to 461.6mn barrels for the week ended March 27. On M/M basis, inventories rose 5.1%.

Source: US EIA, AlJazira Capital Research

Figure 6: US Weekly Natural Gas Storage

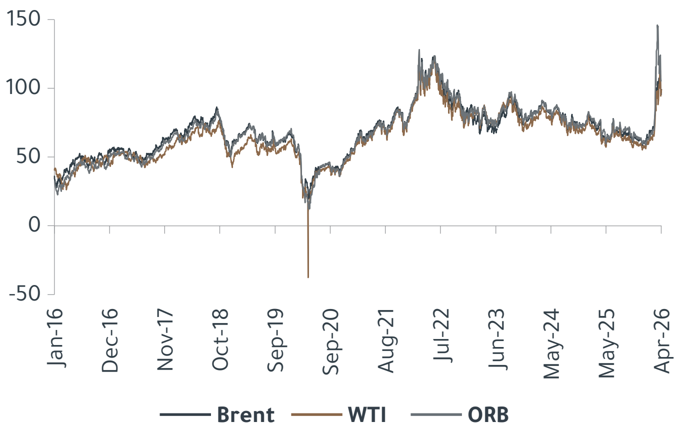


- US weekly natural gas storage increased 1.7% W/W to 1,861 bcf in the week ended March 27. On M/M basis, natural gas storage fell 1.3%.

Source: US EIA, AlJazira Capital Research

Price Trend: Oil, Natural Gas & Petrochemicals Products

Figure 7: Oil Price Trends (USD / Barrel)

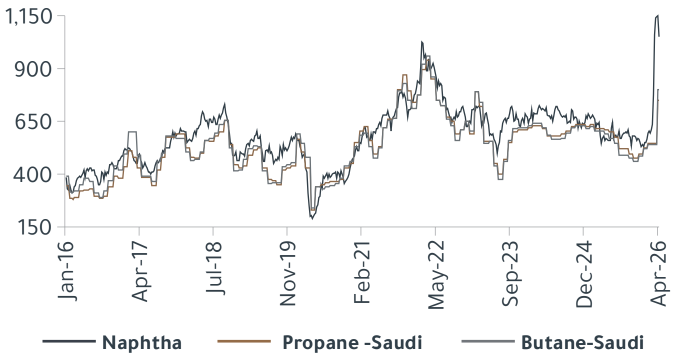


Source: Reuters Eikon, AlJazira Capital Research

Figure 8: Henry Hub Natural Gas (USD / MMBTu)

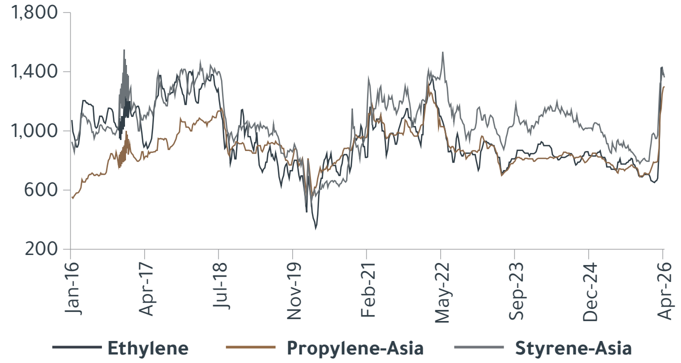
Source: OPEC, AlJazira Capital Research

Figure 9: Feedstock Price Trends (USD / Ton)



Source: Argaam, AlJazira Capital Research

Figure 10: Basic Petchem Price Trends (USD per Ton)

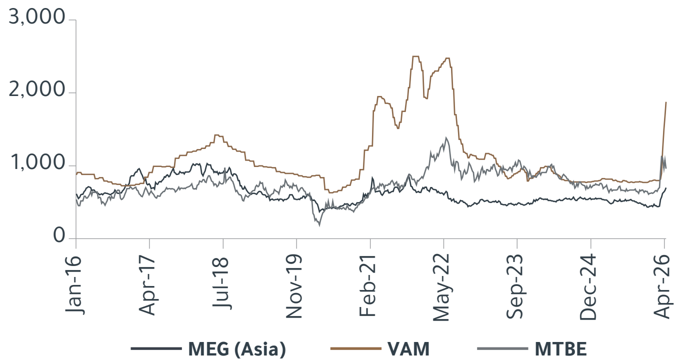


Source: Argaam, AlJazira Capital Research

Figure 11: Polyethylene Price Trends (USD per Ton)

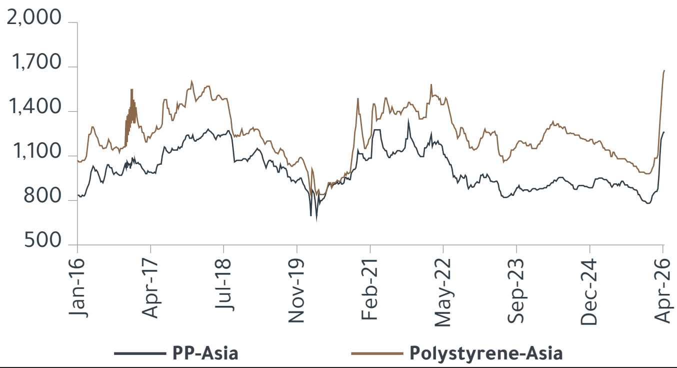
Source: Argaam, AlJazira Capital Research

Figure 12: Intermediates Price Trends (USD per Ton)



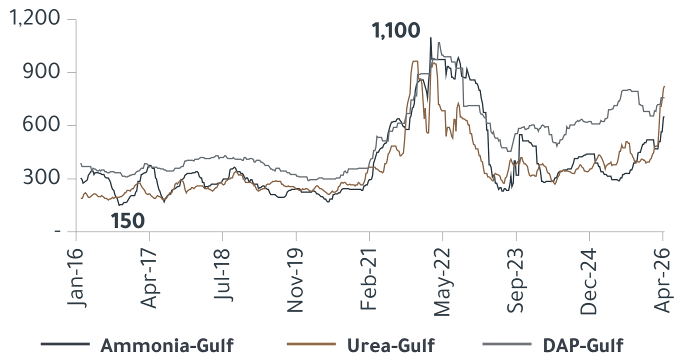
Source: Argaam, AlJazira Capital Research

Figure 13: Polypropylene & Polystyrene



Source: Argaam, AlJazira Capital Research

Figure 14: Ammonia, Urea & DAP

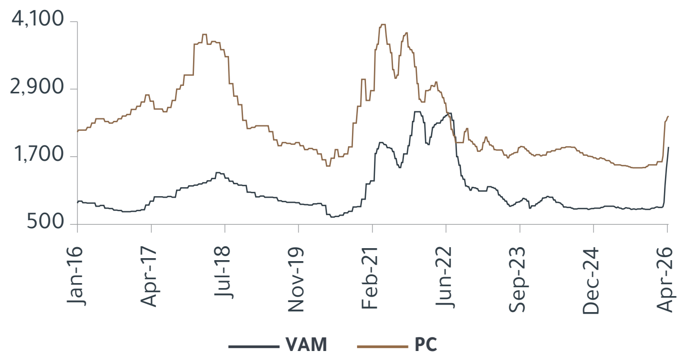


Source: Argaam, AlJazira Capital Research

Figure 15: Methanol-China (USD per Ton)

Source: Argaam, AlJazira Capital Research

Figure 16: PC-VAM



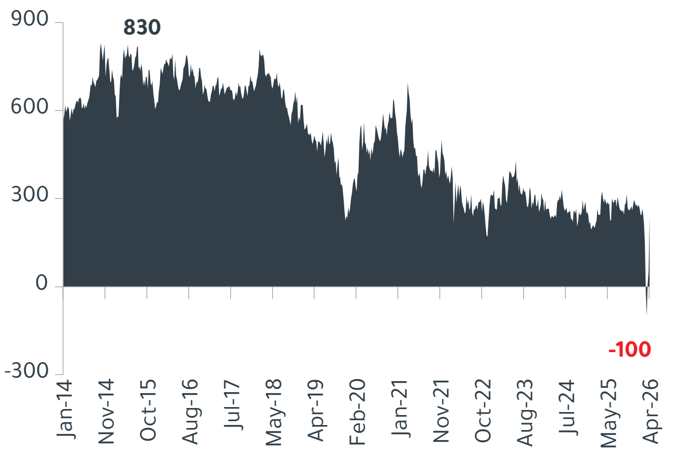
Source: Argaam, AlJazira Capital Research

Petchem Spreads Trend

- Naphtha prices averaged 1,100 per ton in April*, up from USD 951 per ton in March.
- Polypropylene average prices edged up to USD 1,260 per ton in April* from USD 1,082 per ton in March.
- The HDPE-naphtha spread increased to USD 145 per ton in April* from USD 50 per ton in March.
- The PP-naphtha spread rose to USD 160 per ton from USD 131 per ton during the previous month.
- The PP-propane spread widened to USD 660 per ton in April* from USD 646 per ton in March.
- The PVC-EDC spread expanded to USD 720 per ton in April* from USD 563 per ton in March.
- The polystyrene-benzene spread jumped to USD 530 per ton in April* compared to USD 339 per ton in March.
- The HDPE-ethylene spread contracted to USD -135 per ton in April* from USD -108 per ton in March.
- PP-butane spread narrowed to USD 620 per ton in April* from USD 650 per ton in March.
- LDPE-naphtha spread surged by 69.8% M/M to USD 360 per ton, while LDPE-ethylene increased by 48.1% M/M to USD 80 per ton in April*.
- LLDPE-naphtha spread improved to USD 85 per ton from USD -36 per ton in March and LLDPE-ethylene was at USD -195 per ton in April* compared to USD -194 per ton in March.

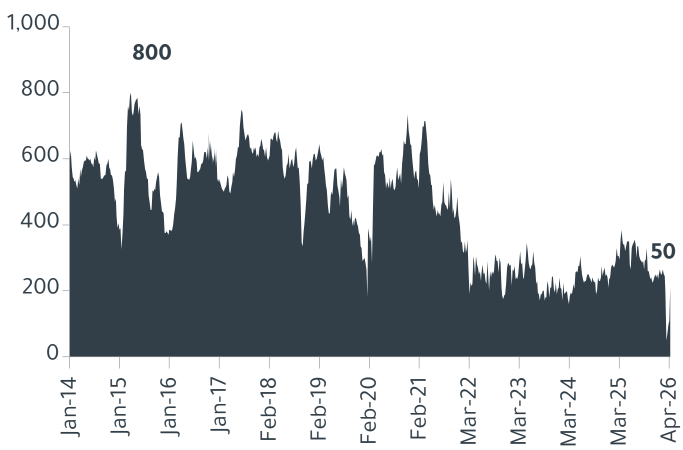
*Prices till April 12, 2026

Figure 17: Naphtha- HDPE



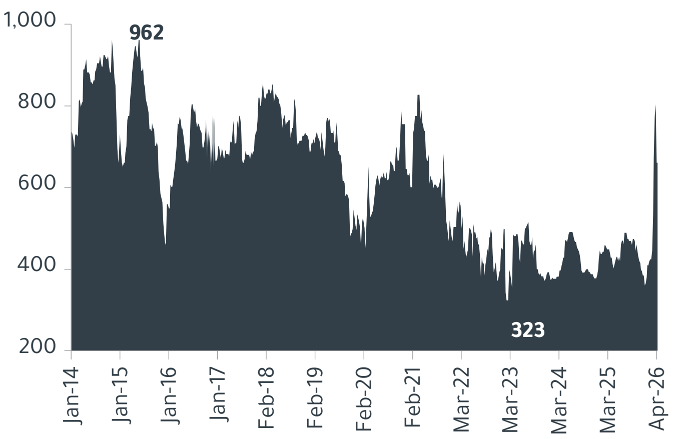
Source: Argaam, AlJazira Capital Research

Figure 18: Naphtha- PP



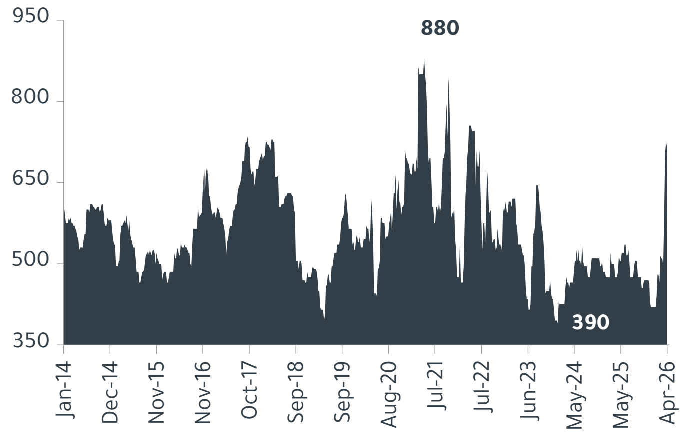
Source: Argaam, AlJazira Capital Research

Figure 19: Propane (Saudi) - PP



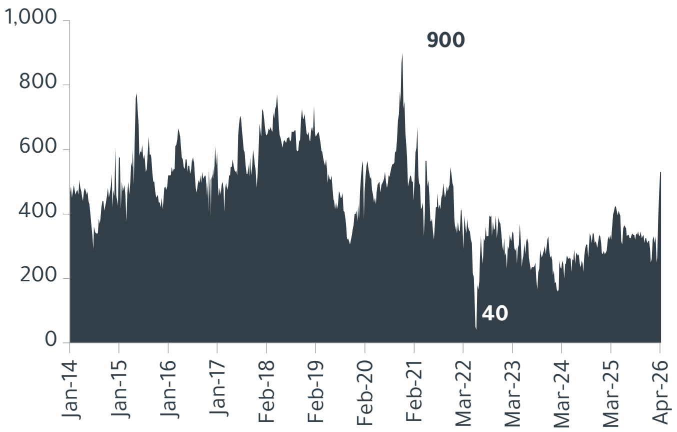
Source: Argaam, AlJazira Capital Research

Figure 20: EDC- PVC



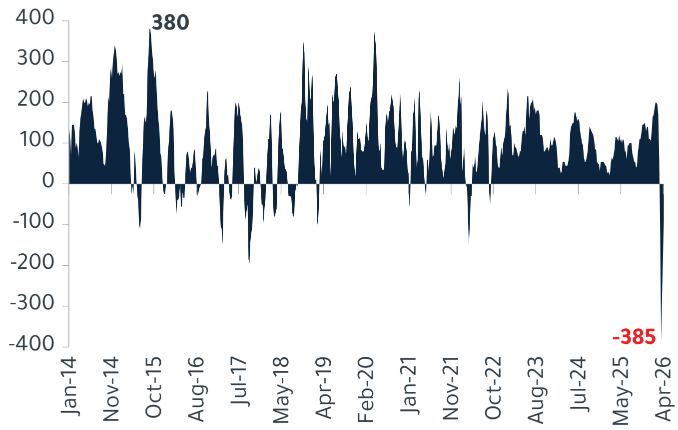
Source: Argaam, AlJazira Capital Research

Figure 21: Benzene- Polystyrene



Source: Argaam, AlJazira Capital Research

Figure 22: Ethylene- HDPE



Source: Argaam, AlJazira Capital Research

Table 6: Petrochemical Products by Saudi Petrochemical Companies

Company	Finished Products
SABIC	Polyethylene, polypropylene, poly styrene, ethylene glycol (MEG), methyl tert-butyl ether (MTBE), benzene, urea, ammonia, PVC, and PTA
SABIC Agri- Nutrients	Urea, ammonia
YANSAB	Polyethylene, polypropylene, MEG, MTBE, and benzene
Tasnee	Polyethylene, polypropylene, and propylene (TiO2)
Saudi Kayan	Polyethylene, polypropylene, MEG, polycarbonate, and bisphenol A
Petro Rabigh	Polyethylene, polypropylene, propylene oxide, and refined petroleum products
Sahara Petrochemicals (Sipchem)	Polyethylene, polypropylene, Methanol, butanol, acetic acid, and vinyl acetate monomer
Saudi Group	Styrene, benzene, cyclohexene, propylene, polyethylene, polypropylene, and polystyrene
Advanced	Polypropylene
Alujain	Polypropylene
CHEMANOL	Formaldehyde - improvers concrete
NAMA	Epoxy resin, hydrochloric acid, liquid caustic soda, and soda granule
MAADEN	Ammonia and DAP

Source: Argaam Plus

aljazira capital

الجزيرة كابيتال

RESEARCH DIVISION

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RESEARCH DIVISION

AlJazira Capital, the investment arm of Bank AlJazira, is a Shariaa Compliant Saudi Closed Joint Stock company and operating under the regulatory supervision of the Capital Market Authority. AlJazira Capital is licensed to conduct securities business in all securities business as authorized by CMA, including dealing, managing, arranging, advisory, and custody. AlJazira Capital is the continuation of a long success story in the Saudi Tadawul market, having occupied the market leadership position for several years. With an objective to maintain its market leadership position, AlJazira Capital is expanding its brokerage capabilities to offer further value-added services, brokerage across MENA and International markets, as well as offering a full suite of securities business.

RATING TERMINOLOGY

1. Overweight: This rating implies that the stock is currently trading at a discount to its 12 months price target. Stocks rated “Overweight” will typically provide an upside potential of over 10% from the current price levels over next twelve months.
2. Underweight: This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated “Underweight” would typically decline by over 10% from the current price levels over next twelve months.
3. Neutral: The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated “Neutral” is expected to stagnate within +/- 10% range from the current price levels over next twelve months.
4. Suspension of rating or rating on hold (SR/RH): This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

Disclaimer