December 2025

Oil & Petrochemicals Monthly Report
November | 2025

Crude prices pressured by strong non-OPEC supply and rising US inventories; surplus expected to keep prices under strain in FY26

Head of Sell-Side Research
Jassim Al-Jubran
+966 11 2256248
j.aljabran@aljaziracapital.com.sa

DAP, MEG, LDPE and methanol prices fell in November, ammonia increased; propane and butane prices raised by Aramco for December

- **Naphtha, propane and butane prices fell in November:** Naphtha prices fell 1.7% M/M to USD 570 per ton in November. Propane and butane prices decreased 4.0% M/M and 3.2% M/M to USD 475 per ton and USD 460 per ton, respectively. Aramco increased propane and butane prices for December to USD 495 per ton and USD 485 per ton, respectively.
- **Broad decline persists in petrochemical product prices: DAP** prices declined 14.5% M/M to USD 680 per ton due to decrease in demand from India and Pakistan. **MEG (SABIC)** prices fell 9.7% M/M to USD 650 per ton and **MEG (Asia)** fell 5.1% M/M amid rising supply and sluggish year-end demand. **LDPE** prices decreased 7.4% M/M to USD 940 per ton amid ample supply. **Methanol** prices declined 5.8% M/M to USD 245 per ton due to oversupply and sluggish demand. **Ammonia** prices surged 11.2% M/M to USD 495 per ton led by supply constraints owing to shutdowns and production issues and higher demand ahead of regulatory changes.
- **Petchem Spreads Trend:** PP-propane spread decreased to USD 434 per ton in November from USD 465 per ton in October. PP-butane spread reduced to USD 446 per ton in November from USD 481 per ton in October. HDPE-naphtha spread decreased to USD 264 per ton in November from USD 288 per ton in October.

Oil prices remained under pressure in November on subdued fundamentals, holding steady in December

- **Brent crude slipped further in November:** Oil prices declined through November, pressured by oversupply concerns and weak demand signals. The drop was driven by rising US inventories, robust non-OPEC output, and muted Chinese economic data, while trade tensions added to bearish sentiment. In early December, prices stabilized near USD 61-62 per barrel as a sharp US inventory draw and expectations of monetary easing offered some support, while a strong dollar and forecasts of higher US production capped the upside.
- Brent fell 2.9% M/M, while WTI declined 4.0% M/M in November, ending at USD 63.2/bbl and USD 58.6/bbl, respectively. Natural gas prices at Henry Hub rose 17.6% M/M to USD 4.9/mn Btu.
- **Weaker manufacturing activity seen in November across major economies:** The US ISM manufacturing PMI dropped to 48.2 from 48.7 in October, marking the ninth consecutive month of contraction driven by weaker new orders and employment, despite a rebound in production. China's Caixin manufacturing PMI declined to 49.9 from 50.6 in October, signaling renewed contraction in output and new orders even as export orders improved modestly. The Eurozone HCOB manufacturing PMI fell to 49.6 from 50.0, hitting a five month low as new orders and exports weakened and job losses accelerated, despite continued modest output growth.

Table 1: Petchem Prices – November FY25

Name	Price (USD per ton)	M/M %	Q/Q %	Y/Y %	YTD %
Naphtha	570	-1.7%	-4.2%	-12.3%	-11.6%
Saudi Propane	475	-4.0%	-8.7%	-25.2%	-25.2%
Saudi Butane	460	-3.2%	-6.1%	-27.0%	-27.0%
Ethylene	700	-3.4%	-12.5%	-18.1%	-16.2%
Propylene-Asia	695	-6.1%	-7.9%	-11.5%	-15.2%
HDPE	830	-2.4%	-2.9%	-8.8%	-6.7%
LDPE	940	-7.4%	-8.3%	-16.1%	-17.2%
LLDPE	790	-5.4%	-7.1%	-16.0%	-16.4%
PP-Asia	795	-5.4%	-10.7%	-11.2%	-10.2%
Styrene-Asia	810	1.3%	-6.9%	-20.2%	-20.6%
Polystyrene-Asia	990	-2.0%	-6.6%	-18.2%	-18.2%
PET - Asia	740	1.4%	-3.9%	-6.9%	-6.9%
PVC-Asia	660	-4.3%	-6.4%	-13.2%	-10.8%
MEG (Asia)	465	-5.1%	-13.1%	-13.9%	-14.7%
Methanol-China	245	-5.8%	-3.9%	-16.9%	-21.0%
DAP-Gulf	680	-14.5%	-15.5%	9.7%	8.8%
Urea-Gulf	405	2.5%	-19.0%	17.4%	14.1%
Ammonia-Gulf	495	11.2%	50.0%	13.8%	12.5%
MTBE-Asia	655	-1.5%	-2.2%	-9.0%	-7.7%
EDC	185	-2.6%	-9.8%	-37.3%	-35.1%
MEG (SABIC)	650	-9.7%	-11.0%	-17.7%	-16.7%
PC	1,530	1.7%	1.7%	-10.5%	-9.2%
Acetic Acid-AA	400	-2.4%	-2.4%	-9.1%	-8.0%
EVA	1,180	-7.1%	-1.7%	0.9%	0.9%
Vinyl Acetate Monomer-VAM	770	-1.9%	-0.6%	0.0%	-1.9%

Note: Prices as of November 30, 2025
Source: Argaam, Reuters Eikon, AlJazira Capital Research

Table 2: Economic Calendar

Date	Country	Event
December 17,24,31	US	Weekly Petroleum Status Report
16-Dec	US	S&P Global US Manufacturing PMI
16-Dec	US	Unemployment Rate
18-Dec	US	US Initial Jobless Claims
23-Dec	US	GDP Annualized QoQ
31-Dec	KSA	Current Account Balance
31-Dec	KSA	M3 Money Supply YoY
31-Dec	KSA	SAMA Net Foreign Assets SAR
1-Jan	US	Trade Balance
5-Jan	KSA	S&P Global Saudi Arabia PMI
12-Jan	KSA	CPI YoY
13-Jan		EIA Short-term Energy Outlook
14-Jan		OPEC Monthly Oil Market Report
21-Jan		IEA Oil Market Report
28-Jan	KSA	GDP Constant Prices YoY

Source: Bloomberg, EIA, OPEC, IEA

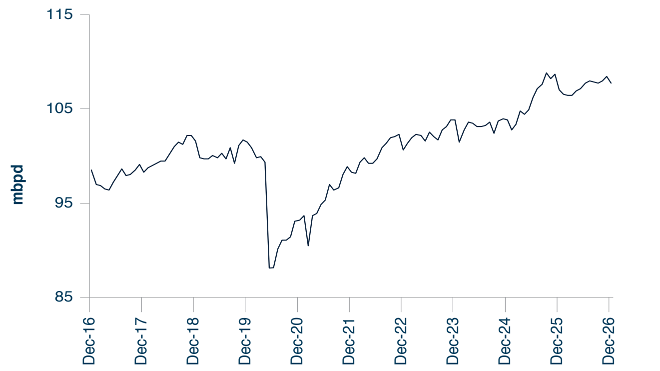
Key comments from international energy agencies

Crude oil supply

Global supply

- Global supplies of crude oil and liquid fuels are expected to rise by 3.0 mbpd to 106.2 mbpd in FY25 (vs. 2.8 mbpd increase in previous estimate) and by 1.3 mbpd in FY26 (vs. 1.4 mbpd increase in previous estimate), as per **EIA**. Non-OPEC supply is forecast to grow 1.9 mbpd to 72.4 mbpd in FY25 and 1.1 mbpd to 73.5 mbpd in FY26.
- Global oil supply is expected to rise by 3.0 mbpd in FY25 (0.1 mbpd lower than earlier) and increase further by 2.4 mbpd in FY26 (~0.1 mbpd lower than earlier), according to **IEA**.
- Global refining throughputs are expected to reach 84.4 mbpd in FY26 with growth of 750,000 bpd, according to **IEA**.

Figure 1: World Oil Production



Source: Bloomberg, AlJazira Capital Research

OPEC Supply

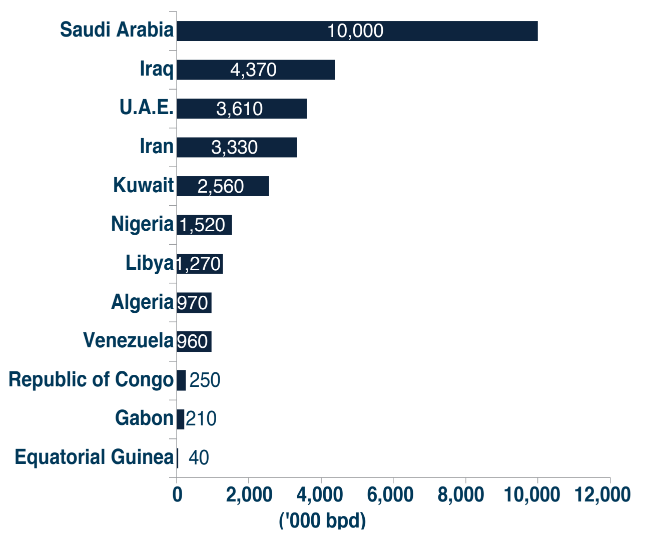
- OPEC crude oil production was unchanged M/M in November at an average of 28.5 mbpd, as per **OPEC's** secondary sources.
- On average, OPEC members are expected to produce 28.5 mbpd of crude oil in Q4-25 (vs 28.3 mbpd in Q3-25), as per **EIA**.
- OPEC's average crude production is estimated at 27.9 mbpd in FY25 and 27.9 mbpd in FY26, according to **EIA**.
- OPEC's unplanned oil supply disruptions averaged 0.94 mbpd in November (vs. 1.04 mbpd in October), as per **EIA**

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

Prod. ('000 bpd)	Cap.	Aug 2025	Sep 2025	Oct 2025	Nov 2025	*% M/M Chg.*
Equatorial Guinea	80	50	50	50	40	*-20.0%*
Gabon	230	220	220	230	210	*-8.7%*
Republic of Congo	300	250	250	250	250	*0.0%*
Venezuela	1,000	910	1,000	950	960	*1.1%*
Algeria	1,060	950	960	960	970	*1.0%*
Libya	1,320	1,270	1,310	1,270	1,270	*0.0%*
Nigeria	1,600	1,630	1,550	1,520	1,520	*0.0%*
Kuwait	2,820	2,540	2,520	2,560	2,560	*0.0%*
Iran	3,830	3,350	3,360	3,360	3,330	*-0.9%*
U.A.E.	4,650	3,500	3,500	3,550	3,610	*1.7%*
Iraq	4,800	4,320	4,320	4,380	4,370	*-0.2%*
Saudi Arabia	12,000	9,660	9,980	10,020	10,000	*-0.2%*
Total OPEC	**33,690**	**28,650**	**29,020**	**29,100**	**29,090**	***0.0%***

Source: Bloomberg

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



Source: Bloomberg

Crude oil demand

Global

- OPEC estimates a 1.3 mbpd increase in global consumption in FY25 (unchanged from previous month's estimate) and a further growth of 1.4 mbpd in FY26 (unchanged from previous month's estimate). IEA estimates global oil demand to increase by 0.8 mbpd growth in FY25 (~0.1 mbpd higher than earlier estimate) and by 0.8 mbpd in FY26. As per **EIA**, global consumption of petroleum and liquid fuels is forecasted to increase by 1.1 mbpd Y/Y in FY25 (unchanged from earlier projection) and 1.1 mbpd Y/Y in FY26 (unchanged from earlier projection).
- Global demand for petroleum and liquid fuels stood at 103.8 mbpd in October, up 0.4% Y/Y, as per **EIA**.
- DoC (countries participating in the Declaration of Cooperation) crude demand for FY25 is forecasted to grow 0.3 mbpd Y/Y to 42.4 mbpd (0.1 mbpd lower than the previous month's estimate), according to OPEC. The DoC demand is estimated to increase to 43.0 mbpd in FY26 (0.1 mbpd lower than the previous month's estimate), up by around 0.6 mbpd Y/Y.

Inventory

- Global oil inventories rose by 77.7 mb in September, to the highest level since July 2021, as per **IEA**.
- **EIA** forecasts OECD inventories at 2.93bn barrels by end-FY25 and 3.2bn by FY26.
- Natural gas inventories in the US are estimated at 2.0tn cu. ft. by March 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 69 per barrel in FY25 and at USD 55 per barrel in FY26, as per **EIA**.
- Morgan Stanley raised its forecast for Brent prices in FY26 to USD 60 per barrel from USD 57.5 per barrel earlier, following OPEC+'s decision to pause production hikes over the first three months of next year. **EIA** expects natural gas prices at Henry Hub to average USD 3.50/mn Btu in FY25 and USD 4.00/mn Btu in FY26.

Table 4: World Oil Demand and Supply

(mbpd)	FY24				FY25E				FY24	FY25E	FY26E
World Crude Oil & Liq. Fuels Supply	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**			
OPEC Supp.	32.72	32.77	32.65	32.77	32.91	33.41	34.00	34.21	32.73	33.64	33.76
Non-OPEC Suppl.	69.87	70.44	70.43	71.04	70.71	71.75	73.85	73.79	70.46	72.37	73.46
Total World Supply	**102.59**	**103.21**	**103.07**	**103.81**	**103.62**	**105.17**	**107.85**	**108.00**	**103.17**	**106.18**	**107.43**
World Crude Oil & Liq. Fuels Cons.											
OECD Cons.	44.94	45.79	46.41	46.28	45.19	45.68	46.38	46.04	45.86	45.83	46.00
Non-OECD Cons.	56.36	57.33	57.07	57.01	57.10	58.29	58.41	58.62	56.94	58.11	59.17
Total World Cons.	**101.29**	**103.12**	**103.48**	**103.29**	**102.30**	**103.96**	**104.78**	**104.66**	**102.80**	**103.94**	**105.17**
OECD Comm. Inventory (mn barrels)	2,760	2,834	2,795	2,743	2,741	2,780	2,875	2,919	2,743	2,919	3,075
OPEC Surplus Crude Oil Prod. Cap.	1.42	1.31	1.46	1.20	1.13	1.10	1.09	n/a	1.35	n/a	n/a

Source: EIA STEO December 2025, AlJazira Capital Research

- The gap between crude consumption and supply is estimated to increase to 3.34 mbpd in Q4-25 (higher supply than consumption) vs. 3.07 mbpd in Q3-25 (higher supply than consumption).
- OECD's crude inventories are expected to be at 2.92bn barrels in Q4-25 compared to 2.88bn barrels in Q3-25.

Petrochemical sector news

- **Saudi Basic Industries Corp. (SABIC)'s** CEO Abdulrahman Al-Fageeh said that production at the Fujian project in China will begin in H2-26. He added that the project's completion rate reached 87% by the end of Q3-25. The plant's production capacity reaches 1.8mn metric tons annually and includes 16 units for derivatives. The project is ahead of its scheduled timeline. (Source: Argaam)
- **Saudi Aramco** plans to start exporting its first condensate cargo from the Jafurah gas plant in February, as Reuters report. Aramco's 2026 budget shows that Phase 1 of the Jafurah gas plant will be completed with initial production of 450mn cubic feet per day. Output is expected to reach a sustainable 2bn cubic feet per day once the full project is completed by 2030. (Source: Reuters)
- **Saudi Aramco Base Oil Co. (Luberef)** said it received a notice on December 4, from Saudi Aramco regarding a new feedstock supply agreement for its Jeddah facility. The new agreement will replace the existing feedstock supply contract, which is set to expire on August 28, 2026. The company said that with continued operations at the Jeddah facility, it will maintain the plant's current maximum production capacity of 275,000 metric tons per year (mtpy) of Group I base oils. Once the second expansion project in Yanbu is completed, Luberef's total maximum production capacity will rise to 1.53mn mtpy. (Source: Tadawul)
- **Saudi Aramco** selected Citigroup to organize a potential sale of a stake in its oil-export and storage terminals business, Bloomberg reported. The decision comes after a competitive bidding process involving several US banks, and the selection was finalized in recent days. The company may launch a formal sale as early as next year, with large infrastructure funds likely to show interest. (Source: Bloomberg)
- **Saudi Aramco** signed 17 MoUs and agreements, potentially valued at more than USD 30bn (SAR 112.5bn), through its subsidiaries with major US companies. These MoUs and agreements with a total potential value of nearly USD 90bn, all supporting potential collaboration opportunities with US companies valued at around USD 120bn. (Source: Argaam)
- **SABIC's** shareholders are set to vote on transferring the general reserve balance to the retained earnings account during the extraordinary general meeting scheduled for December 31. The company said the general reserve balance reached SAR 110.9bn, as stated in the annual consolidated financial statements for FY24 and the interim consolidated financial statements for Q3-25. (Source: Tadawul)

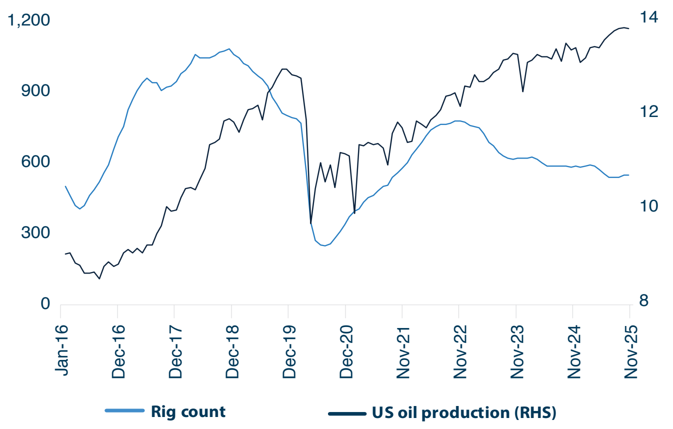
Table 5: KSA Petrochemical Companies Key Metrics

Company	Net profit (TTM; SAR mn)	P/E (Adjusted)	P/B	EV/ EBITDA	DPS (SAR) TTM	Dividend Yield (2024)	YTD returns
SABIC	-6,736.3	High	1.1x	13.9x	3.40	6.2%	-18.4%
TASNEE	304.4	NEG	0.7x	162.2x	-	-	-2.8%
YANSAB	97.9	High	1.6x	15.3x	2.00	6.7%	-21.3%
SABIC Agri-Nutrients	4,288.6	12.9x	2.8x	9.5x	6.00	5.2%	4.6%
Sipchem	-422.6	NEG	0.8x	27.4x	1.00	6.3%	-35.7%
Advanced	-62.8	High	2.5x	31.3x	-	-	-6.7%
KAYAN	-2,294.0	NEG	0.8x	22.0x	-	-	-27.2%
SIIG	57.5	NEG	1.0x	-	0.50	3.7%	-21.8%
Nama Chemical	77.9	NEG	2.0x	-	-	-	-16.3%
Chemanol	-705.5	NEG	2.3x	-	-	-	-52.7%
ALUJAIN	-88.2	High	0.6x	19.3x	-	-	-23.3%

Source: Bloomberg, Tadawul, Argaam, Aljazira Capital Research; Data as of December 11, 2025

US oil and gas developments

Figure 4: US Oil Production versus Rig Count

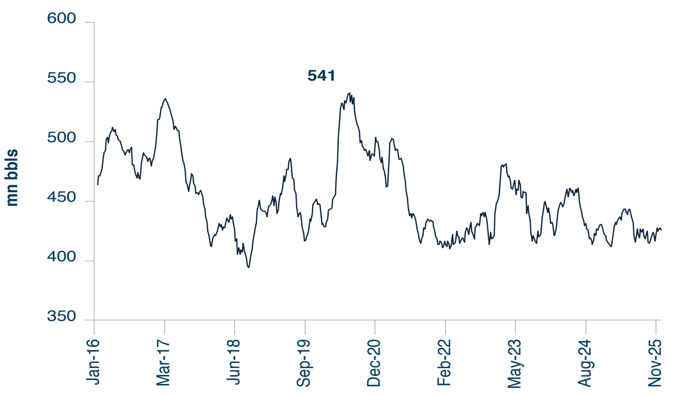


Source: US EIA, AlJazira Capital Research

US oil production averaged 13.86 mbpd in November 2025. Production decreased 0.1% M/M and 3.4% Y/Y from 13.40 mbpd in November 2024.

In the week ended November 26, the rotary rig count in the US stood at 544 (down 10 W/W). The average number of rigs rose 0.1% M/M in November vis-à-vis an increase of 1.2% in October. The average rig count was 6.0% Y/Y down in November. As of December 05, of the total 549 rigs, 413 (up 6 W/W) were used to drill for oil and 129 (down 1 W/W) for natural gas. In the US, oil exploration decreased 14.3% Y/Y, while gas exploration rose 26.5% Y/Y.

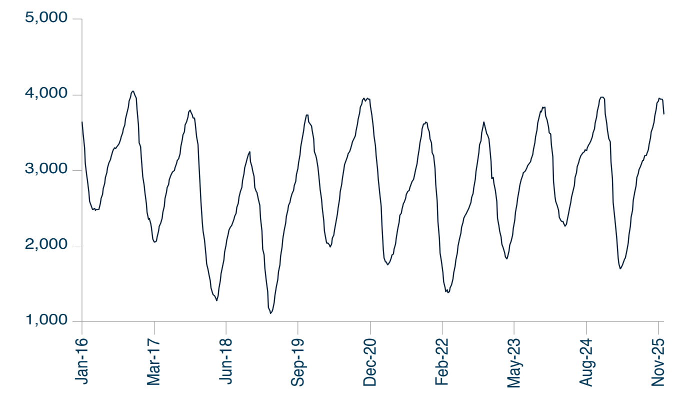
Figure 5: US Weekly Oil Inventories



- US weekly oil inventories increased 0.1% W/W to 427.5mn barrels for the week ended November 28. On M/M basis, inventories rose 1.5%.

Source: US EIA, AlJazira Capital Research

Figure 6: US Weekly Natural Gas Storage

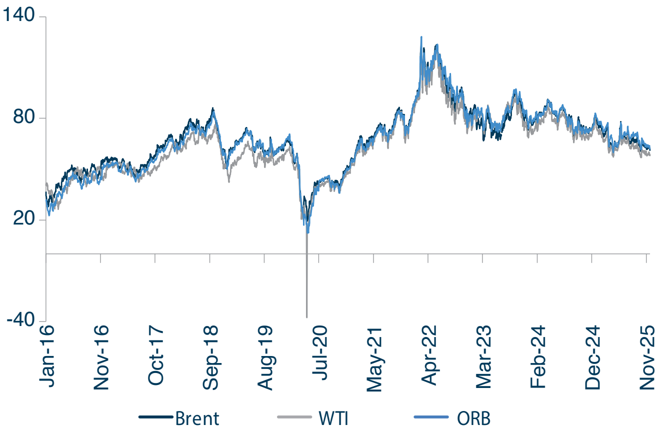


- US weekly natural gas storage decreased 0.3% W/W to 3,923 bcf in the week ended November 28. On M/M basis, natural gas storage rose 0.2%.

Source: US EIA, AlJazira Capital Research

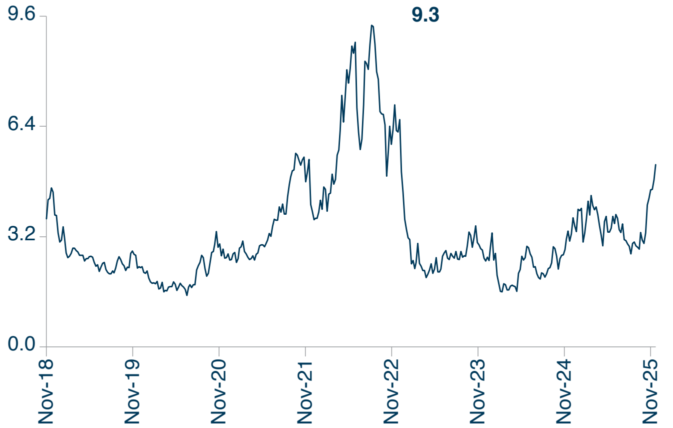
Price Trend: Oil, Natural Gas & Petrochemicals Products

Figure 7: Oil Price Trends (USD / Barrel)



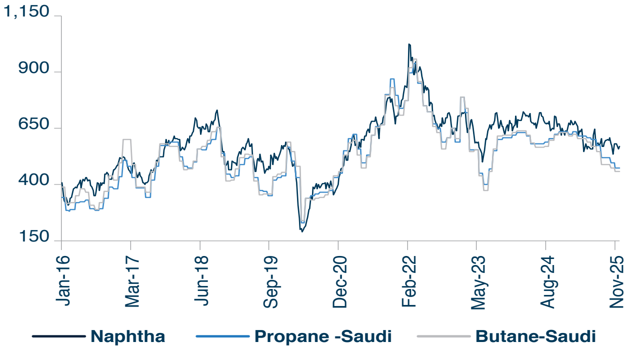
Source: Reuters Eikon, AlJazira Capital Research

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



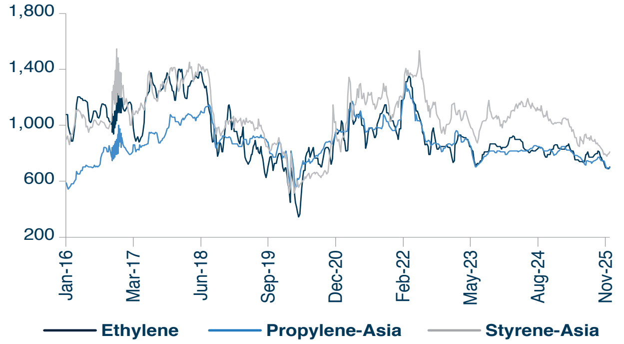
Source: OPEC, AlJazira Capital Research

Figure 9: Feedstock Price Trends (USD / Ton)



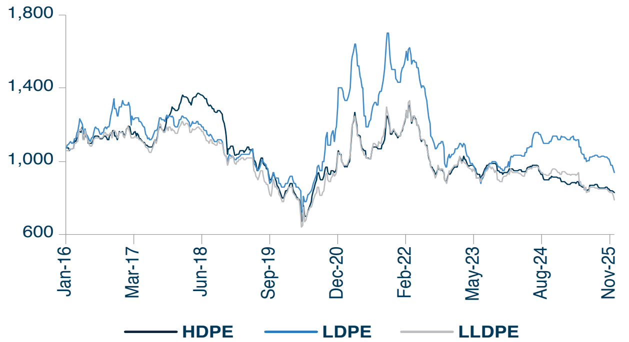
Source: Argaam, AlJazira Capital Research

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



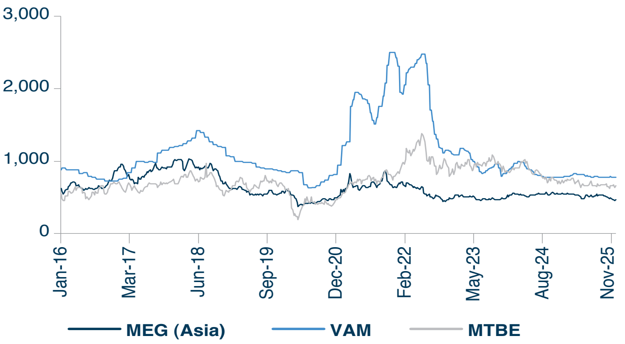
Source: Argaam, AlJazira Capital Research

Figure 11: Polyethylene Price Trends (USD / Ton)



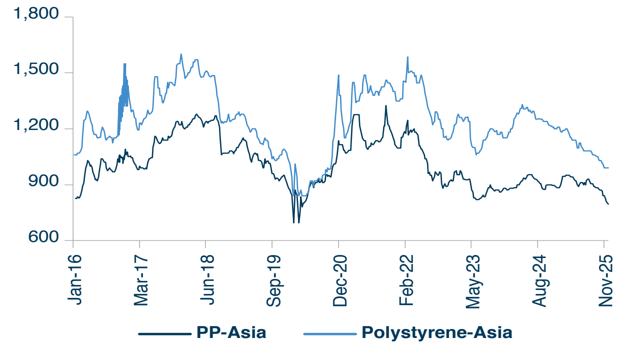
Source: Argaam, AlJazira Capital Research

Figure 12: Intermediates Price Trends (USD / Ton)



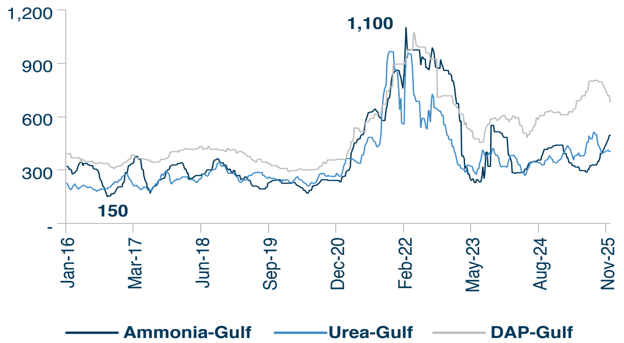
Source: Argaam, AlJazira Capital Research

Figure 13: Polypropylene & Polystyrene



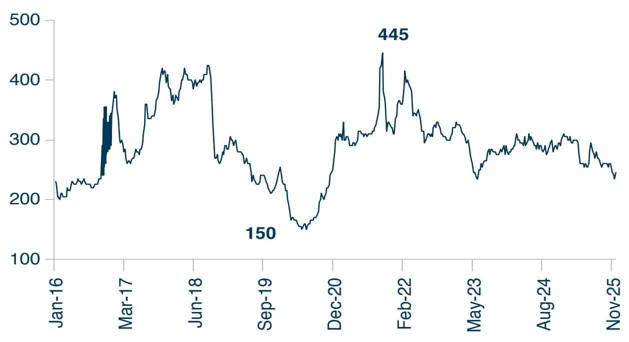
Source: Argaam, AlJazira Capital Research

Figure 14: Ammonia, Urea & DAP



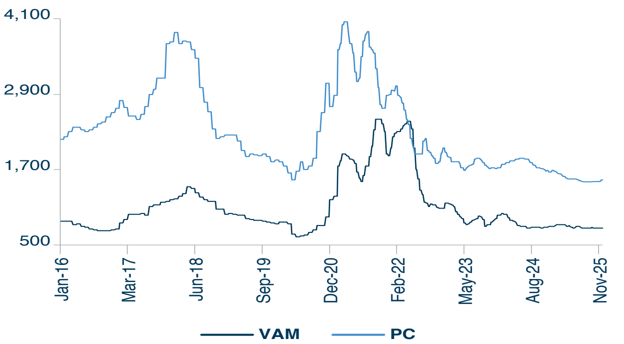
Source: Argaam, AlJazira Capital Research

Figure 15: Methanol-China (USD / Ton)



Source: Argaam, AlJazira Capital Research

Figure 16: PC-VAM

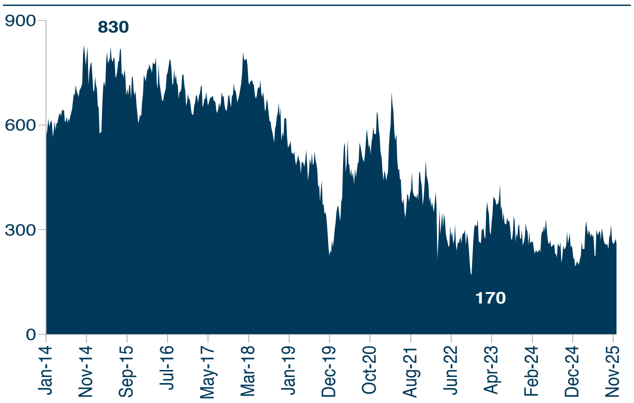


Source: Argaam, AlJazira Capital Research

Petchem Spreads Trend

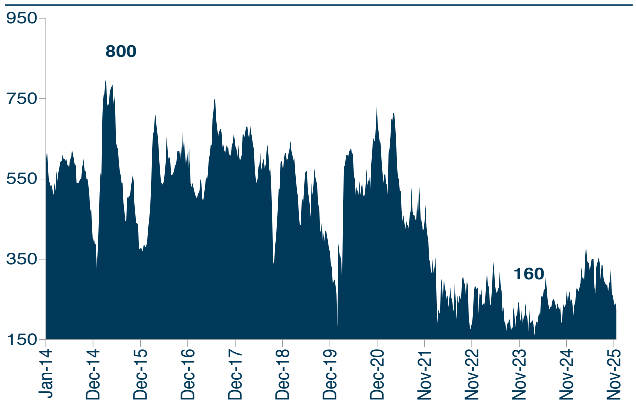
- Naphtha prices averaged 573 per ton in November, up from USD 568 per ton in October.
- Polypropylene average prices edged down to USD 814 per ton in November from USD 861 per ton in October.
- The HDPE-naphtha spread decreased to USD 264 per ton in November from USD 288 per ton in October.
- The PP-naphtha spread declined to USD 241 per ton from USD 294 per ton during the previous month.
- The PP-propane spread decreased to USD 434 per ton in November from USD 465 per ton in October.
- The PVC-EDC spread expanded to USD 469 per ton in November from USD 461 per ton in October.
- The polystyrene-benzene spread fell to USD 333 per ton in November compared to USD 339 per ton in October.
- The HDPE-ethylene spread jumped to USD 143 per ton in November from USD 109 per ton in October.
- PP-butane spread reduced to USD 446 per ton in November from USD 481 per ton in October.
- LDPE-naphtha spread contracted by 12.3% M/M to USD 397 per ton, while LDPE-ethylene inched up 0.8% M/M to USD 276 per ton in November.
- LLDPE-naphtha spread declined 11.3% to USD 245 per ton and LLDPE-ethylene surged 27.2% M/M to USD 124 per ton in November.

Figure 17: Naphtha- HDPE



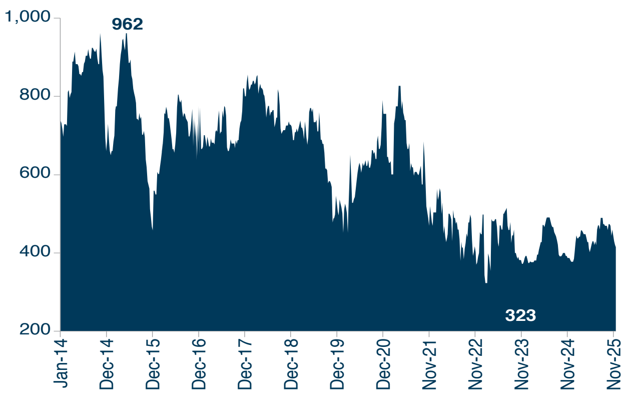
Source: Argaam, AlJazira Capital Research

Figure 18: Naphtha- PP



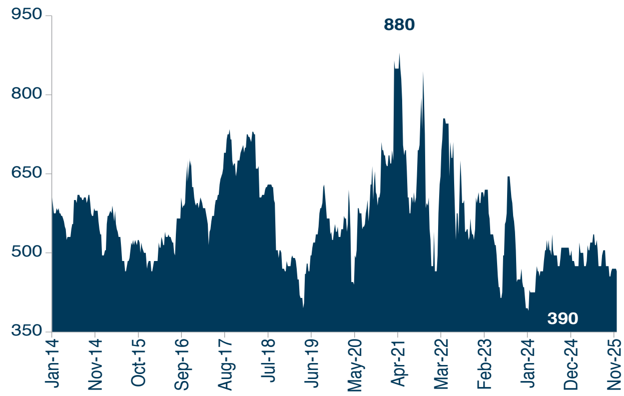
Source: Argaam, AlJazira Capital Research

Figure 19: Propane (Saudi) - PP



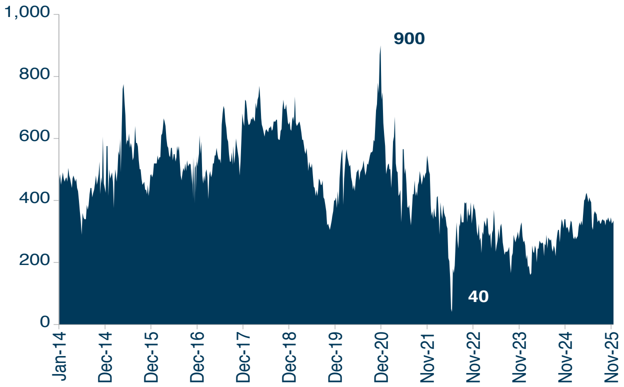
Source: Argaam, AlJazira Capital Research

Figure 20: EDC- PVC



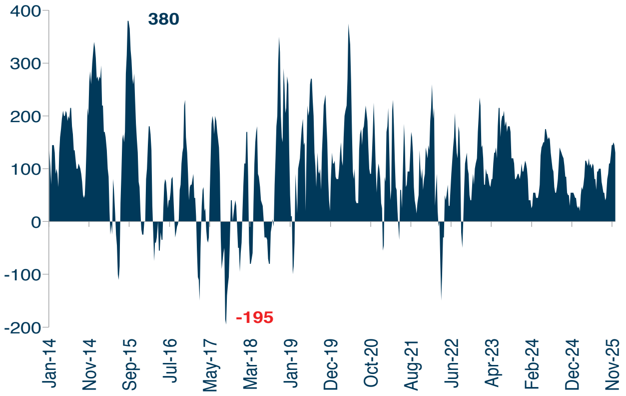
Source: Argaam, AlJazira Capital Research

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

الجزيرة كابيتال
ALJAZIRA CAPITAL الجزيرة للأسواق المالية

RESEARCH DIVISION

Head of Sell-Side Research - Director
Jassim Al-Jubran
+966 11 2256248
j.aljabran@aljaziracapital.com.sa

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