

May 2025



# Oil & Petrochemicals Monthly Report

## April | 2025



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## Methanol, MEG, PET and MTBE prices dropped; DAP and Urea gained in April; Aramco cuts propane and butane prices for May

- **Naphtha prices plunged, propane and butane were unchanged in April:** Naphtha prices fell 10.1% M/M to USD 580 per ton in April. Propane (USD 615 per ton) and butane (USD 605 per ton) prices were unchanged. Aramco lowered the prices of propane and butane for May to USD 610 per ton and USD 590 per ton, respectively.
- **Most petrochemical products showed a downtrend in April:** **Methanol** prices declined 11.9% M/M to USD 260 per ton, impacted by increased supply from US, China and Iran, while demand remained subdued. **MEG (Asia)** prices fell 9.4% M/M to USD 480 per ton due to sluggish downstream demand amid squeezed margin for downstream producers. **MTBE** prices decreased 7.5% M/M to USD 680 per ton owing to expectations of comparatively weaker summer season this year. **PET** price slid 8.2% M/M to USD 730 per ton amid ample supply, sluggish demand and bearish sentiment due to trade war concerns. **DAP** prices rose 7.8% M/M to USD 690 per ton driven by increase in Indian purchases and suspension of exports by China. **Urea** prices gained 8.5% M/M to USD 385 per ton on strong demand from Brazil.
- **Petchem Spreads Trend:** PP-propane spread contracted to USD 436 per ton in April from USD 453 per ton in March. PP-butane spread declined to USD 444 per ton in April from USD 461 per ton in March. HDPE-naphtha spread increased to USD 304 per ton in April from USD 245 per ton in March.

## Crude oil prices weighed down by tariff-driven demand concerns in April; OPEC+'s accelerated output hikes partly offset by temporary de-escalation of US-China trade war in early May

- **Oil prices declined in April:** Oil prices dropped sharply in April as the US announced aggressive tariffs on several countries, leading global oil demand concerns. Oversupply fears due to the increase in OPEC+ production added to the pressure. Potential restrictions on Iranian oil exports briefly supported the prices. In early May, prices were dragged by OPEC+'s decision to accelerate oil production hikes, which was later partially offset by temporary de-escalation of US-China trade war. Brent decreased by 9.2% M/M, while WTI fell 9.1% M/M in April, ending at USD 66.9/bbl and USD 63.0/bbl, respectively. Natural gas prices at Henry Hub dropped 27.7% M/M to USD 2.9/mn Btu.
- **US manufacturing activity weakened, while China loses momentum; Eurozone remains in contraction zone:** Manufacturing activity in the US deteriorated further with ISM manufacturing PMI falling to 48.7 in April from 49.0 in March due to declines in production and new export orders. China's Caixin manufacturing PMI fell to 50.4 in April from 51.2 in March, indicating slowing momentum as trade tensions led to a sharp drop in exports. Eurozone's manufacturing PMI rose to 49.0 from 48.6 in March, still in contraction territory but indicating a softening pace of decline.

Table 1: Petchem Prices – April FY25

Name	Price (USD per ton)	M/M %	Q/Q %	Y/Y %	YTD %
Naphtha	580	-10.1%	-14.1%	-18.9%	-10.1%
Saudi Propane	615	0.0%	-1.6%	0.0%	-3.1%
Saudi Butane	605	0.0%	-1.6%	-2.4%	-4.0%
Ethylene	755	-7.9%	-9.0%	-14.2%	-9.6%
Propylene-Asia	785	-1.9%	-7.6%	-4.3%	-4.3%
HDPE	865	-2.8%	-1.1%	-8.9%	-2.8%
LDPE	1,050	-6.3%	-6.3%	0.0%	-7.5%
LLDPE	870	-6.5%	-6.5%	-7.4%	-7.9%
PP-Asia	920	-2.1%	-2.6%	0.0%	4.0%
Styrene-Asia	880	-9.3%	-16.6%	-24.1%	-13.7%
Polystyrene-Asia	1,135	-0.4%	-4.6%	-14.7%	-6.2%
PET - Asia	730	-8.2%	-8.8%	-18.9%	-8.2%
PVC-Asia	695	0.0%	-4.1%	-10.3%	-6.1%
MEG (Asia)	480	-9.4%	-11.9%	-5.9%	-11.9%
Methanol-China	260	-11.9%	-13.3%	-10.3%	-16.1%
DAP-Gulf	690	7.8%	13.1%	35.3%	10.4%
Urea-Gulf	385	8.5%	-2.5%	32.8%	8.5%
Ammonia-Gulf	315	-3.1%	-19.2%	10.5%	-28.4%
MTBE-Asia	680	-7.5%	-8.1%	-31.3%	-4.2%
EDC	215	-4.4%	-24.6%	-33.8%	-24.6%
MEG (SABIC)	760	0.0%	-1.3%	-6.2%	-2.6%
PC	1,585	-3.1%	-4.5%	-13.6%	-5.9%
Acetic Acid-AA	440	0.0%	-5.4%	-11.1%	1.1%
EVA	1,245	-2.4%	4.6%	0.4%	6.4%
Vinyl Acetate Monomer-VAM	820	0.0%	3.8%	-8.4%	4.5%

Note: Prices as of April 27, 2025

Source: Argaam, Reuters Eikon, AlJazira Capital Research

Table 2: Economic Calendar

Date	Country	Event
May 21,29	US	Weekly Petroleum Status Report
22-May	US	S&P Global US Manufacturing PMI
22-May	US	US Initial Jobless Claims
28-May	KSA	M3 Money Supply YoY
28-May	KSA	SAMA Net Foreign Assets SAR
29-May	US	GDP Annualized QoQ
4-Jun	KSA	S&P Global Saudi Arabia PMI
5-Jun	US	Trade Balance
6-Jun	US	Unemployment Rate
9-Jun	KSA	GDP Constant Prices YoY
10-Jun		EIA Short-term Energy Outlook
15-Jun	KSA	CPI YoY
16-Jun		OPEC Monthly Oil Market Report
17-Jun		IEA Oil Market Report
29-Jun	KSA	Current Account Balance

Source: Bloomberg, EIA, OPEC, IEA

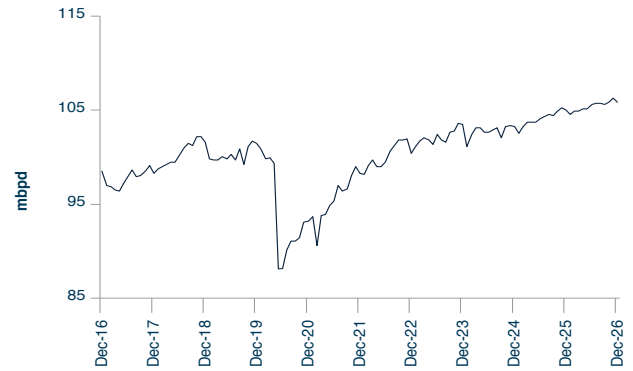
## Key comments from international energy agencies

### Crude oil supply

#### Global supply

- Global supplies of crude oil and liquid fuels are expected to rise by 1.6 mbpd to 104.6 mbpd in FY25 (largely unchanged from previous estimate) and by 1.0 mbpd to in FY26 (largely unchanged from previous estimate), as per **EIA**. Non-OPEC supply is forecast to grow 1.2 mbpd to 71.6 mbpd in FY25 and 1.1 mbpd to 72.7 mbpd in FY26.
- Global oil supply is expected to rise by 1.6 mbpd in FY25 to 104.6 mbpd and increase further by 1.0 mbpd in FY26, according to **IEA**.
- Global refining throughputs are expected to average 83.2 mbpd in FY25 and 83.6 mbpd in FY26, according to **IEA**.

Figure 1: World Oil Production



Source: Bloomberg, AlJazira Capital Research

#### OPEC Supply

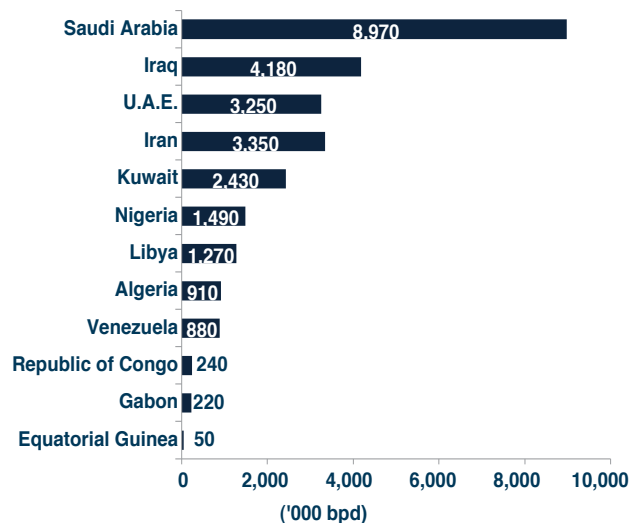
- OPEC crude oil production decreased 60,000 bpd M/M in April to an average of 26.7 mbpd, as per **OPEC's** secondary sources.
- On average, OPEC members are estimated to produce 26.9 mbpd of crude oil in Q2-25 (vs 27.0 mbpd in Q1-25), as per **EIA**.
- OPEC's average crude production is estimated at 26.9 mbpd in FY25 and in FY26, according to **EIA**.
- OPEC's unplanned oil supply disruptions averaged 1.20 mbpd in April (vs. 1.24 mbpd in March), as per **EIA**.

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

Prod. ('000 bpd)	Cap.	Jan 2025	Feb 2025	Mar 2025	APR 2025	% M/M Chg.
Equatorial Guinea	80	40	70	60	50	-16.7%
Gabon	230	230	200	210	220	4.8%
Republic of Congo	300	250	240	250	240	-4.0%
Venezuela	980	900	980	980	880	-10.2%
Algeria	1,060	890	910	910	910	0.0%
Libya	1,290	1,210	1,290	1,270	1,270	0.0%
Nigeria	1,600	1,520	1,550	1,550	1,490	-3.9%
Kuwait	2,820	2,490	2,470	2,430	2,430	0.0%
Iran	3,830	3,320	3,370	3,350	3,350	0.0%
U.A.E.	4,650	3,230	3,300	3,330	3,250	-2.4%
Iraq	4,800	4,010	4,190	4,150	4,180	0.7%
Saudi Arabia	12,000	8,940	8,970	8,950	8,970	0.2%
<b>Total OPEC</b>	<b>33,640</b>	<b>27,030</b>	<b>27,540</b>	<b>27,440</b>	<b>27,240</b>	<b>-0.7%</b>

Source: Bloomberg

Figure 2: OPEC April 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 grow further by 1.3 mbpd in FY26. **IEA** estimates global oil demand to increase by 0.7 mbpd growth in FY25 (slightly 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 1.0 mbpd Y/Y in FY25 (vs. 0.9 mbpd earlier) and 0.9 mbpd Y/Y in FY26 (vs. 1.0 mbpd earlier).
- Global demand for petroleum and liquid fuels stood at 102.6 mbpd in April, up 0.7% Y/Y, as per **EIA**.
- DoC (countries participating in the Declaration of Cooperation) crude demand for FY25 is forecasted to grow 0.4 mbpd Y/Y to 42.6 mbpd (0.1 mbpd higher than the previous month's estimate), according to **OPEC**. The DoC demand is estimated to increase to 42.9 mbpd in FY26 (0.1 mbpd higher than the previous month's estimate), up by around 0.4 mbpd Y/Y.

## Inventory

- Global oil inventories rose 25.1 mb in March to 7,671 mb, while OECD inventories increased 3.1 mb in March, as per **IEA**.
- EIA** forecasts OECD inventories at 2.78bn barrels by end-FY25 and 2.86bn by end-FY26.
- Natural gas inventories in the US are estimated to be at 3,670 bn cu.ft. by October 2025; 3% below the five-year average.

Figure 3: OECD Monthly Oil Inventories



Source: US EIA, AlJazira Capital Research

## Price outlook

- Brent spot prices are forecasted to average USD 66 per barrel in FY25 and at USD 59 per barrel in FY26, as per **EIA**.
- Goldman Sach** forecasts Brent prices to average USD 60 per barrel for the rest of FY25 and average at USD 56 per barrel in FY26. **Barclays** has revised its Brent crude oil price forecast downward, cutting its FY25 estimate by USD 4 to USD 66 per barrel and its FY26 estimate by USD 2 to USD 60 per barrel, attributing the change to OPEC+'s decision to speed up oil production increases. **EIA** expects natural gas prices at Henry Hub to average USD 4.10/mn Btu in FY25 and USD 4.80/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.	32.40	32.48	32.33	32.34	32.67	32.59	32.45	32.53	32.39	32.56	32.78
Non-OPEC Suppl.	69.81	70.35	70.37	70.93	70.52	71.22	71.97	72.53	70.36	71.57	72.65
<b>Total World Supply</b>	<b>102.21</b>	<b>102.83</b>	<b>102.69</b>	<b>103.27</b>	<b>103.19</b>	<b>103.81</b>	<b>104.42</b>	<b>105.07</b>	<b>102.75</b>	<b>104.13</b>	<b>105.43</b>
World Crude Oil & Liq. Fuels Cons.											
OECD Cons.	44.80	45.59	46.23	46.05	45.60	45.26	46.07	46.10	45.67	45.76	45.65
Non-OECD Cons.	56.87	57.16	57.05	57.19	57.57	58.06	57.93	58.22	57.07	57.95	58.96
<b>Total World Cons.</b>	<b>101.67</b>	<b>102.74</b>	<b>103.28</b>	<b>103.24</b>	<b>103.17</b>	<b>103.33</b>	<b>104.00</b>	<b>104.32</b>	<b>102.74</b>	<b>103.71</b>	<b>104.61</b>
OECD Comm. Inventory (mn barrels)	2,757	2,834	2,796	2,742	2,719	2,753	2,771	2,773	2,742	2,773	2,857
OPEC Surplus Crude Oil Prod. Cap.	1.47	1.39	1.55	1.31	1.20	n/a	n/a	n/a	1.43	n/a	n/a

Source: EIA STEO MAY 2025, AlJazira Capital Research

- The gap between crude consumption and supply is estimated to increase to 0.48 mbpd in Q2-25 (higher supply than consumption) from 0.02 mbpd in Q1-25 (higher supply than consumption).
- OECD's crude inventories are expected to be at 2.75bn barrels in Q2-25 compared to 2.72bn barrels in Q1-25.

## Petrochemical sector news

- **Nama Chemicals Co.** completed the scheduled maintenance at its epoxy and Hassad project plants, operated by Jubail Chemical Industries Co. (JANA), with both facilities resuming operations May 8. The company said the financial impact of the scheduled shutdown will appear in its Q2-25 results. (Source: Tadawul)
- **Saudi Aramco's** Singapore-based unit, Aramco Asia Singapore Pte. Ltd. (AAS), signed an agreement with China Petroleum & Chemical Corp. (Sinopec) and its unit Fujian Petroleum Chemical Company Ltd. (FPCL) to establish a joint venture (JV) company with a registered capital of USD 3.95bn. Sinopec and its unit shall contribute USD 990mn and USD 1.98bn in cash, respectively. AAS will allocate the remaining amount, representing 25% of the JV's registered capital. (Source: Argaam)
- **Saudi Aramco** announced signing 34 Memoranda of Understanding (MoUs) and agreements, with a potential total value of ~USD 90.0bn, with major US companies, through its Aramco Group Companies. The MoUs and agreements cover collaborations and partnerships relating to a range of Aramco's activities, including Liquefied Natural Gas, fuels, chemicals, emission-reduction technologies, Artificial Intelligence and other digital solutions. (Source: Argaam)
- **Methanol Chemicals Co.'s (Chemanol)** board appointed Fahad bin Fozan Al-Shaya (non-executive) as Chairman, in place of Faris bin Mansour Al-Rajhi (independent member) who submitted his resignation on April 15. (Source: Tadawul)
- **Saudi Arabia's** exports of chemicals and related products jumped 14% Y/Y to nearly SAR 6.3bn in January 2025. Compared with December 2024, chemical exports saw a decline of 18% or SAR 1.3bn. Chemicals and related products made up 24% of January's SAR 26.5bn in non-oil exports. (Source: Argaam)
- Over 85% of the **Gulf's** petrochemical production is exported to more than 100 countries, with the value of annual exports exceeding USD 85bn, as per Abdulwahab Al-Sadoun, Secretary General of Gulf Petrochemicals and Chemicals Association. (Source: Argaam)
- **Saudi Aramco's** wholly owned subsidiary, Saudi Aramco Technologies Co. (SATC), signed an agreement with BYD to explore closer collaboration in new energy vehicle technologies. This collaboration leverages the research and development teams of two leading global companies, with the aim of achieving new energy vehicle breakthroughs. (Source: Argaam)

**Table 5: KSA Petrochemical Companies Key Metrics**

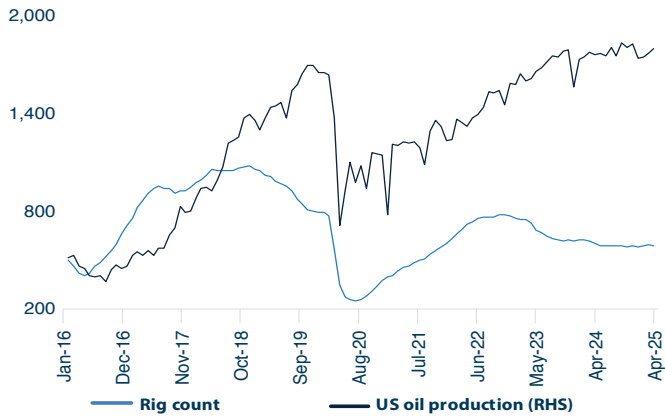
Company	Net profit (TTM; SAR mn)	P/E (Adjusted)	P/B	EV/ EBITDA	DPS (SAR) TTM	Dividend Yield (2024)	YTD returns
SABIC	81.5	High	1.2x	13.2x	3.40	5.6%	-10.0%
TASNEE	1,070.7	28.8x	0.6x	High	-	-	-5.5%
YANSAB	334.5	High	1.5x	11.7x	2.00	6.5%	-18.4%
SABIC Agri-Nutrients	3,470.9	13.5x	2.4x	10.0x	6.00	6.1%	-10.8%
Sipchem	439.9	High	0.9x	12.6x	1.00	5.2%	-23.1%
Advanced	-129.1	High	2.7x	42.2x	-	-	-5.1%
KAYAN	-2,007.6	NEG	0.8x	16.8x	-	-	-22.2%
SIIG	191.9	High	1.1x	-	0.50	3.4%	-12.6%
Nama Chemical	-3.6	NEG	3.4x	-	-	-	-0.5%
Chemanol	-288.5	NEG	1.1x	-	-	-	-35.1%
ALUJAIN	-56.6	High	0.8x	11.1x	-	-	3.0%

Source: Bloomberg, Tadawul, Argaam, Aljazira Capital Research; Data as of May 15, 2025



## US oil and gas developments

Figure 4: US Oil Production versus Rig Count



Source: US EIA, AlJazira Capital Research

US oil production averaged 13.33 mbpd in April 2025. Production increased 0.8% M/M and 0.6% Y/Y from 13.25 mbpd in April 2024.

In the week ended April 25, the rotary rig count in the US stood at 587 (up 2 W/W). The average number of rigs fell 1.0% M/M in April vis-à-vis a rise of 0.4% in March. The average rig count was down 5.0% Y/Y in April. As of May 09, of the total 578 rigs, 474 (down 5 W/W) were used to drill for oil and 101 (unchanged W/W) for natural gas. In the US, oil exploration decreased 4.4% Y/Y, while gas exploration declined 1.9% Y/Y.

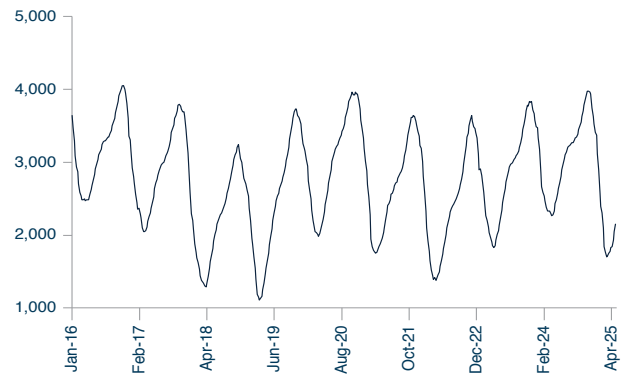
Figure 5: US Weekly Oil Inventories



- US weekly oil inventories decreased 0.6% W/W to 440.4mn barrels for the week ended April 25. On M/M basis, inventories inched up 0.1%.

Source: US EIA, AlJazira Capital Research

Figure 6: US Weekly Natural Gas Storage

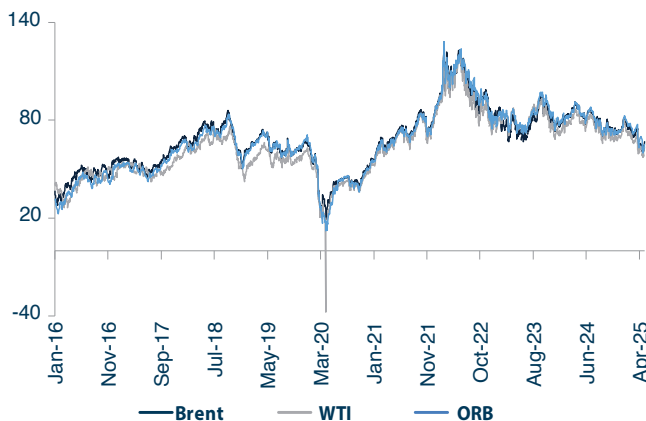


- US weekly natural gas storage increased 5.5% W/W to 2,041 bcf in the week ended April 25. On M/M basis, natural gas storage rose 15.1%.

Source: US EIA, AlJazira Capital Research

## Price Trend: Oil, Natural Gas & Petrochemicals Products

Figure 7: Oil Price Trends (USD / Barrel)



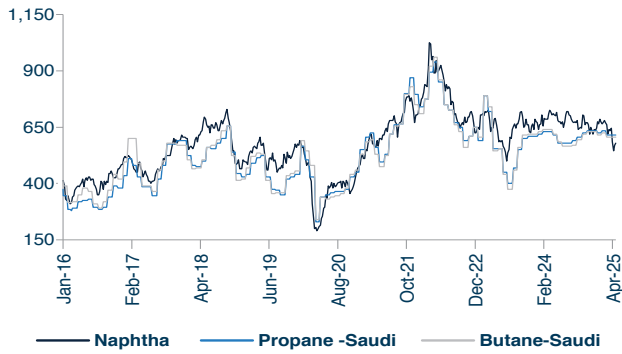
Source: Reuters Eikon, AlJazira Capital Research

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



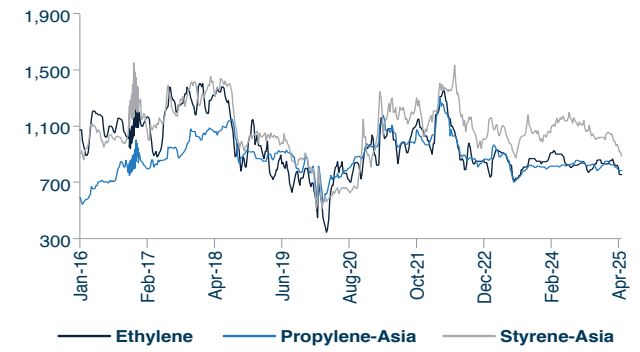
Source: OPEC, AlJazira Capital Research

Figure 9: Feedstock Price Trends (USD / Ton)



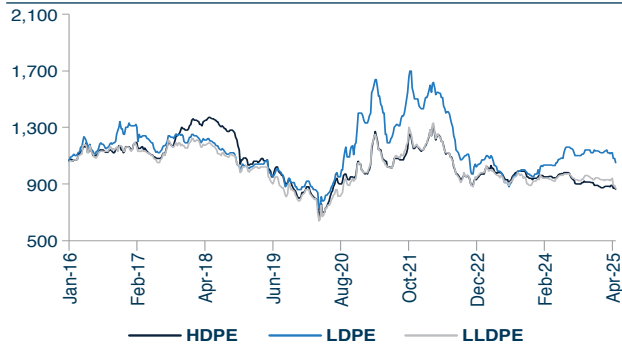
Source: Argaam, AlJazira Capital Research

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



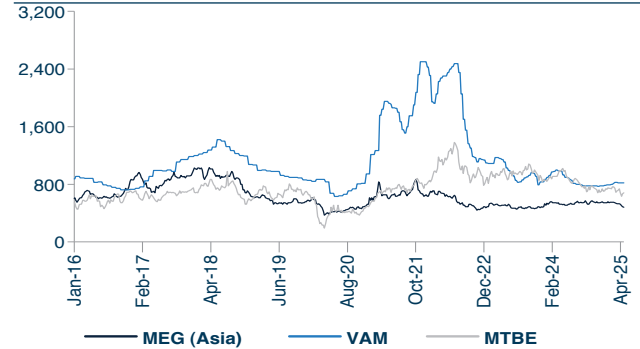
Source: Argaam, AlJazira Capital Research

Figure 11: Polyethylene Price Trends (USD / Ton)



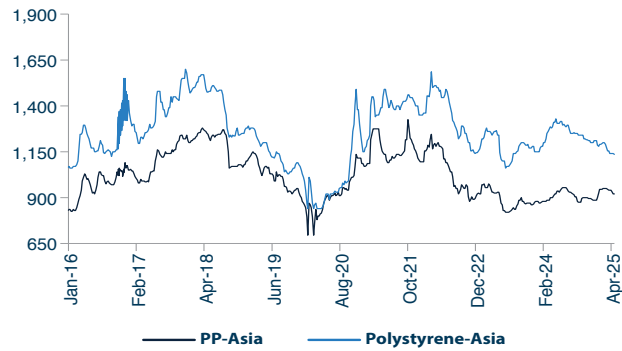
Source: Argaam, AlJazira Capital Research

Figure 12: Intermediates Price Trends (USD / Ton)



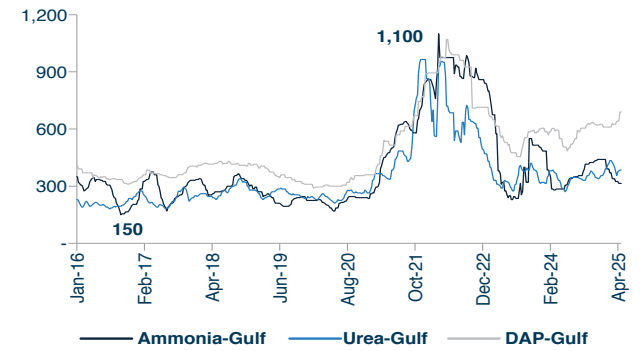
Source: Argaam, AlJazira Capital Research

Figure 13: Polypropylene &amp; Polystyrene



Source: Argaam, AlJazira Capital Research

Figure 14: Ammonia, Urea &amp; DAP



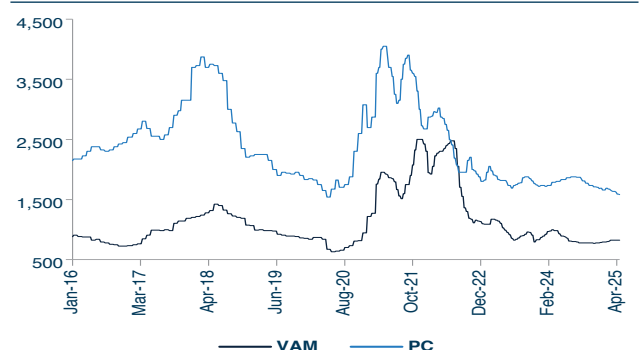
Source: Argaam, AlJazira Capital Research

Figure 15: Methanol-China (USD / Ton)



Source: Argaam, AlJazira Capital Research

Figure 16: PC-VAM

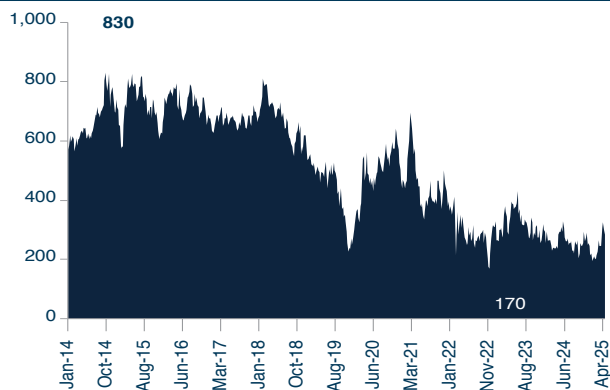


Source: Argaam, AlJazira Capital Research

## Petchem Spreads Trend

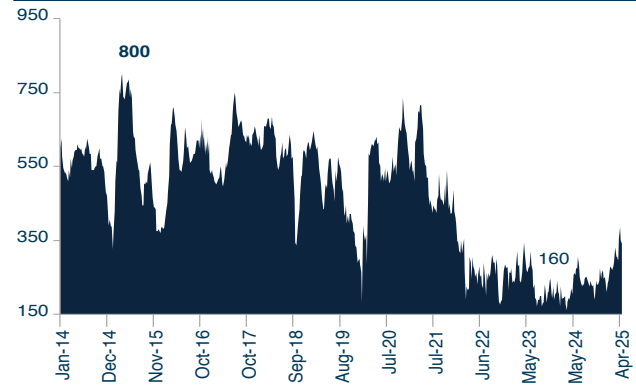
- Naphtha prices averaged USD 570 per ton in April, down from USD 640 per ton in March.
- Polypropylene average prices inched down to USD 928 per ton in April from USD 945 per ton in March.
- The HDPE-naphtha spread increased to USD 304 per ton in April from USD 245 per ton in March.
- The PP-naphtha spread rose to USD 358 per ton from USD 305 per ton during the previous month.
- The PP-propane spread contracted to USD 436 per ton in April from USD 453 per ton in March.
- The PVC-EDC spread fell slightly to USD 488 per ton in April from USD 490 per ton in March.
- The polystyrene-benzene spread widened to USD 396 per ton in April compared to USD 324 per ton in March.
- The HDPE-ethylene spread doubled to USD 106 per ton in April from USD 53 per ton in March.
- PP-butane spread declined to USD 444 per ton in April from USD 461 per ton in March.
- LDPE-naphtha spread widened by 6.1% M/M to USD 513 per ton, while LDPE-ethylene spread increased 8.2% M/M to USD 315 per ton in April.
- LLDPE-naphtha spread gained 13.3% to USD 328 per ton and LLDPE-ethylene surged 34.0% M/M to USD 130 per ton in April.

Figure 17: Naphtha- HDPE



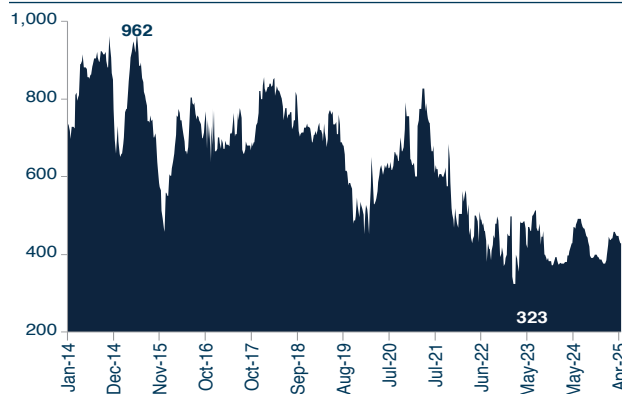
Source: Argaam, AlJazira Capital Research

Figure 18: Naphtha- PP



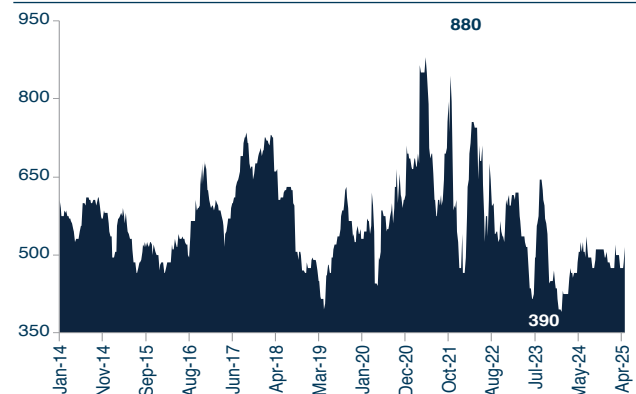
Source: Argaam, AlJazira Capital Research

Figure 19: Propane (Saudi) - PP



Source: Argaam, AlJazira Capital Research

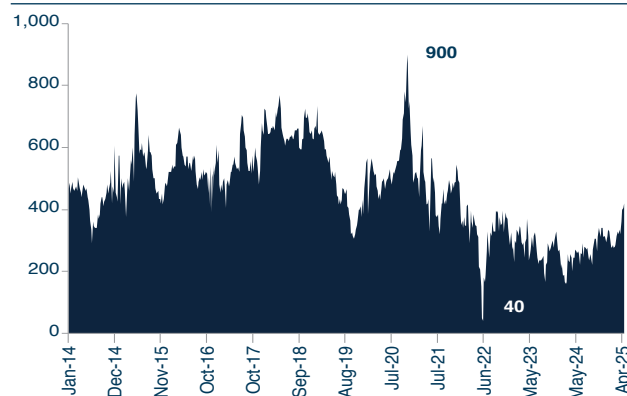
Figure 20: EDC- PVC



Source: Argaam, AlJazira Capital Research

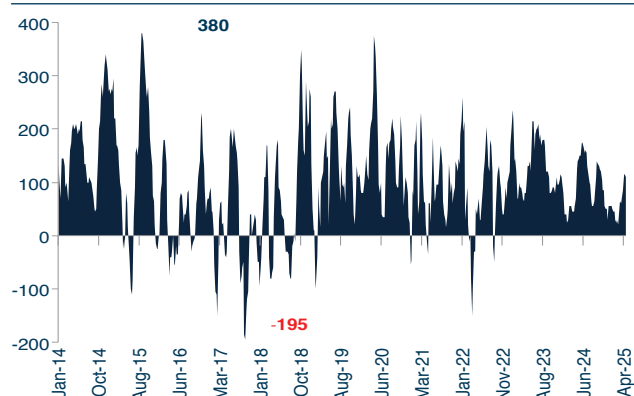


Figure 21: Benzene- Polystyrene



Source: Argam, AlJazira Capital Research

Figure 22: Ethylene- HDPE



Source: Argam, AlJazira Capital Research

Table 6: Petrochemical Products by Saudi Petrochemical Companies

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

Source: Argam Plus



RESEARCH  
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RESEARCH  
DIVISION

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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.

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