CERA

S&P Global
Energy

FUELS & REFINING / SCHEDULED UPDATE

Geopolitical tensions and strong LPG fail to lift Europe's naphtha market

Europe, Eurasia, Africa Petrochemical Feedstock Short-Term Outlook

Hédi Grati – Head Europe, Eurasia and Africa Petrochemical Feedstocks

Ravi Narayanaswamy – Global Head Petrochemical Feedstocks

February 2, 2026

Table of contents

Methodology notes: This forecast aligns with the suite of February 2026 Short-term Outlooks for crude oil, natural gas liquids and refined products, and with the January 2026 Short-term Outlooks for olefins, polyolefins and aromatics.
Historical prices are aligned with S&P Global Platts data; reference densities for crack spread calculations are consistent with the Platts European Marketscan methodology document.
The methodology for the country-level and regional naphtha balances is provided in the report annex. Ethane, propane and butane balances are part of the NGL short-term outlooks, available on Platts Connect.
Revisions to balances across France, Greece, Italy, Norway, and Spain have changed historical values compared to the January STO and prior.

Key implications

Geopolitical tensions and strong LPG fail to lift Europe's naphtha market

Despite strong LPG values turbocharged by cold weather and ongoing uncertainty about sanctioned nations and entities, European naphtha weakened considerably in January. Petrochemical demand remains weak, while maintenance at the Dangote refinery has so far failed to boost gasoline blending demand. Some upside could come from refinery outages elsewhere, but so far, the outlook is bleak

Derivative producers return from holidays and start restocking, but the market remains cautious. Olefins values did receive a boost from restocking demand, but our cracker utilization forecast for 2026 suggests more pain ahead. Europe's domestic gasoline demand remains strong, but export opportunities are limited, especially in West Africa, weighing on blending demand, as attractive blend components are stored for spring

European refinery utilization is set to reach 82% in February, while summer prospects remain bright. After a period of exceptional gasoline and diesel cracks, refinery margins have fallen dramatically, exacerbated by rising natural gas prices. Russian refineries continue to experience Ukrainian drone strikes, but more capacity is being brought back gradually. Dangote refinery has taken its CDU offline for one week of maintenance

Limited NWE naphtha imports and steady MED exports keep Europe balanced, while a ramp-up in gasoline production reduces Russia's surplus. Northwest Europe refineries ramp up after maintenance, but seasonally low gasoline and petrochemical consumption curb naphtha demand. Russia's surplus falls once again as refineries focus on gasoline, while Central European refinery outages are likely to impact landlocked crackers

Planned and unplanned outages across key MED naphtha exporters mainly reduce movements to Asia as the arbitrage incentive normalizes. Russian outflows decline to just 1.2 MMt amid lower buying appetite from Asia and a quest for new buyers, with some cargos unsold or signaling placeholder destinations, from where re-export to Asia is likely. Adverse weather and soaring freight rates weigh on US LPG flows to Europe

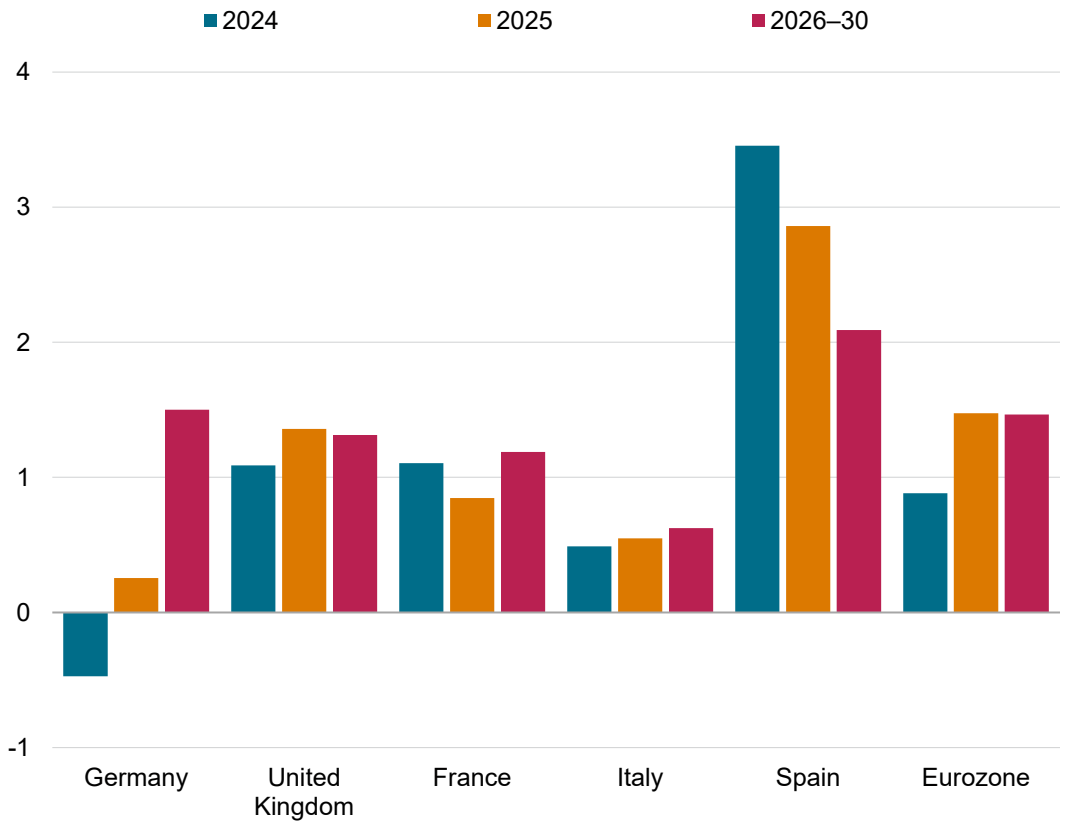
Naphtha cracks lose another $2/b as fundamentals weaken further. A renewed rally in the East-West spread reflects the poor fundamentals. A rebound in cracker margins is unlikely to have a significant effect on volumes. LPG remains more attractive as a cracker feedstock, and the advantage will increase as we enter spring. Octane values continue to rise, as a contango in the gasoline curve adds storage demand ahead of driving season

NWE = Northwest Europe; MED = Mediterranean Europe (excluding North Africa); CEE = Central and Eastern Europe

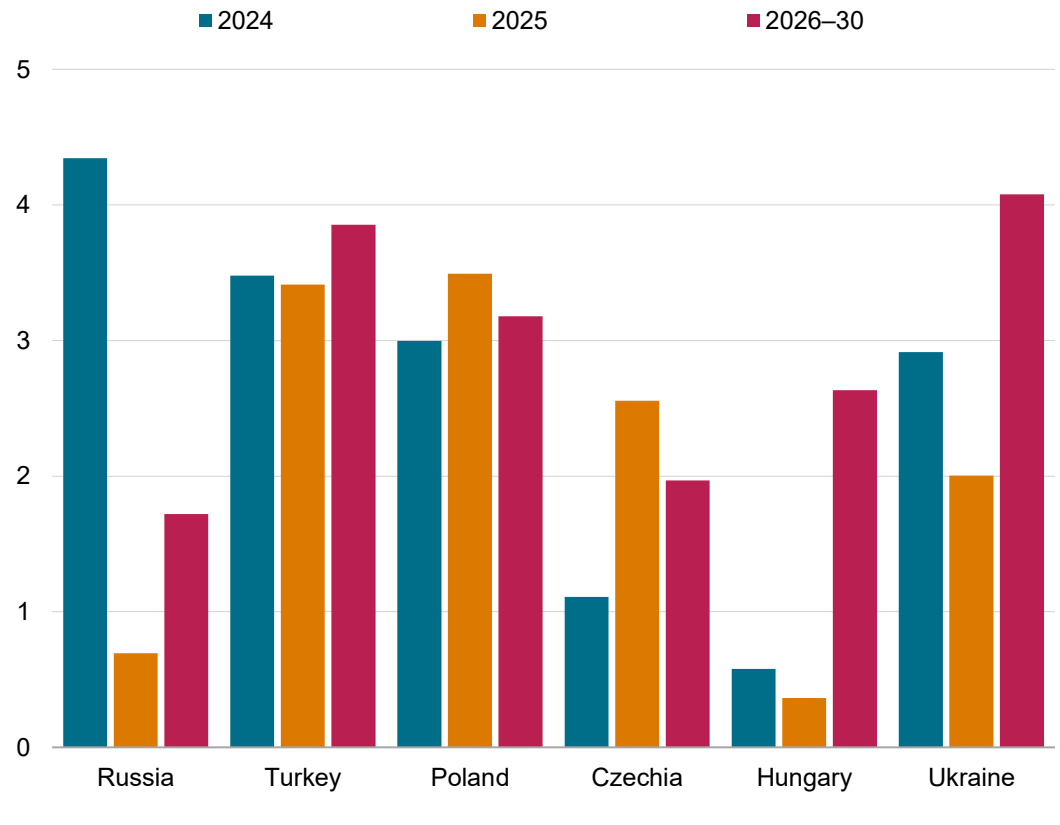
Macro and demand drivers

More expansive fiscal policy is forecast to lead to a modest rebound in German growth, with positive spillovers, but public finance constraints present headwinds

Western Europe annual growth rates in real GDP



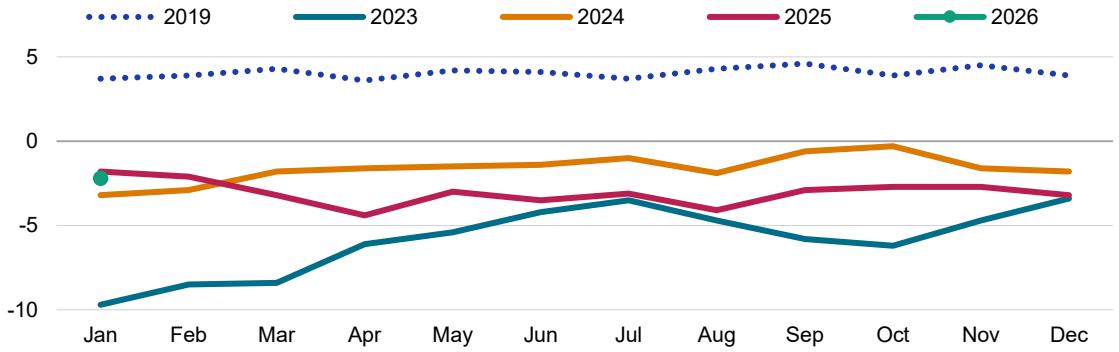
Emerging Europe annual growth rates in real GDP



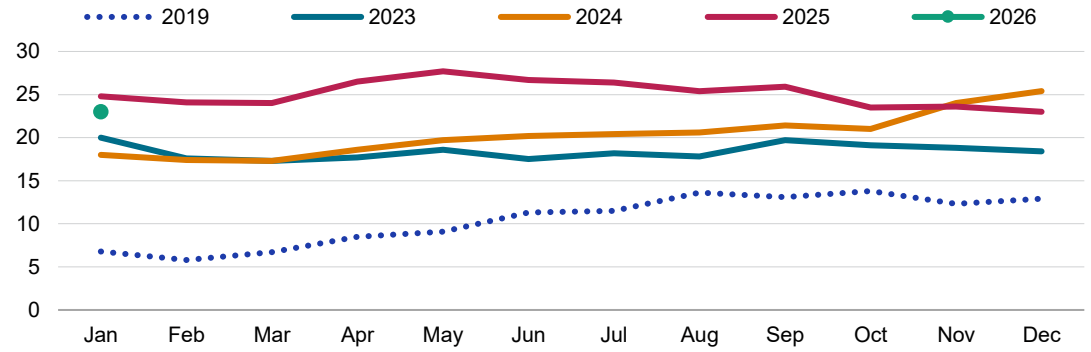
Data compiled Jan. 20, 2026.
Source: S&P Global Market Intelligence

European consumer sentiment is largely at the same level as this time last year, as employment worries weigh on buying intentions, boosting savings instead

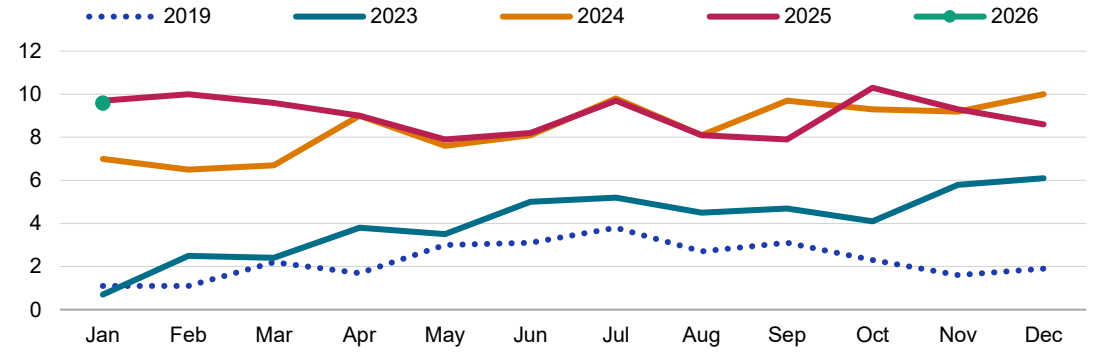
Financial situation for the next 12 months



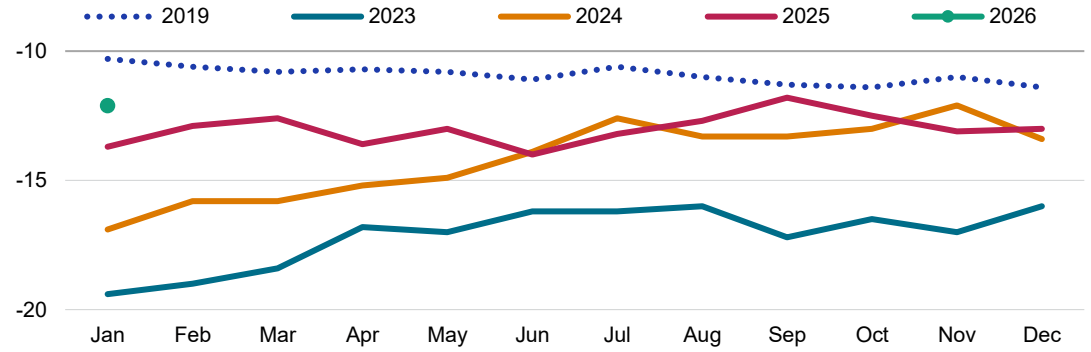
Consumer unemployment expectations over next 12 months



Savings intentions for the next 12 months



Major purchase intentions for the next 12 months



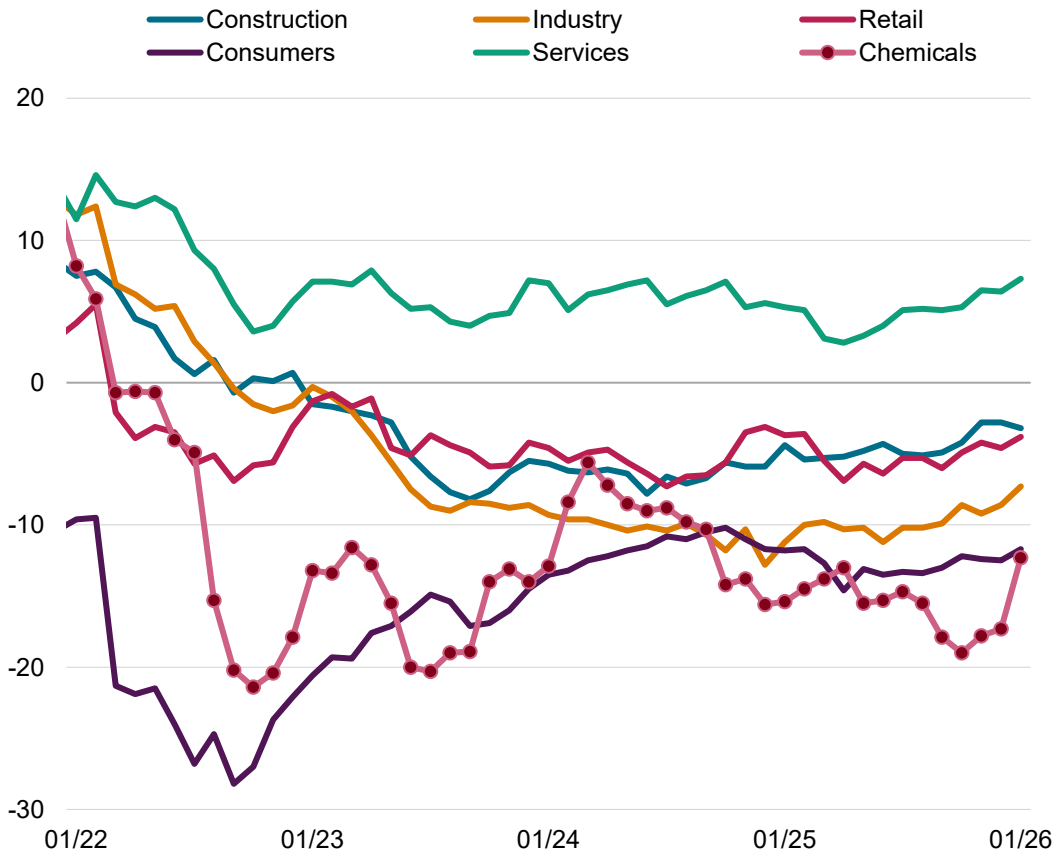
Data compiled Jan. 30, 2026.

The purpose of the consumer survey is to collect information on households' spending and savings intentions, and to assess their perception of the factors influencing these decisions. Answers obtained from the surveys are aggregated in the form of balances, constructed as the difference between the percentages of respondents giving positive and negative replies. The Commission (DG ECFIN) calculates EU and euro area aggregates on the basis of the national results and seasonally adjusts the balance series.

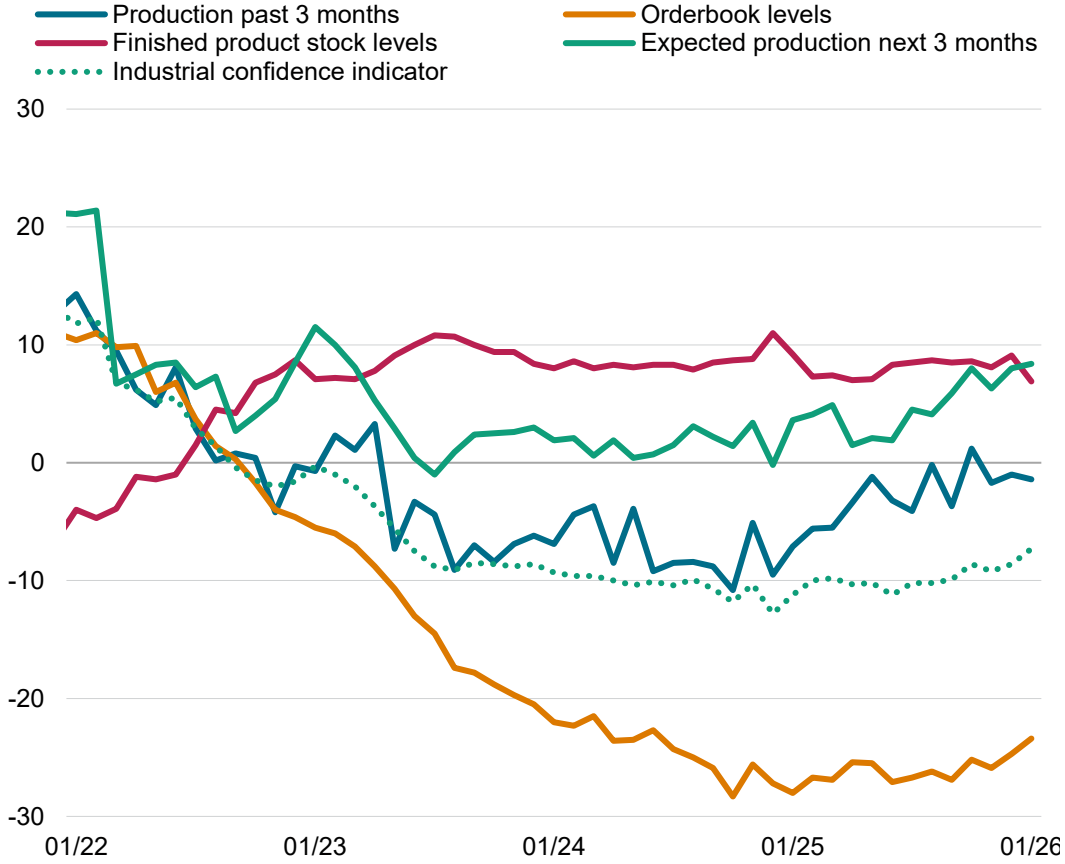
Source: Eurostat

Economic indicators across industry and retail improve but remain bearish, although industry expectations for the next few months continue to improve

European Union sentiment indicators by sector



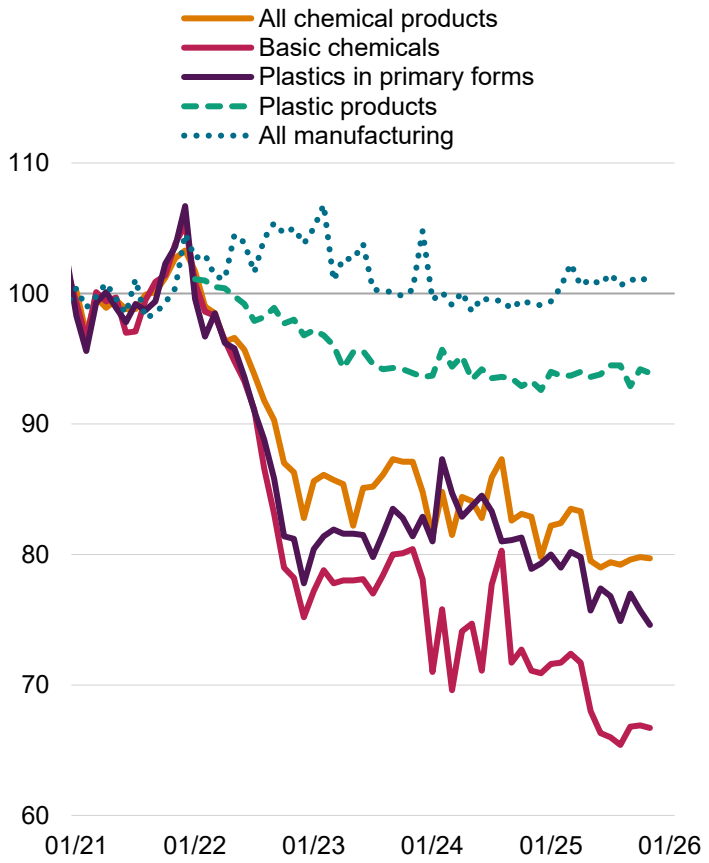
Monthly industry survey across the European Union



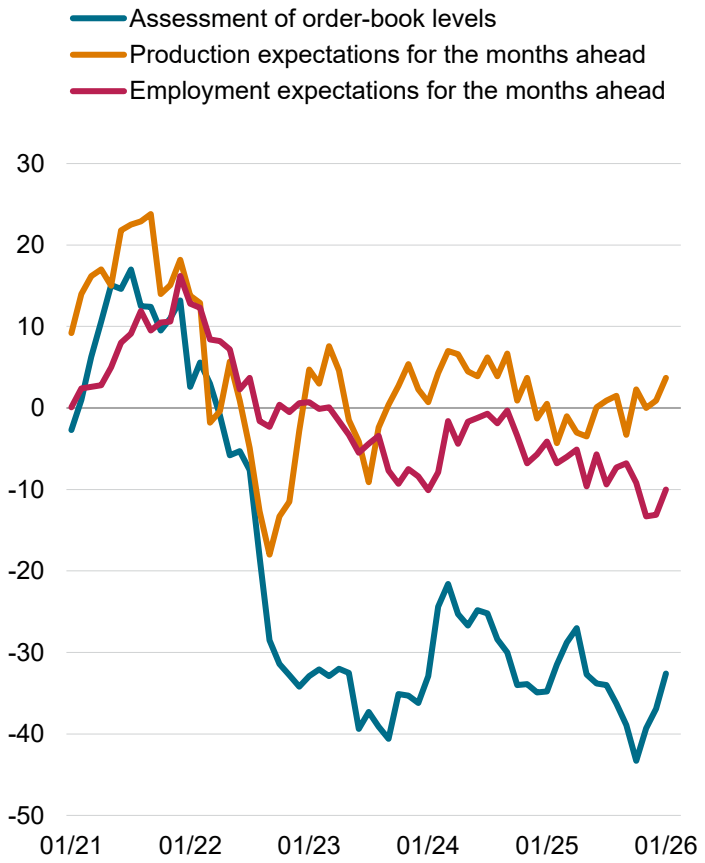
Data compiled Jan. 30, 2026.
Answers obtained from the surveys are aggregated in the form of balances, constructed as the difference between the percentages of respondents giving positive and negative replies.
Source: Eurostat.

Lack of demand continues to be the main pain point for Europe's chemical industry, pushing utilization down, as orderbooks don't suggest fast improvement

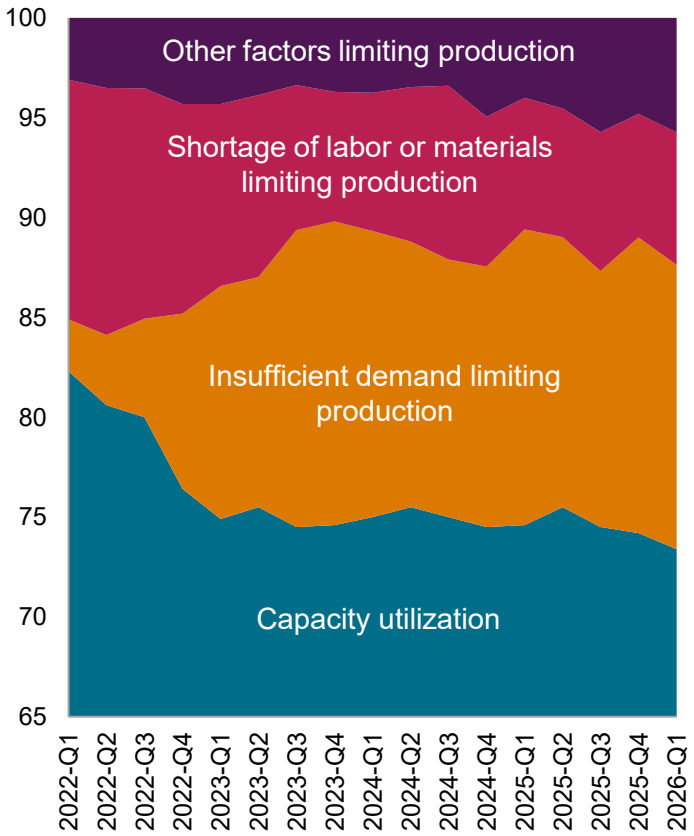
EU-27 production (index, 100 = 2021)



Chemical industry leading indicators



EU-27 chemical industry capacity utilization

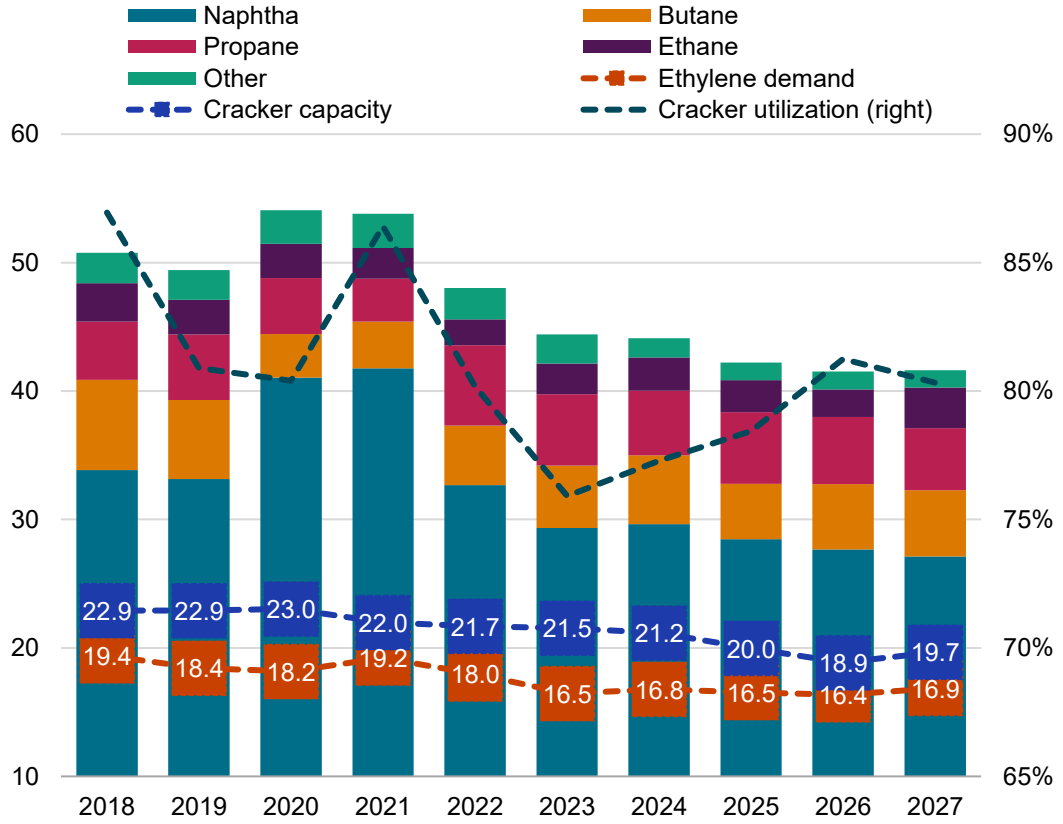


Data compiled Jan. 30, 2026.
EU-27 = the 27 member states of the European Union since the exit of the United Kingdom. Limiting factors are based on the frequency of survey responses and apportioned to the unused produced capacity
Source: European Commission

Derivative producers return after the holiday season, with some restocking activity boosting olefins prices, but the market remains cautious

- Demand in Europe shows continued weakness due to poor underlying derivative demand, competitive imports and end-of-year inventory management
  - While derivative producers are returning after the holiday season, the market remains cautious, attributing comparative demand to restocking rather than underlying market conditions. Sabic's 400,000 mt/year LDPE plant at Wilton remains offline with a restart reported as unlikely before the end of first quarter
  - Vynova's Runcorn and Wilhelmshaven sites entered insolvency proceedings in December, though the latter is still running according to the Administrator. While no formal statement has been made regarding Runcorn's operational status, the implication is that it also continues to run as it supplies ethylene dichloride (EDC) to Wilhelmshaven
- The Ineos Lavéra cracker has returned from its major turnaround
  - Elsewhere in the Mediterranean, Libya's Ras Lanuf cracker remains offline again due to feedstock availability. LyondellBasell have restarted their cracker in Wesseling, following economic idling at the end of 2025, whilst it is unclear whether MOL at Tiszaújváros has returned after undergoing the same
  - ExxonMobil's Mossmoran cracker, of which Shell have 50% offtake rights, is expected to close permanently in February, whilst a number of significant turnarounds at Moerdijk, Ludwigshafen and Geleen is expected in Q2 2026
  - There are some concerns about the supply impact of the latter in the event of any additional, unexpected disruption, particularly to the East of the cluster. US ethylene import supply is still a possibility, but there has been minimal trade discussion on import volumes

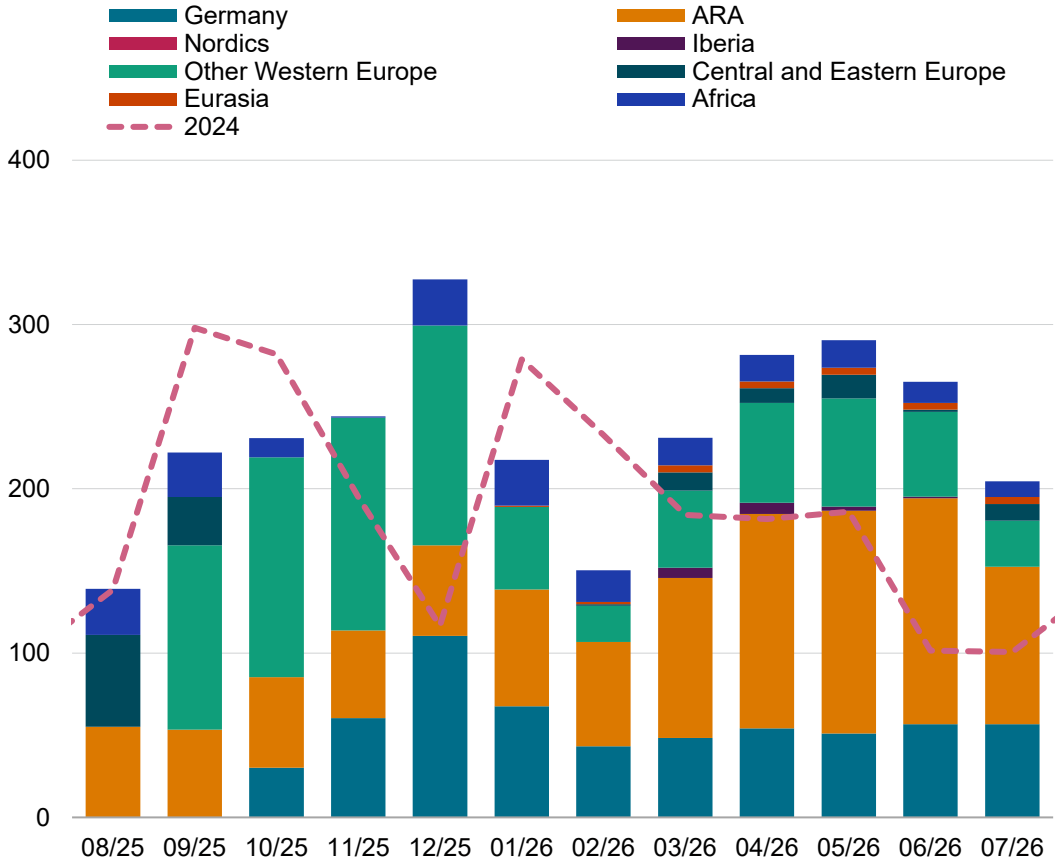
Western Europe ethylene capacity, feedstocks, demand and utilization (million metric tons)



Data compiled Jan. 20, 2026.
For more detail and country-level balances, please refer to the Ethylene Short-term Outlook, available on Platts Connect (subscription required).
Source: S&P Global Energy.

Cracker maintenance is expected to peak in April and May, as SABIC reaches an agreement with AEQUITA to acquire its European assets

Steam cracker outages (thousand mt of ethylene capacity)



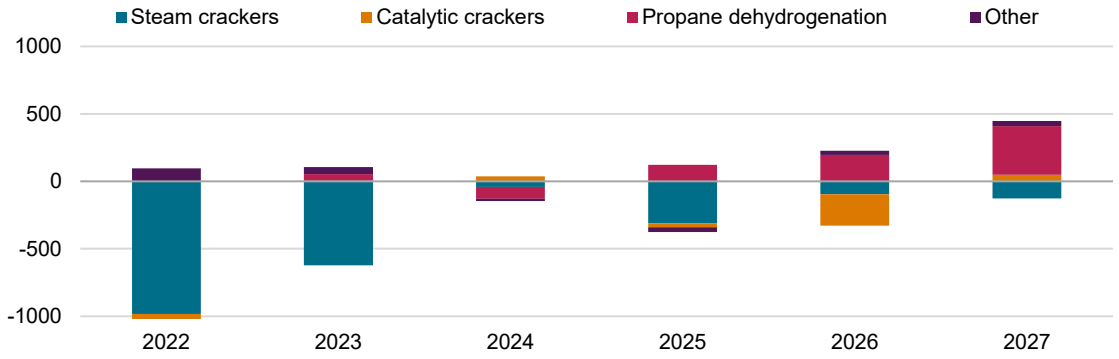
European cracker rationalization and consolidation
As of Feb. 2, 2026

Status	Operator	Location	Capacity	Feedstock	Timing
Down	SABIC	Wilton	867	Naphtha+	2020*
Down	SABIC	Geleen 3	575	Naphtha	Q2'24
Down	ExxonMobil	Gravenchon	425	Mixed	Q4'24
Down	Versalis	Brindisi	490	Naphtha	Q1'25
Down	Versalis	Priolo	490	Naphtha+	Q3'25
Idled	DOW	Terneuzen	592	Mixed	Q2'25
To shut	ExxonMobil	Fife	830	Ethane	Q1'26
To shut	DOW	Böhlen	565	Naphtha	By 2027
To shut	TotalEnergies	Antwerp	550	Naphtha	By 2027
	Subtotal		***5,384***		
Sale agreed	LyondellBasell	Münchsmünster	400	Mixed	N/A
		Berre l'Étang	470	Mixed	N/A
	SABIC	Geleen 4	675	Naphtha	N/A
For sale	Versalis	Dunkirk	380	Naphtha	N/A
	Shell	Europe assets	1,220	Mixed	N/A
	BP	Gelsenkirchen	1,073	Mixed	N/A

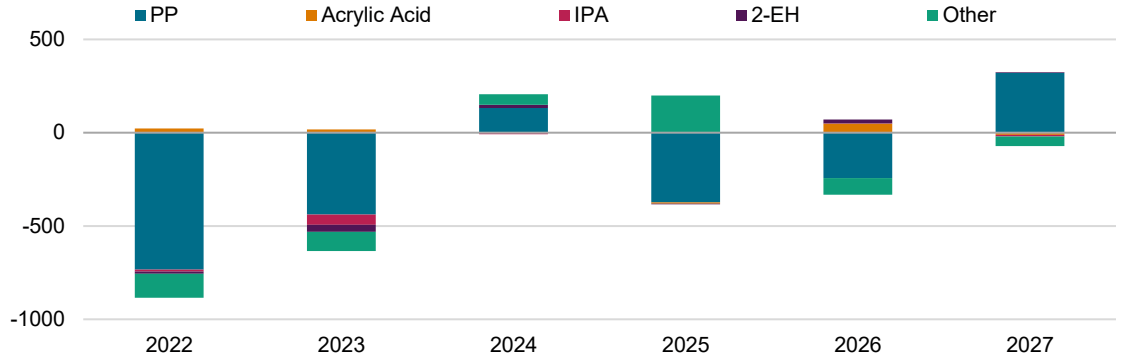
Data compiled Jan. 20, 2026.
* SABIC Wilton shut down in 2020 for a planned conversion project to 100% ethane cracking, but in 2024 this project was shelved
For more detail, country and site-level outages, please refer to the Ethylene Short-term Outlook, available on Platts Connect (subscription required)
Sources: S&P Global Energy; Chemical Week; Company announcements

Weak polypropylene demand amid plentiful supply continues to weigh on propylene margins

Western Europe propylene supply, annual growth (thousand mt)



Western Europe propylene demand, annual growth (thousand metric tons)

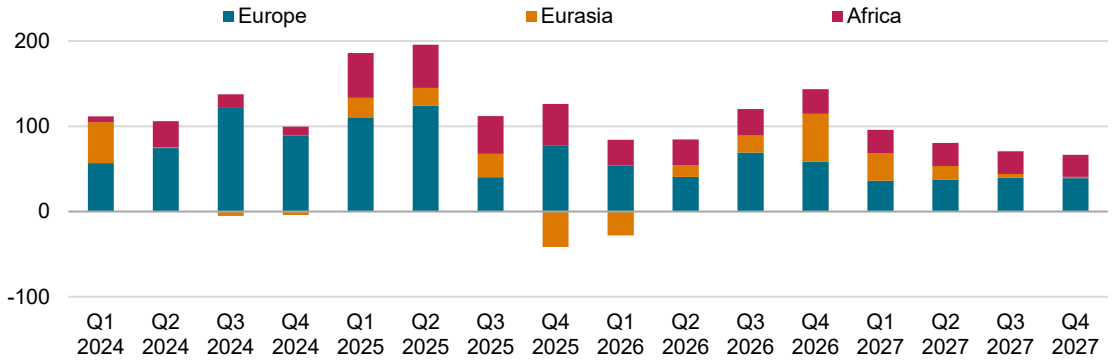


- On Dec. 25, Domo Chemicals filed for insolvency at its three German subsidiaries and began the process of shutting down the production sites. For now, due to safety concerns, operations at the site will continue at reduced rates. Refinery grade propylene demand will be structurally impacted by the reduced run rates of DOMO's cumene & phenol/acetone units in Leuna. With acetone now expected to be tighter as a result of the loss of merchant acetone from the site, demand for propylene into IPA may see a small uptick as a competing feedstock. In other market sectors, stock building after the holidays has caused a short-term lift to demand, although end-use sectors aren't seeing a major demand improvement
- Supply remains healthy as 2026 begins. Some assets will be changing hands with Sabic's divestment of its European petrochemical assets, including the propylene production assets in Geleen, Netherlands, to private equity firm, Aequita. The recently announced Mossmoran ExxonMobil cracker closure will not impact propylene availability. In December, it was announced that INEOS' Grangemouth site will receive £150M of investment, with £120M being provided by the UK Government. Likewise, the INEOS Lavera site will receive a €250M investment programme backed by the French Government, announced in November. Looking ahead, co-production from steam crackers is anticipated to stay weak into 2026 as ethylene demand is also expected to remain poor. Borealis' new Kallo PDH unit will offset this decrease to an extent in 2H 2026

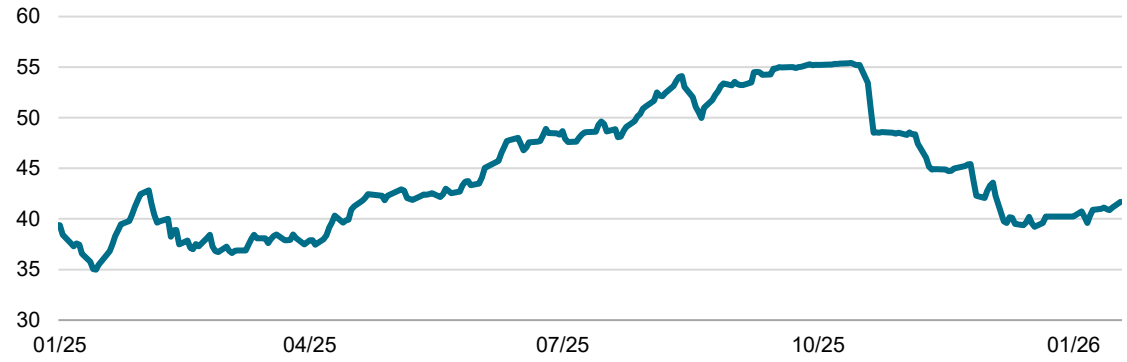
Data compiled Jan. 20, 2026.
PP = polypropylene; IPA = isopropyl alcohol ; 2-EH = 2-ethylhexanol.
For more detail, country and site-level outages, please refer to the Propylene Short-term Outlook, available on Platts Connect (subscription required).
Source: S&P Global Energy.

Gasoline demand is healthy across Europe, Eurasia and Africa, as Russia's supply crisis normalizes further

Gasoline demand growth in Europe, Eurasia and Africa (thousand b/d)



Daily SPIMEX wholesale price of 92-RON gasoline (RUB/liter)



- We have adjusted our European forecast for 2026 and 2027 upward by 10,000 b/d and 20,000 b/d based on strong reported numbers. We now expect gasoline demand to rise by 56,000 b/d and 40,000 b/d in 2026 and 2027. This healthy gasoline demand outlook is driven by slower electrification, low fleet turnover capping fleet efficiency gains, and the ongoing shift away from diesel, which largely supports gasoline. December consumption data for Spain, Portugal and the UK show year over year growth figures of 8.2%, 6.3% and 3.3% respectively, with an increase of 2.8% across OECD Europe in November
- Russian gasoline demand averaged 820,000 b/d in December. Demand in most months of the year was supported by solid fundamentals, including modest retail price inflation, until Russia's domestic gasoline crisis broke out in September, which constrained demand through year-end. With retail shortages beginning to ease and retail gasoline prices largely back to normal levels, gasoline demand should be supported this quarter
- African consumption is expected to rise by around 30,000 b/d year over year in 1Q26. Weaker crude prices from year-end 2025 are already feeding through to lower pump prices in the region's biggest demand centers, notably Nigeria, South Africa, Kenya, and Morocco. Nigeria continues to act as a swing gasoline market, yet demand growth will moderate in 2026 as the post-subsidy recovery steadies. In regulated markets, such as Egypt, a price freeze through October should sustain consumption even as demand re-bases after subsidy roll-backs. Nevertheless, downside risks to fuel prices remain for import-dependent markets with currency depreciation, such as Ethiopia, Algeria, and Angola

Data compiled Jan. 30, 2026.

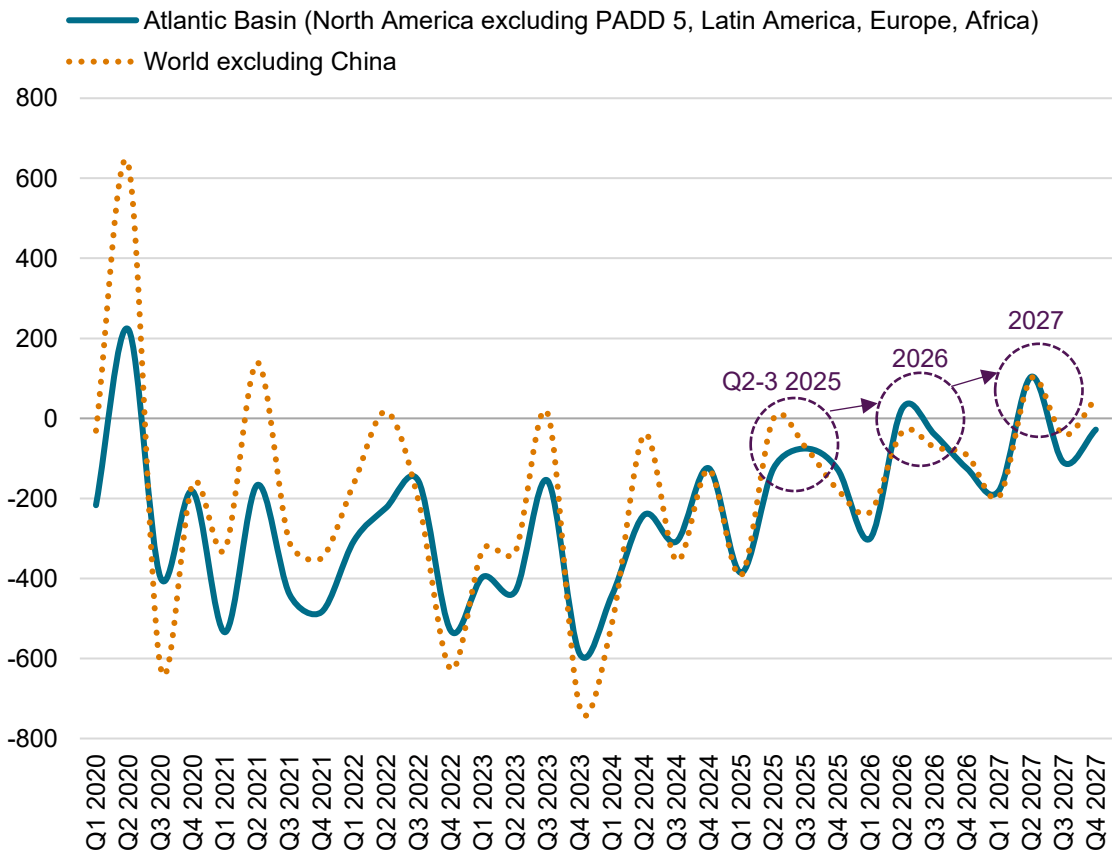
Car sales for Q4'25 refer to October and November actuals.

For more detail, please refer to the monthly Refined Products Short-term Outlooks, available on Platts Connect and S&P Connect (subscription required).

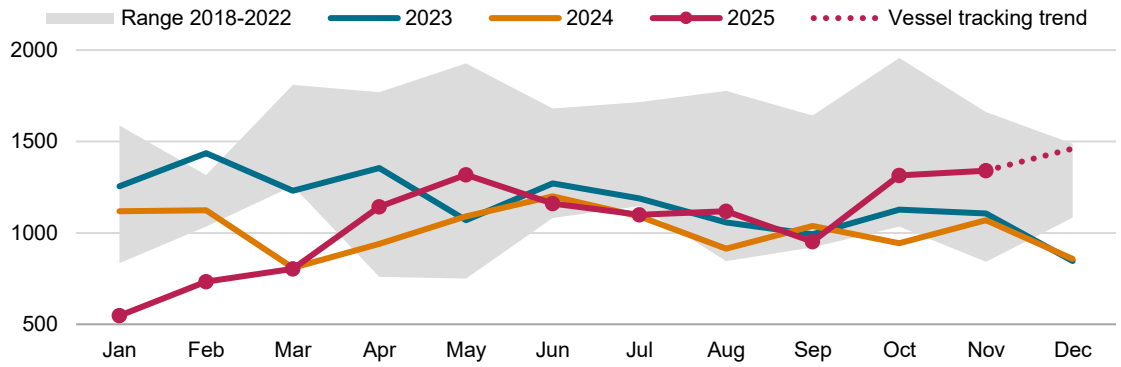
Source: S&P Global Energy, European Automobile Manufacturers' Association, IEA, JODI, ENSE, Exolum, SPIMEX.

Gasoline market seeking summer-grade material to put in storage ahead of the seasonality switch, supported by a contango structure

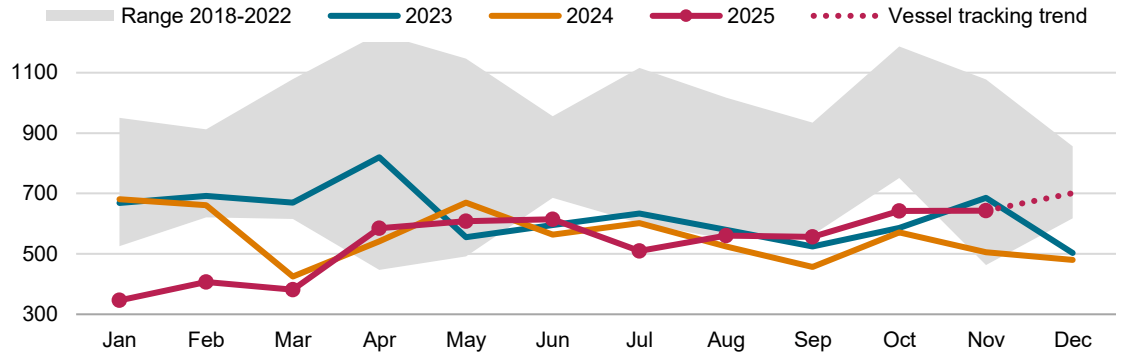
Motor gasoline implied balance vs. 2017–19 average (thousand b/d)



Netherlands gasoline blending outside refineries (thousand mt)



Netherlands direct naphtha blending into gasoline (thousand mt)



Data compiled Jan. 30, 2026.

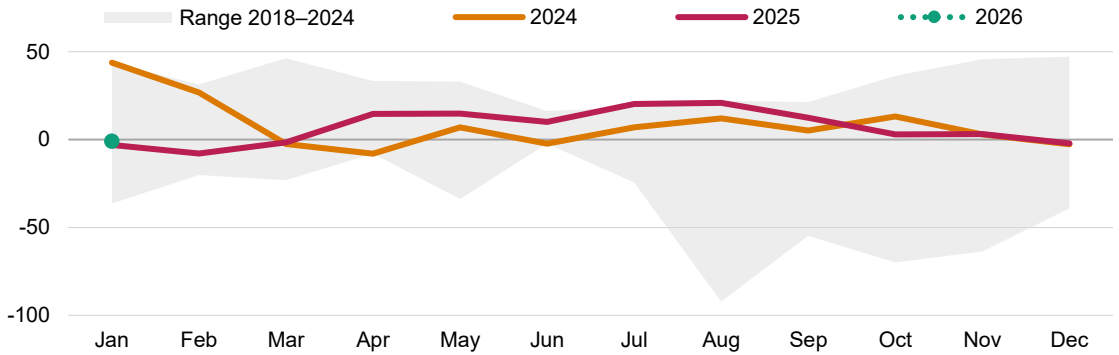
Reported gasoline production outside of refining used as a proxy for blending activity at independent terminals; Reported naphtha consumption by sectors other than refining and petrochemicals is used as a proxy for naphtha blending at Netherlands independent terminals.

For more detail, please refer to the monthly Refined Products Short-term Outlooks, available on Platts Connect and S&P Connect (subscription required).

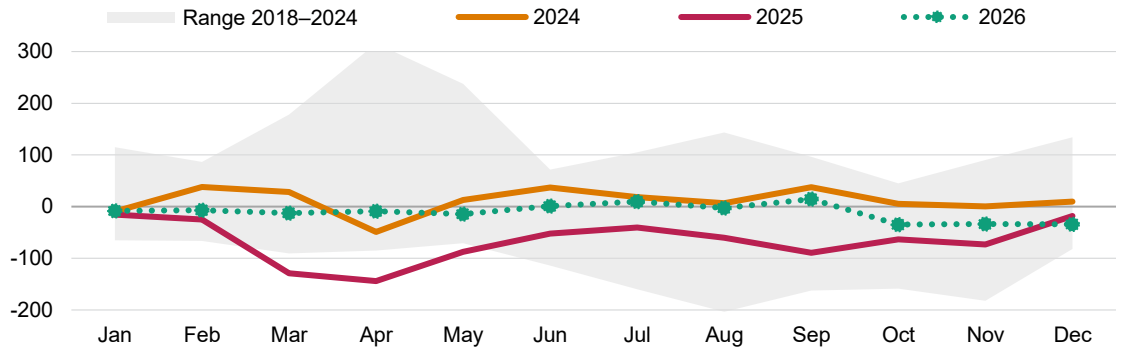
Source: S&P Global Energy, Statistics Netherlands, Commodities at Sea, a product of S&P Global Energy

Benzene market is tight around the Atlantic Basin, albeit with subdued chemical demand, while mixed xylenes and toluene are driven by blending

Incremental aromatics reformer margin over gasoline ($/mt)



Indicative toluene disproportionation margin ($/mt)



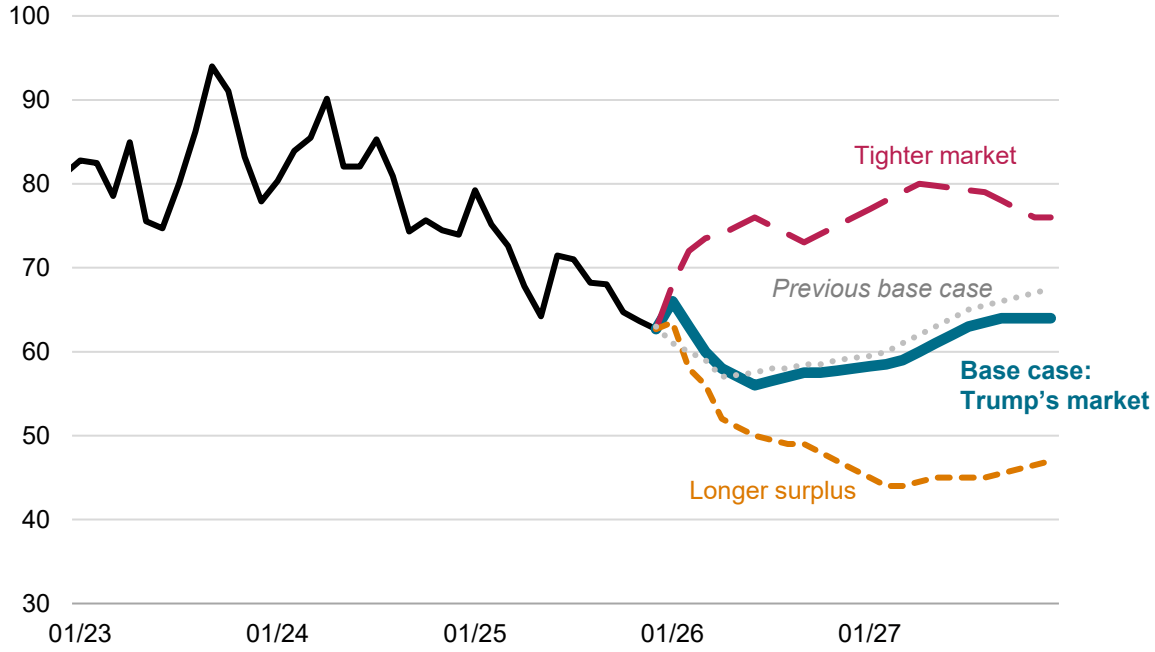
- Demand for benzene is reported as steady, with slightly higher offtake commented in the aniline chain, though this is seen as year-end de-stocking rather than new demand. Consumers remain concerned about the economic uncertainty and pressure from Asian imports of derivatives. Operational issues and financial insolvency are limiting the consumption of caprolactam. A significant part of the lost production will be replaced by imports downstream of benzene, rather than shifting demand to alternative domestic producers
- Benzene supply is limited by feedstock. Downtime at Shell Rheinland's reformer was reportedly prolonged beyond mid-December, and further reformer issues were reported in ARA the same month. This made Western European benzene supply tight at year-end. In early January, two small German benzene extractors (Domo and Arsol) declared insolvency, contributing to volatility in the thinly offered market. Prices lifted, causing benzene to be fixed from the Mediterranean into ARA. Low steam cracker run rates will continue to limit pygas availability, with further reductions in Q2'26 due to planned maintenance. The availability of feedstock is a structural issue in the European market, and therefore, benzene output will remain sensitive to any upstream issues
- Toluene supply remains uncertain as the new year begins, following the insolvency of a German producer, which removed 30,000 mt of toluene and 10,000 mt of mixed xylenes (MX) capacity from the market. In contrast, MX shows greater liquidity. Unseasonal gasoline blending demand continues to support MX spot activity, a trend expected to persist given the loose naphtha market. MX production rates may increase as PX economics improve

Data compiled Jan. 20, 2026.
PET = polyethylene terephthalate; PX = paraxylene; Indicative toluene disproportionation margin: 50% benzene + 50% mixed xylenes minus toluene; Incremental aromatics reformer margin: weighted average of benzene, toluene, xylenes, and return streams versus reformate
For more detail, please refer to the Global Paraxylene Short-term Outlook and Global PET Bottle Short-term Outlook, available on Platts Connect (subscription required)
Source: S&P Global Energy, Statistics Netherlands.

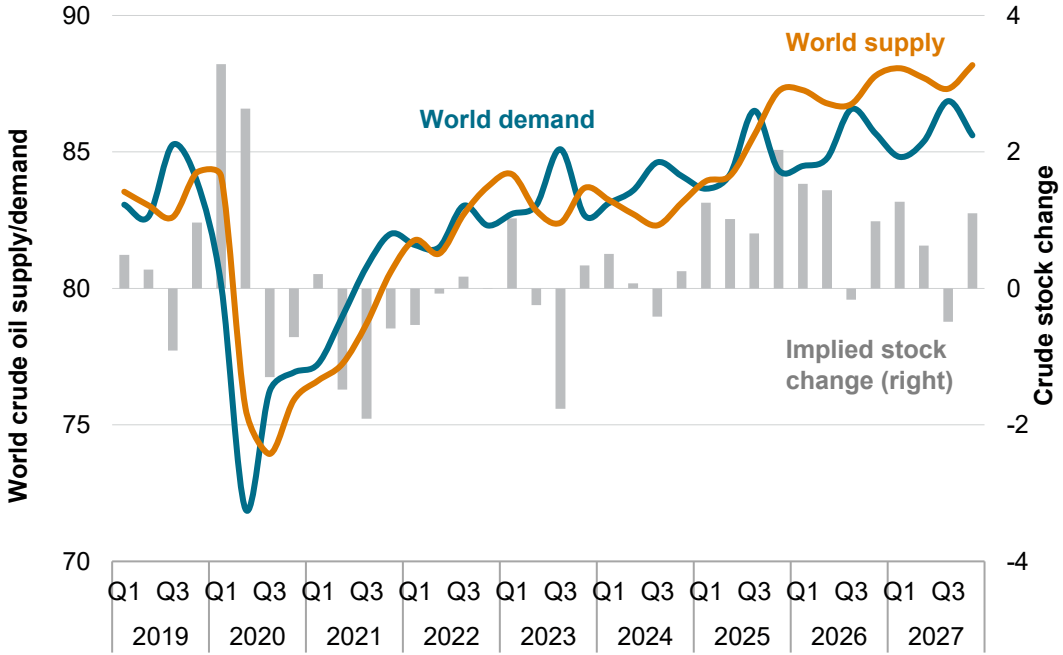
Supply drivers

We expect the lowest monthly average prices of 2026 to be in the first half of the year as the supply surplus continues and global crude storage builds

S&P Global Energy Dated Brent price outlook ($/b)



World crude oil balance (million b/d)



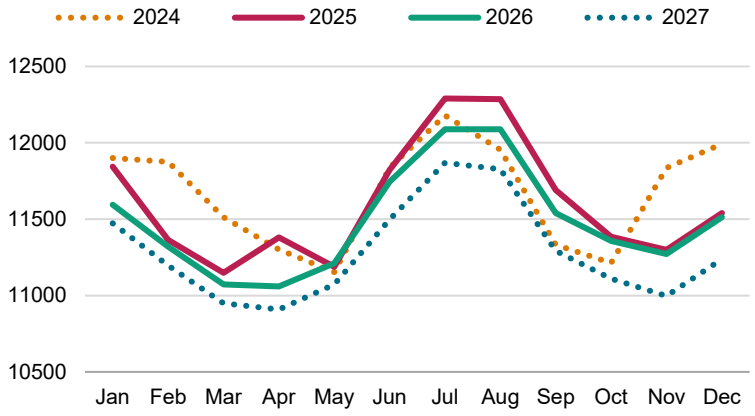
Base case: 2026 surplus market

- The residual impact of China's Q4 crude oil stockpiling, operational difficulties in Kazakhstan and the Black Sea, and geopolitical tensions lifted Dated Brent to a four-month high
- Supply and geopolitical uncertainties could sustain the price rise beyond January, although that could trigger OPEC+ to reconsider its pause in production increases. Amid geopolitical turbulence, President Trump's unconventional approach to global oil markets stands out, especially as he seeks to lower oil prices ahead of the midterm elections
- We expect the global crude oil surplus to average 943,000 b/d in 2026, which will lead to another annual price decline following the 14% drop in 2025

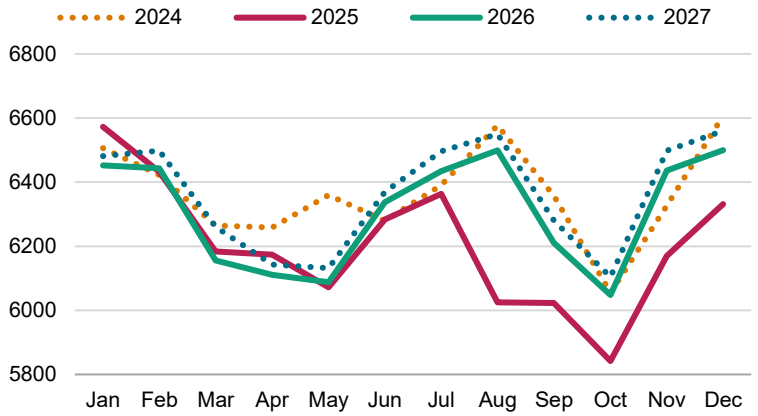
Data compiled Jan. 30, 2026.
For more detail, please refer to the Global Crude Oil Markets Short-term Outlook, available on Platts Connect and S&P Connect (subscription required)
Source: S&P Global Energy.

Persistent drone strikes continue to pressure our near-term crude runs outlook for Russia, but unaffected facilities are likely to run as hard as they can

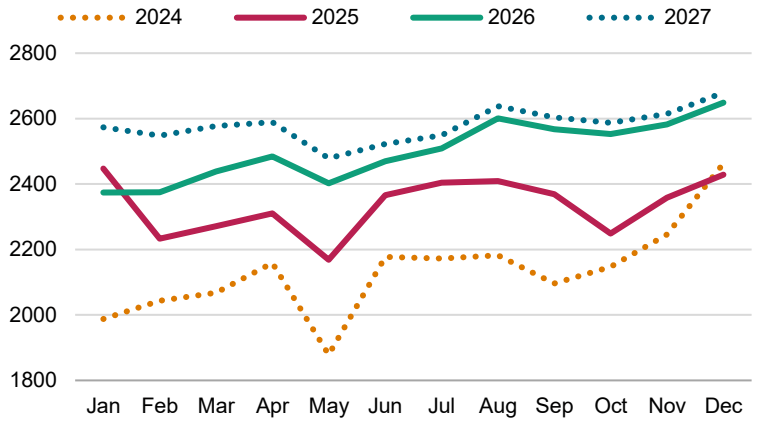
Europe refinery runs (thousand b/d)



Eurasia refinery runs (thousand b/d)



Africa refinery runs (thousand b/d)

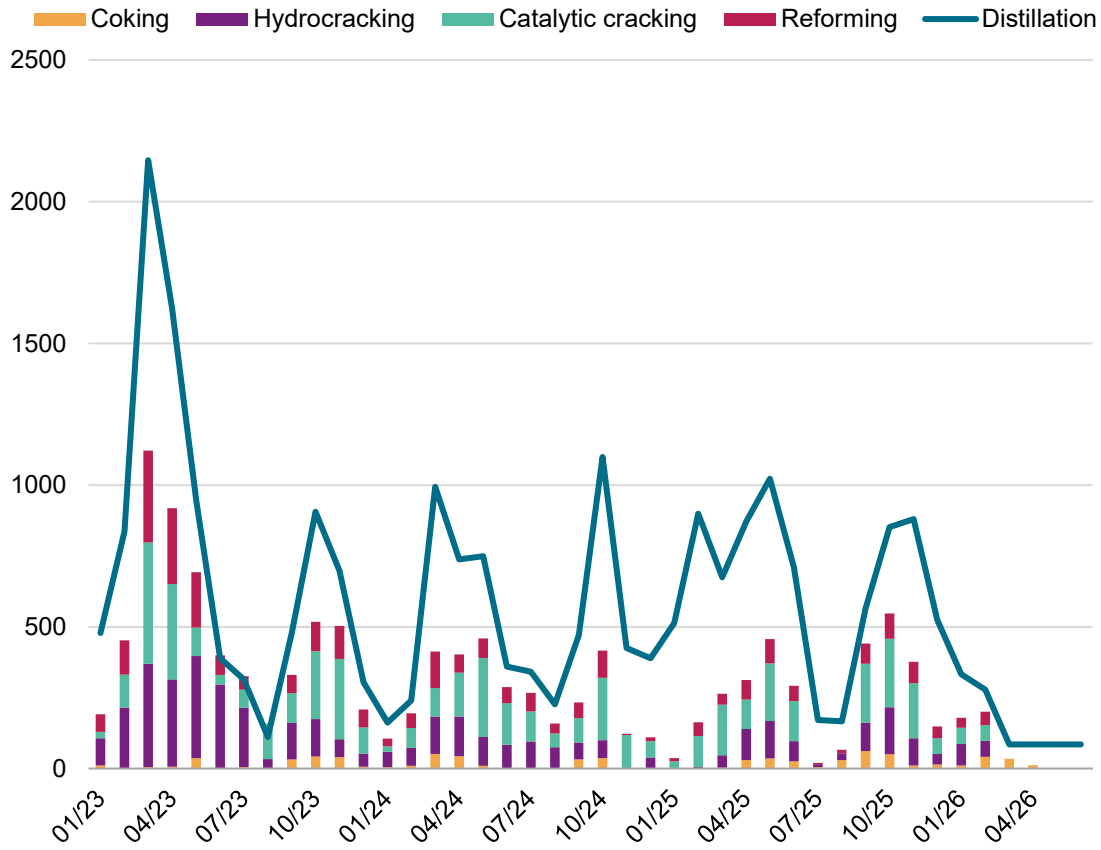


- After a surge in drone strikes from August to December, the frequency of Ukrainian drone strikes against Russian refineries has slowed so far in January, resulting in a decline in unscheduled offline refining capacity this month. Runs should rebound in 2026, increasing by 105,000 b/d to reach 5.24 million b/d. A further easing of drone strikes could allow runs to rebound further. Although the US sanctions against Rosneft and Lukoil, as well as the EU's 18th sanctions package, will likely result in a reshuffling of refined product trade and a reduction in netbacks for Russian exporters, we do not expect the new sanctions to materially affect runs yet
- European crude runs are projected to decline by 115,000 b/d year-on-year in 2026. Most of this decrease will occur in the first half of the year, with a 124,000 b/d reduction in H1'26 compared to H1'25, driven by refinery closures. Sanctions-related supply challenges are likely to continue posing downside risks through Q1'26. However, strong margins are expected to support higher runs during the summer. To date, 0.4 Mb/d of planned maintenance has been announced for spring 2026, including major turnarounds in Czechia, Greece, and Italy. Additional spring turnarounds are expected to be announced in the coming months
- Crude runs in Africa are expected to average 2.3 million b/d in the first half of 2026. Ghana's Tema refinery has restarted its operations; Angola's Cabinda refinery is expected this quarter and Dangote reportedly started a one-week shutdown of its crude distillation unit

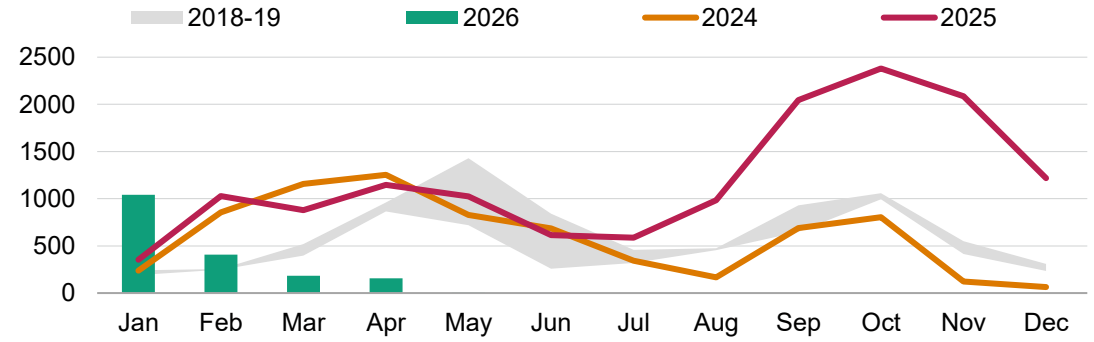
Data compiled Jan. 30, 2026.
For more detail, please refer to the monthly Refined Products Short-term Outlooks, available on Platts Connect and S&P Connect (subscription required).
Source: S&P Global Energy.

Outages in Russia are expected to fall as damaged refineries return, while downtime in Central Europe remains elevated, despite the Pančevo restart

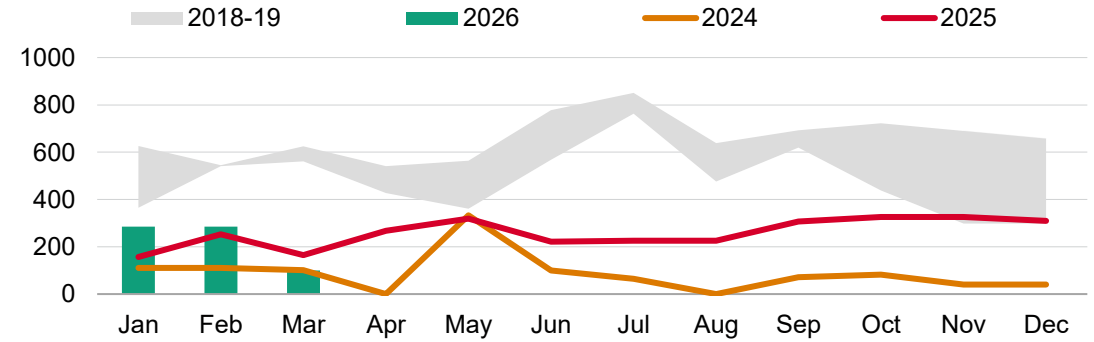
Europe refinery outages (thousand b/d)



Eurasia refinery outages, distillation (thousand b/d)



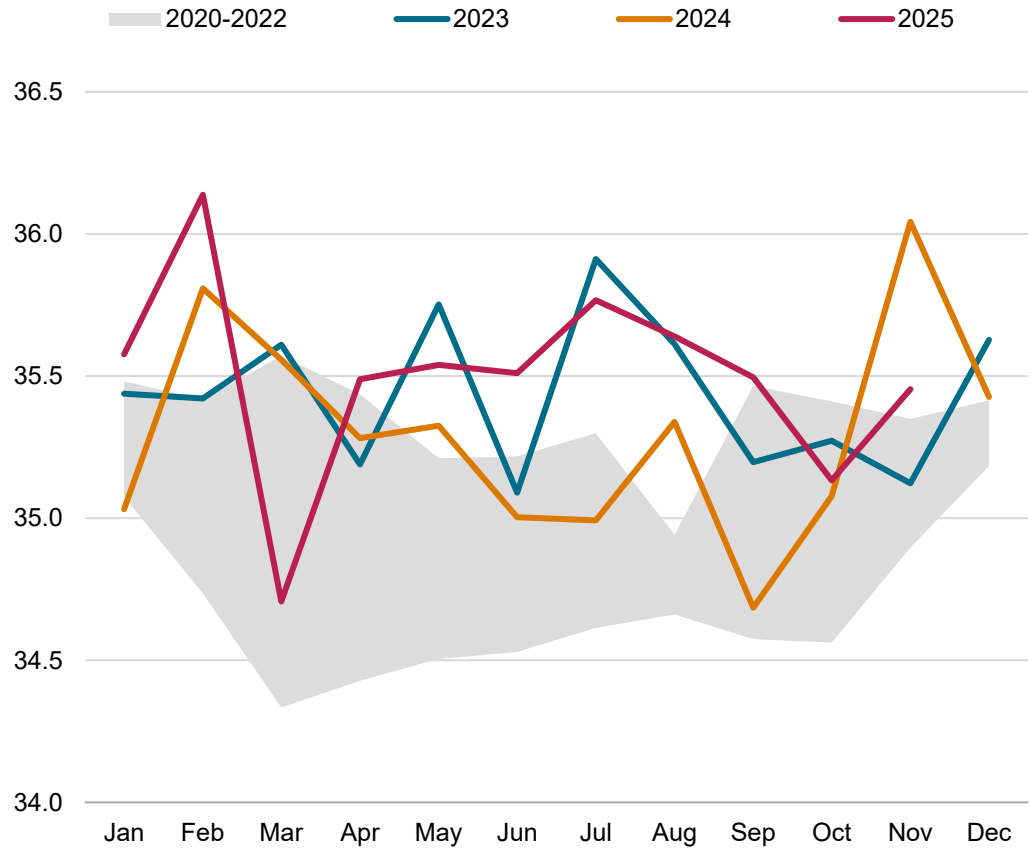
Africa refinery outages, distillation (thousand b/d)



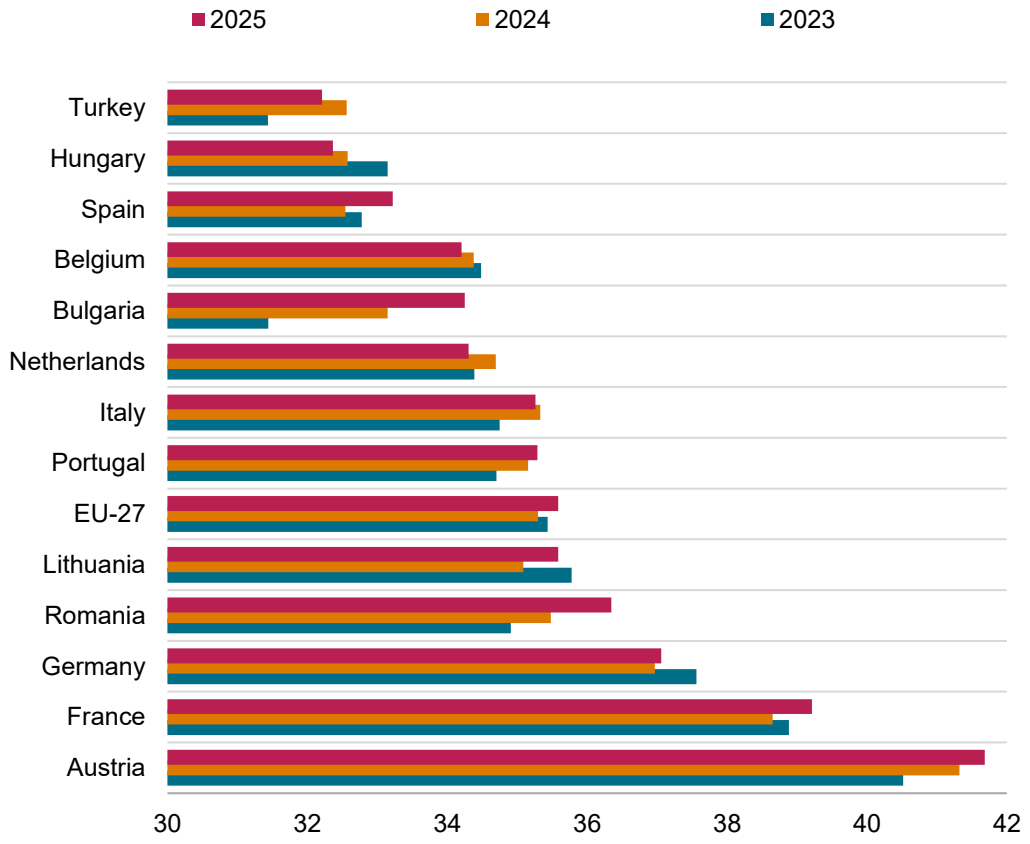
Data compiled Jan. 30, 2026.
Outages beyond the present time indicate announced downtime only, both planned and unplanned. Does not include any assumptions about future outages
For more detail, please refer to the World Refinery Database, available on Platts Connect (subscription required).
Source: S&P Global Energy.

Gradual normalization of European crude diets since September has been reflected in a push for middle distillates production and lower light ends output

Reported API gravity of imported crude across EU-27



Annual API gravity of imported crude in selected countries



Data compiled Jan. 30, 2026.
Source: S&P Global Energy, Eurostat, JODI.

Naphtha balances

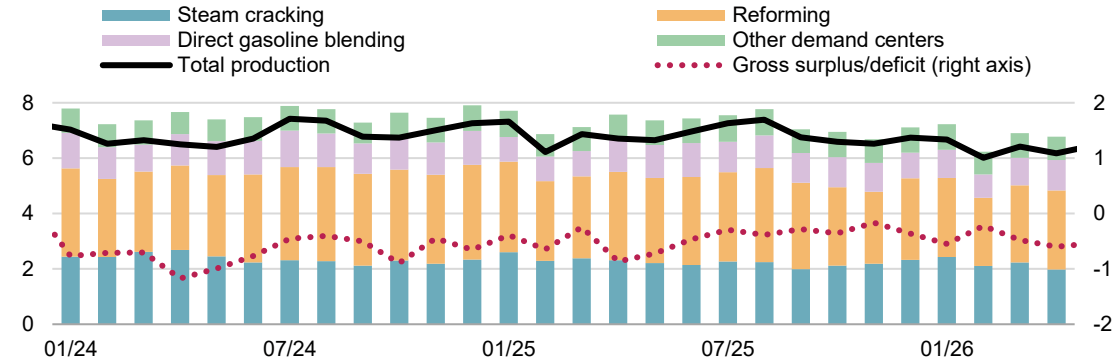
Northwest European refineries run hard, but poor seasonal gasoline blending demand and petrochemical struggles curb naphtha consumption

- We estimate NWE crude runs reached 6.4 MMb/d in January, down 0.4 MMb/d compared to Jan. 2025, in line with the lost capacity across Grangemouth, Lindsey and Wesseling
  - Runs are expected to remain strong in February, before decreasing again in March and April as spring maintenance kicks in
  - January naphtha production is estimated at 6.7 MMt, about 0.6 MMt below last year

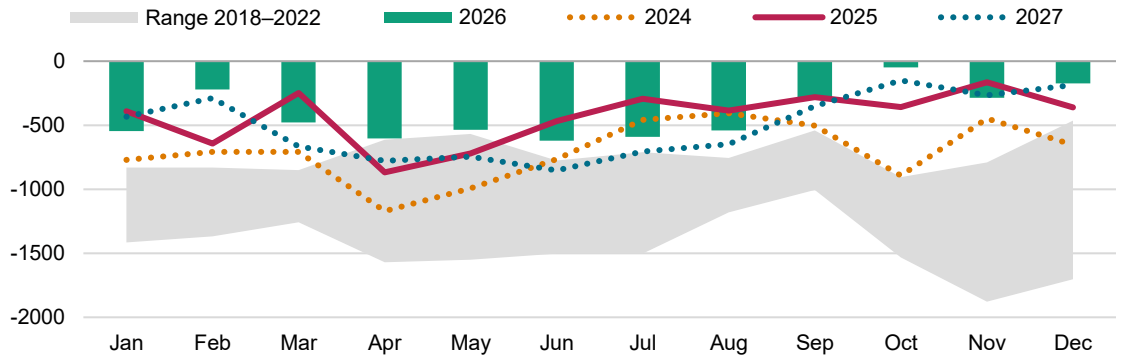
- Naphtha demand is estimated at 7.2 MMt, 0.5 MMt below Jan. 2025 levels
  - The decline stems largely from the gasoline market, driven both by reformer shutdowns as part of the closures and by lower gasoline blending activity.
  - Cracking demand is estimated at 2.4 MMt, 0.2 MMt below last year, supported by expensive propane and a slight rebound in margins, but a far cry from the 3.1 MMt cracking demand observed in January 2022.
  - As maintenance ramps up and LPG gets cheaper, we expect monthly cracker demand to dip below 2 MMt in Q2'26

- NWE is set to remain a net naphtha importer, with January net imports expected to be in line with last year's levels, outside of the historical range
  - A slower ramp-up post Dangote maintenance could bring upside to naphtha demand for blending, particularly around the ARA terminals and large exporters (e.g. Norway, UK)
  - So far, we have not observed any upside, linked to a shortage of import licenses into the Nigerian market

Northwest Europe naphtha balances (million mt)



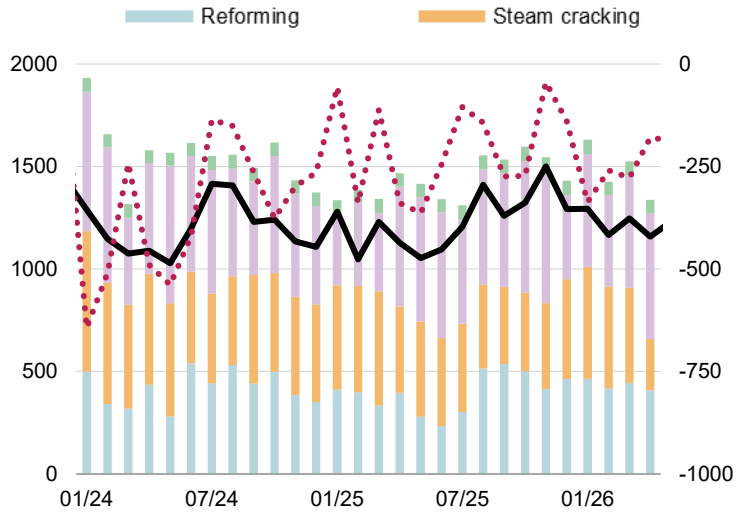
Northwest Europe naphtha net exports/(imports) (thousand mt)



Data compiled Jan. 30, 2026.
NWE = Northwest Europe, defined here as Belgium, Denmark, Germany, Finland, Ireland, Netherlands, Norway, Portugal, Sweden and the United Kingdom, complemented with Austria, Switzerland and all of France.
Source: S&P Global Energy, company announcements, JODI, Eurostat. Commodities at Sea, a product of S&P Global Energy.

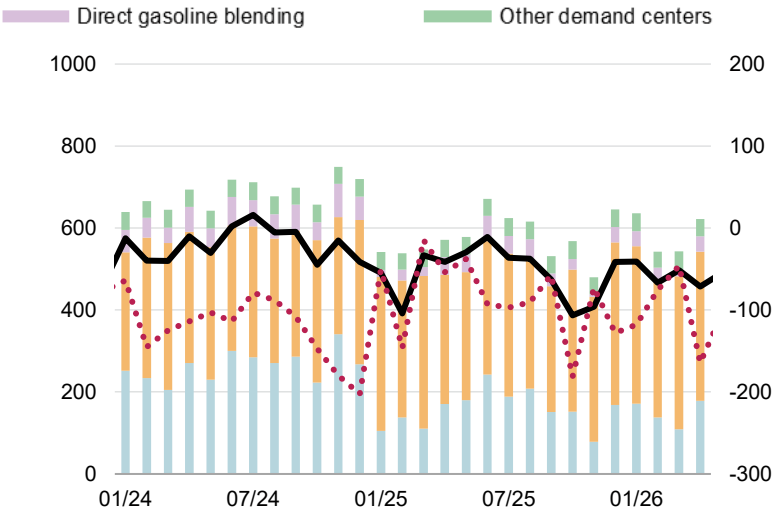
Refineries run hard in ARA and Germany, but demand headwinds stem from gasoline's seasonal lows and poor petrochemical margins

Netherlands naphtha balances (thousand mt)



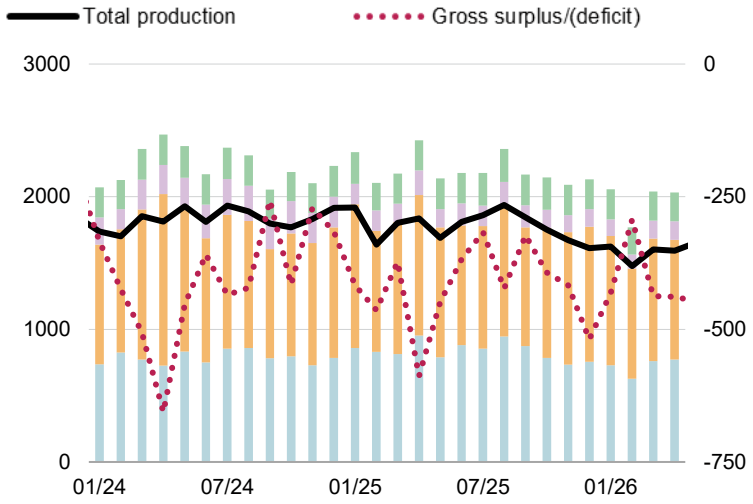
- Reported November runs 1.14 MMb/d (+0.2 y/y); expect strong Q1 around 1.1 MMb/d
- Similar to October, strong blending across Dutch terminals, 1.3 MMt, spurred by the announced gasoline import duty in Nigeria (revoked since), but looking weaker since the new year
- Naphtha and condensate cracking at 0.45 MMt, 57,000 mt below Nov. 24

Belgium naphtha balances (thousand mt)



- Reported November runs 0.5 MMb/d (-0.2 y/y); expect strong Q1 around 0.6 MMb/d with TotalEnergies back from maintenance
- Independent gasoline blending at 0.2 MMt, down on the month and on the year, with vessel tracking suggesting a decent December but weaker January, driven by West Africa
- Naphtha cracking in November around 0.35 MMt, in line with prior year

Germany naphtha balances (thousand mt)



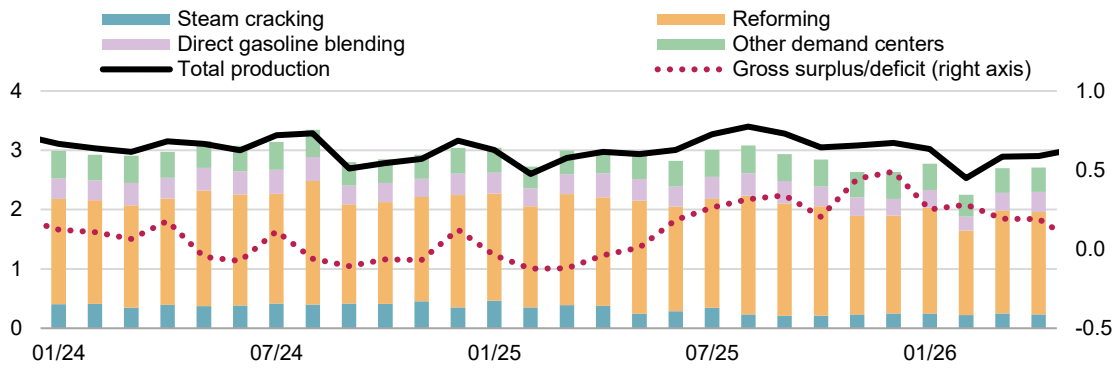
- Reported November runs 1.67 MMb/d (-0.1 y/y); expect Q1 around 1.6 MMb/d, with planned maintenance in Ingolstadt from late Feb, and a turnaround expected in Neustadt in 2026
- Crackers processed 1 MMt of naphtha in November. Expect limited to no upside from here. BASF will conduct maintenance in Ludwigshafen in Q2'26

Data compiled Jan. 30, 2026.
Source: S&P Global Energy, company announcements, JODI, Eurostat. Commodities at Sea, a product of S&P Global Energy.

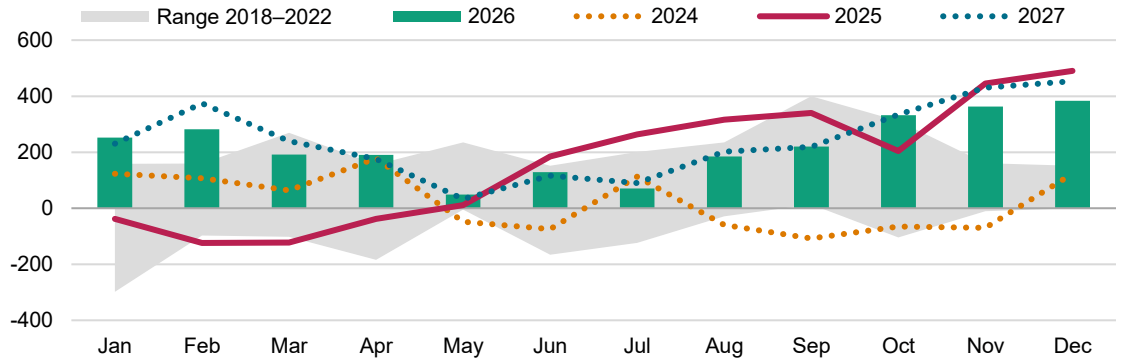
Structurally lower petrochemical demand keeps Mediterranean Europe at a naphtha surplus

- Mediterranean refiners processed an estimated 3.6 MMb/d of crude in January, almost identical to last year. Domestic naphtha supply is estimated at 3.0 MMt, in line with last January.
  - Planned work is scheduled in Milazzo, Sarroch (partial), Aspropyrgos (February), La Coruna and Castellon (partial)
  - We expect runs to fall in February and March, in line with maintenance activity, set to curb naphtha production with output falling to 2.5 MMt in February
- Estimated naphtha demand for January is 2.8 MMt
  - Olefins demand is about 230,000 mt lower than Jan. 2025 following Versalis closures, and slightly higher than November and December, owing to soaring LPG prices. INEOS Lavéra reportedly restarted in late January after its major turnaround
  - Demand from gasoline production was strong in December, on the back of steady exports to Africa, but cooled considerably in January, with vessel tracking suggesting a 25% decline into Africa and 27% overall. This will have affected the call on naphtha for blending, isomerization and reforming
- We expect the monthly MED surplus to average 0.2 MMt in Q1'26
  - Nervousness in Asia about Russian supply and strong propane prices continue to support East-West spreads, spurring eastbound shipments. However, vessel tracking suggests lower activity than in November and December, partially explained by the estimated decline in crude runs from Q4'25
  - As long as tight gasoline and diesel markets continue to prop up refinery margins, we don't expect acute rationalization pressure on Mediterranean refiners. However, this may return to the table in 2027 when we expect road fuel balances to loosen

Mediterranean Europe naphtha balances (million mt)



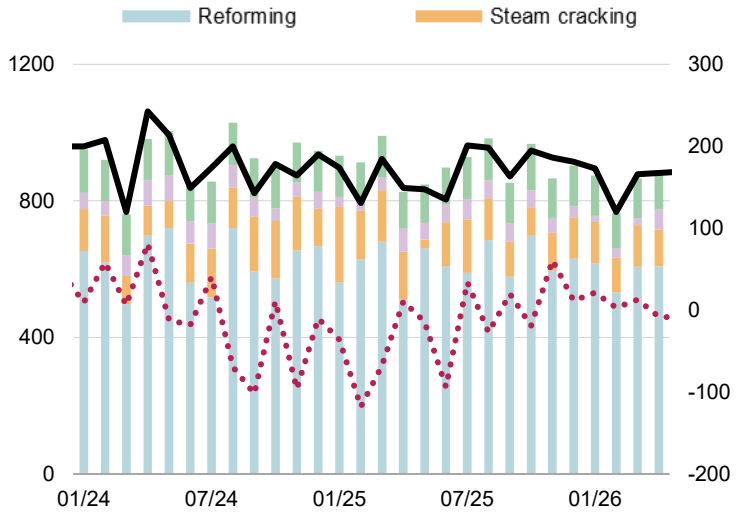
Mediterranean Europe naphtha net exports/(imports) (thousand mt)



Data compiled Jan. 30, 2026.
MED = Mediterranean Europe, defined here as Croatia, Greece, Italy, Turkey and all of Spain.
Source: S&P Global Energy, company announcements, JODI, Eurostat. Commodities at Sea, a product of S&P Global Energy.

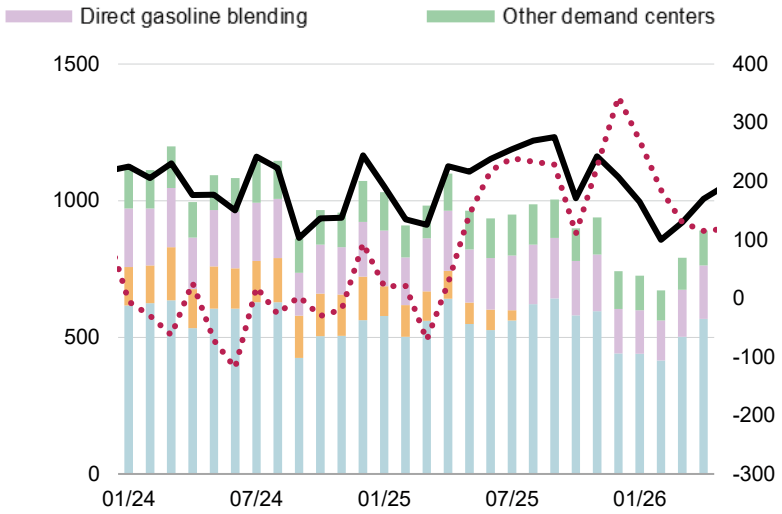
Refinery turnaround activity is expected in key Mediterranean markets

Spain naphtha balances (thousand mt)



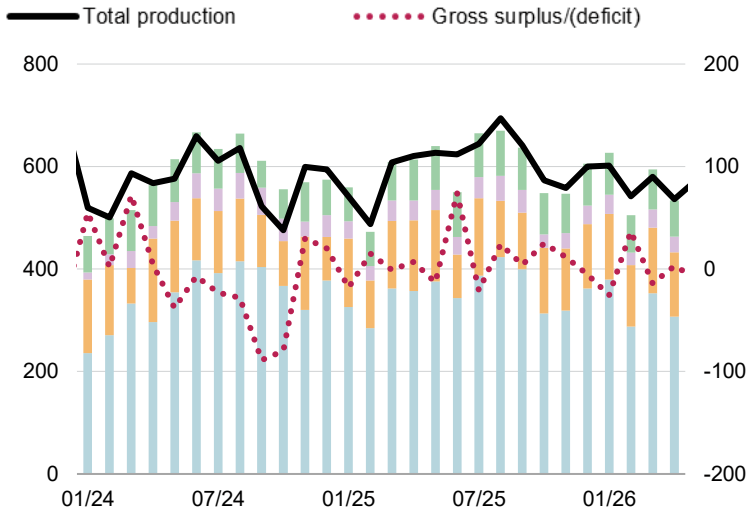
- Reported November runs 1.26 MMb/d (+0.03 y/y); expect Q1 around 1.17 MMb/d
- Cartagena operating normally after Jan. 27 fire. Turnarounds planned on conversion units at Castellon and La Coruña
- Crackers processed 0.1 MMt of naphtha in November. Expect limited upside despite strong propane in Q1 given the margin environment

Italy naphtha balances (thousand mt)



- Reported November runs 1.25 MMb/d (+0.1 y/y); expect Q1 around 1.1 MMb/d given the closures, given planned work at Milazzo and Sarroch. Work planned at ISAB at some point this year
- Without any cracking capacity, gasoline production drives naphtha demand. Reported yields in November very strong, given margins, assumed at 30% of crude runs in Q1
- Vessel tracking suggests steady export activity

Turkey naphtha balances (thousand mt)



- Reported November runs 0.74 MMb/d (no change); expect Q1 around 0.75 MMb/d, assuming steady refinery availability
- Explosion at Izmit refinery in late-Jan. left operations unaffected
- Traded naphtha production 0.18 MMt, up 4% on the year. Cracker processed 0.12 MMt of naphtha in November; expect similar rates in Q1

Data compiled Jan. 30, 2026.
Source: S&P Global Energy, company announcements, JODI, Eurostat. Commodities at Sea, a product of S&P Global Energy.

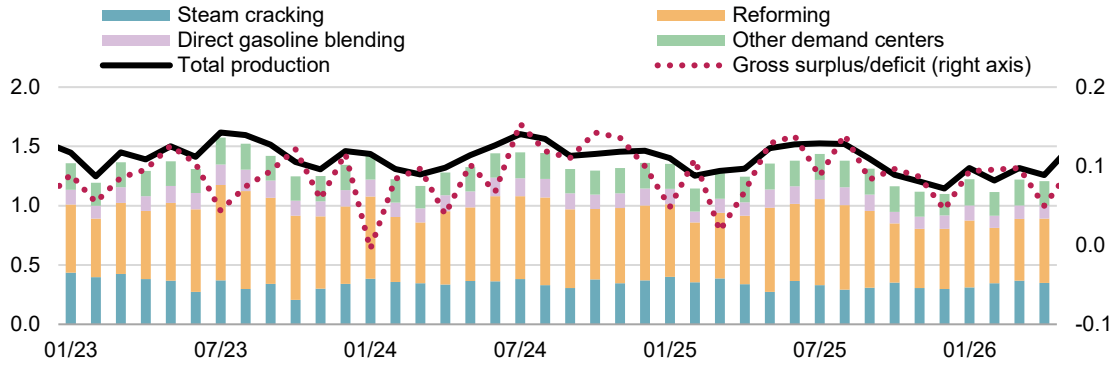
Serbia’s refinery crisis seems to be on a path to resolution as the OFAC sanctions waiver was extended and MOL indicates its offer for the refinery was accepted

- Central Europe’s runs in January are estimated at 1.4 MMb/d, about 100,000 b/d below last year’s
  - Planned maintenance at Orlen's Czech and Lithuanian refineries in Q4’25 has finished
  - Serbia’s Pančevo refinery has resumed crude intake via the JANAF terminal and restarted the process units. Hungary’s MOL has reportedly reached an agreement to acquire the Russian-held stake in NIS, valued by the Serbian president around €0.9-1.0 billion. US authorities would still need to approve MOL as a prospective buyer
  - MOL expects repairs following an October fire at its Danube refinery will be completed in the third quarter of 2026, adding it expects an average 30% production loss for the duration of repairs, less consequential than its initial estimate of 50%
  - In late January, news broke that Carlyle agreed a deal to acquire Lukoil’s assets, which would include the refineries in Bulgaria and Romania

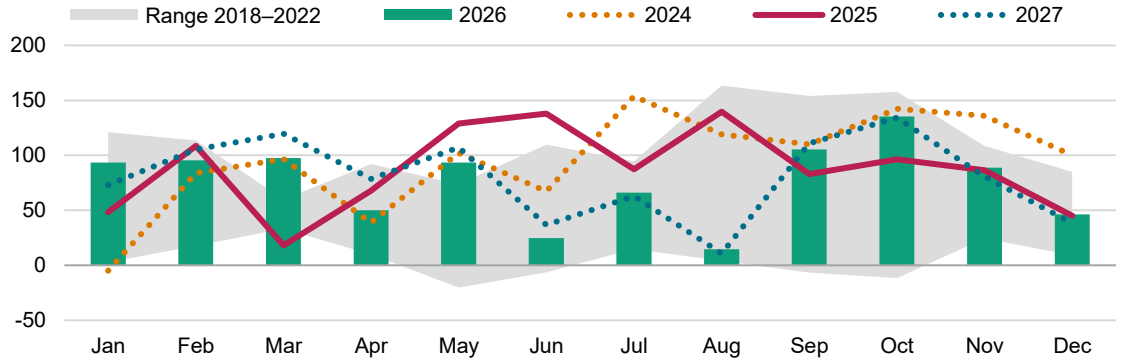
- Refinery naphtha output is estimated at 1.3 MMt, down 0.1 MMt from last January, while naphtha demand is estimated to have dropped to 1.2 MMt
  - Serbia’s Pančevo shutdown cuts naphtha supply for the co-located cracker, while causing issues managing the pygas return stream, normally routed to the refinery. The status of the cracker restart remains unclear at the time of writing
  - Similarly, MOL’s production losses at Danube refinery impact feedstock availability for its crackers, which could lead to more imports

- We expect Central Europe to be roughly 0.1 MMt long, although the uncertainty around sanctions and repairs from outages remains significant

Central and Eastern Europe naphtha balances (million mt)



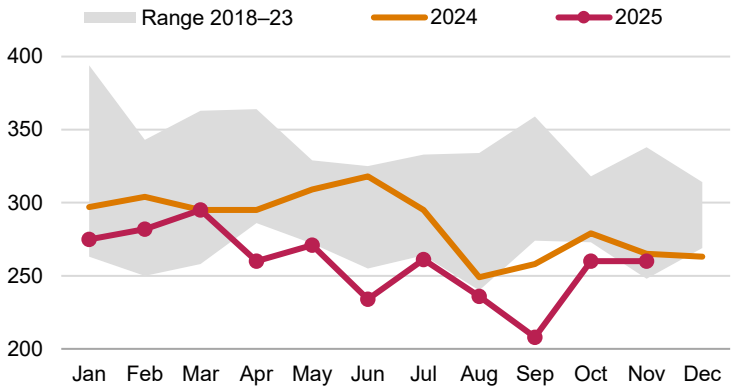
Central and Eastern Europe naphtha net exports/(imports) (thousand mt)



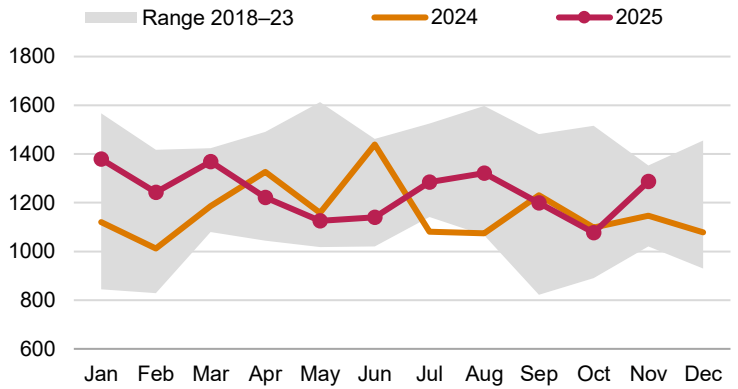
Data compiled Jan. 30, 2026.
CEE = Central and Eastern Europe, defined here as Bulgaria, Czechia, Hungary, Lithuania, Poland, Romania, Serbia and Slovakia. JANAF = Jadranski Naftovod, operator of the Omišalj terminal and Adria pipeline system
Source: S&P Global Energy, company announcements, JODI, Eurostat. Commodities at Sea, a product of S&P Global Energy.

High independent ARA naphtha stocks hint at difficult gasoline blending economics, while high-octane components are reportedly being stored for spring

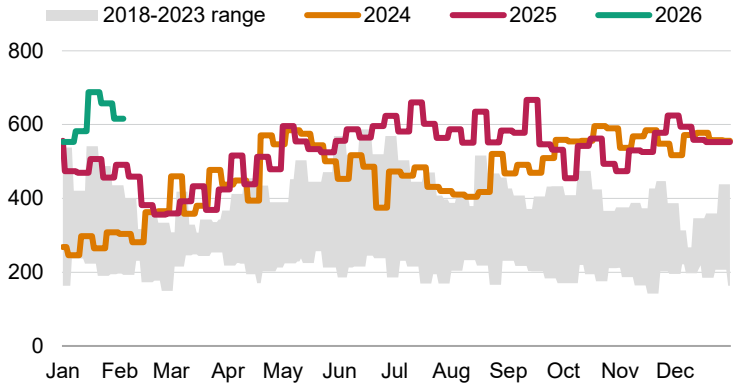
Germany naphtha stocks (thousand mt)



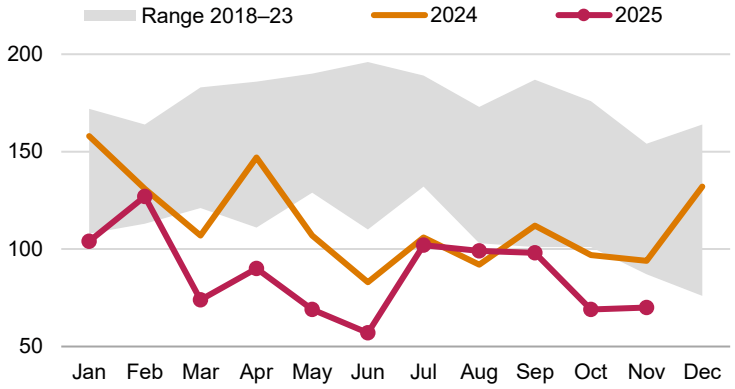
Netherlands naphtha stocks (thousand mt)



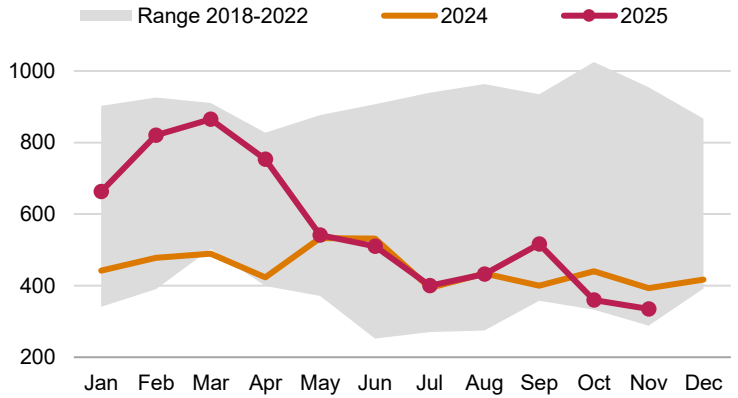
Naphtha in ARA independent storage (thousand mt)



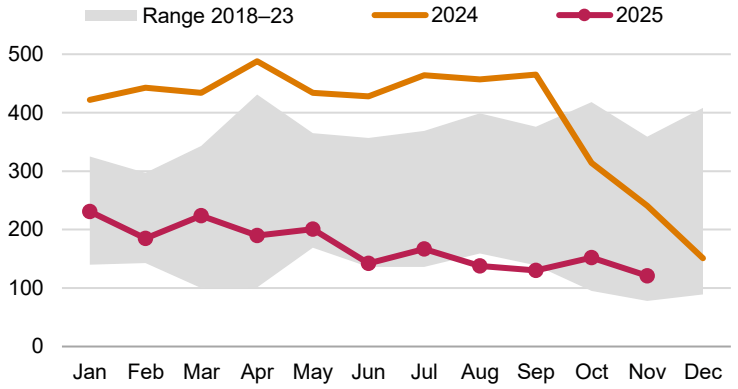
Italy naphtha stocks (thousand mt)



Netherlands aromatics stocks (thousand mt)



Belgium naphtha stocks (thousand mt)

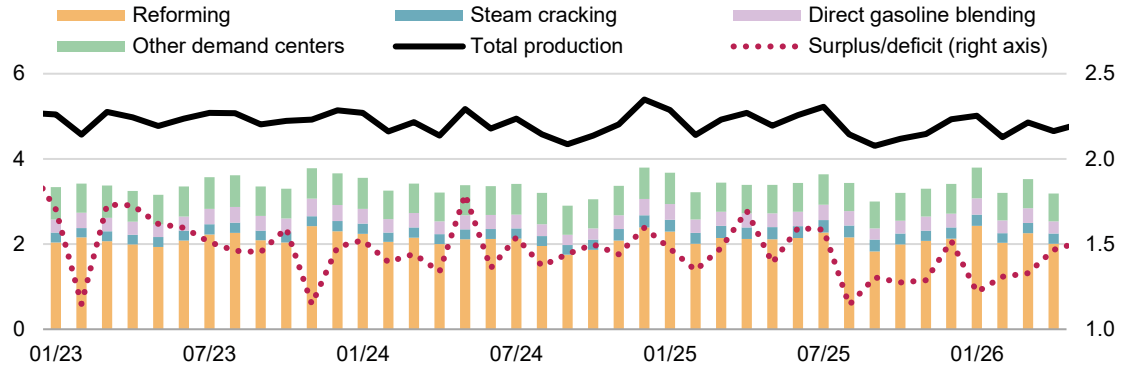


Data compiled Jan. 30, 2026.
ARA = Amsterdam-Rotterdam-Antwerp oil trading and storage hub
Source: S&P Global Energy, JODI, Statistics Netherlands, Insights Global.

Some refineries return to operation, but drone strikes against Russian energy infrastructure continue, as a strong focus on gasoline production limits exports

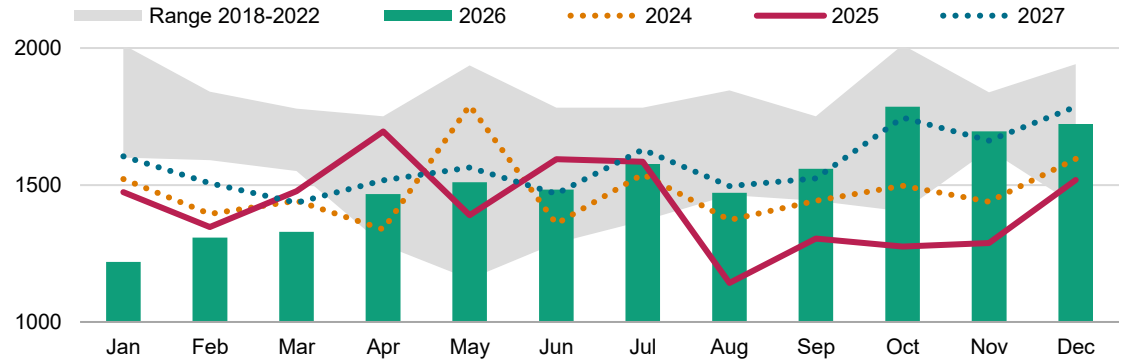
- January Russian runs are estimated at 5.4 MMb/d, up from December but still 0.1 MMb/d below Jan. 2025.
  - Projections indicate a further reduction in downtime by 500,000 b/d, reaching a total of approximately 800,000 b/d by Jan. 23. The Novoshakhtinsk refinery, struck by Storm Shadow missiles on Dec. 25, remains offline since an earlier drone attack in August.
  - In the Samara refining hub, facilities are gradually resuming operations after facing similar disruptions. The Volgograd refinery successfully restarted operations in late November, while Afipsky operates at reduced rates since they got struck
- Runs expected to fall to 5.0 MMb/d in line with seasonal maintenance, trending marginally below spring 2025 levels

Russia naphtha balances (million mt)



- We estimate production at 5.0 MMt for January, 0.1 MMt below Jan. 2025
- Domestic consumption, however, is estimated at 3.8 MMt, the fourth consecutive monthly increase, reflective of the efforts to alleviate the domestic gasoline supply crisis, and the intent to lift the export ban
- Based on vessel tracking, naphtha exports dipped once again in January after two months of recovery. After Ust-Luga, Tuapse and Novorossiysk in 2024, the port of Taman was struck in mid-January
- We expect monthly exports to recover to 1.5 MMt on average by Q2'26, but continued and more intense drone strike campaigns could alter this outlook

Russia naphtha net surplus/(deficit) (thousand mt)

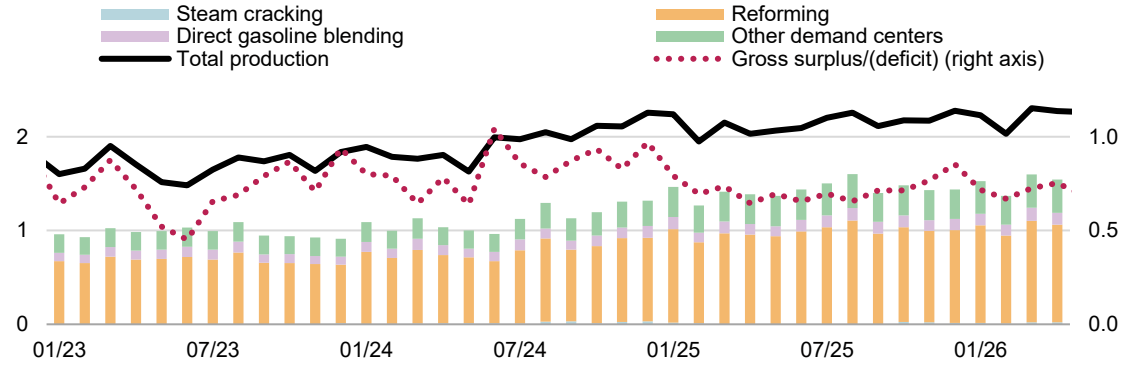


Data compiled Jan. 30, 2026.
Source: S&P Global Energy, company announcements, Commodities at Sea, a product of S&P Global Energy.

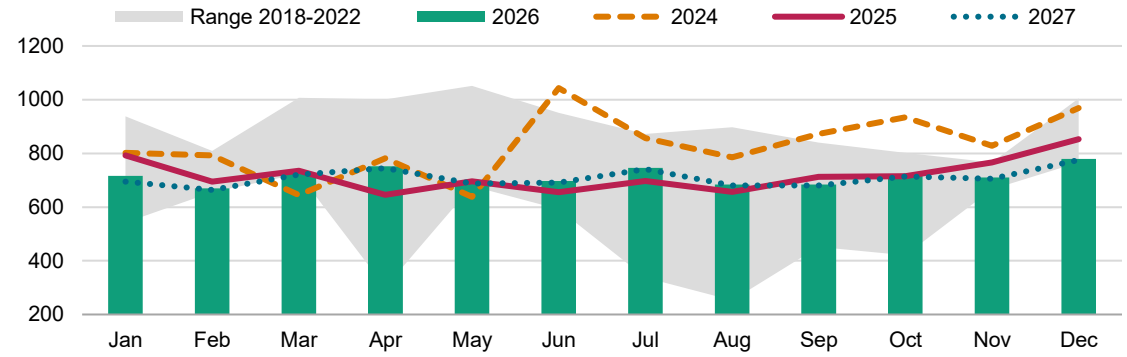
Dangote's RFCC maintenance is unlikely to lead to more Nigerian naphtha exports, while outflows from Algeria seem to have dipped again in January

- We estimate crude runs in Africa around 2.39 MMb/d in January, slightly below last year, and reflective of Dangote's ramp-up challenges
  - Angola's newly inaugurated Cabinda refinery startup is set for 1Q26, while the Port Harcourt and Warri refineries in Nigeria remain offline, and Ghana is understood to have restarted Tema refinery
  - Dangote refinery took its RFCC offline for maintenance and is conducting a brief shutdown of its crude distillation unit as of late January
  - South Africa's Natref refinery is running "uninterrupted" after distressed minority stakeholder Prax stepped away from operations
- January naphtha production is estimated at 2.2 MMt, with 1.45 MMt consumed for gasoline production, with the status of the Ras Lanuf cracker unclear after its earlier shutdown
- We estimate Africa's naphtha surplus at 0.7 MMt for January.
  - Algeria's refineries exported 0.57 MMt of naphtha in November, significantly lower than Nov. 2024 levels amid lower refinery runs
  - Vessel tracking suggests exports increased towards the year-end but fell in January
- As Dangote is focusing on maximizing gasoline production, we don't expect the same export volumes as those observed in 2024
  - Analysis of JODI data for November shows 211,000 b/d gasoline production, suggesting Dangote achieved a slightly lower gasoline yield than in October (40% versus 42%)
  - Reported data shows zero naphtha exports since April, while vessel tracking only suggests shipments of natural gasoline from other terminals than Lekki

Africa naphtha balances (million mt)



Africa naphtha net exports/(imports) (thousand mt)

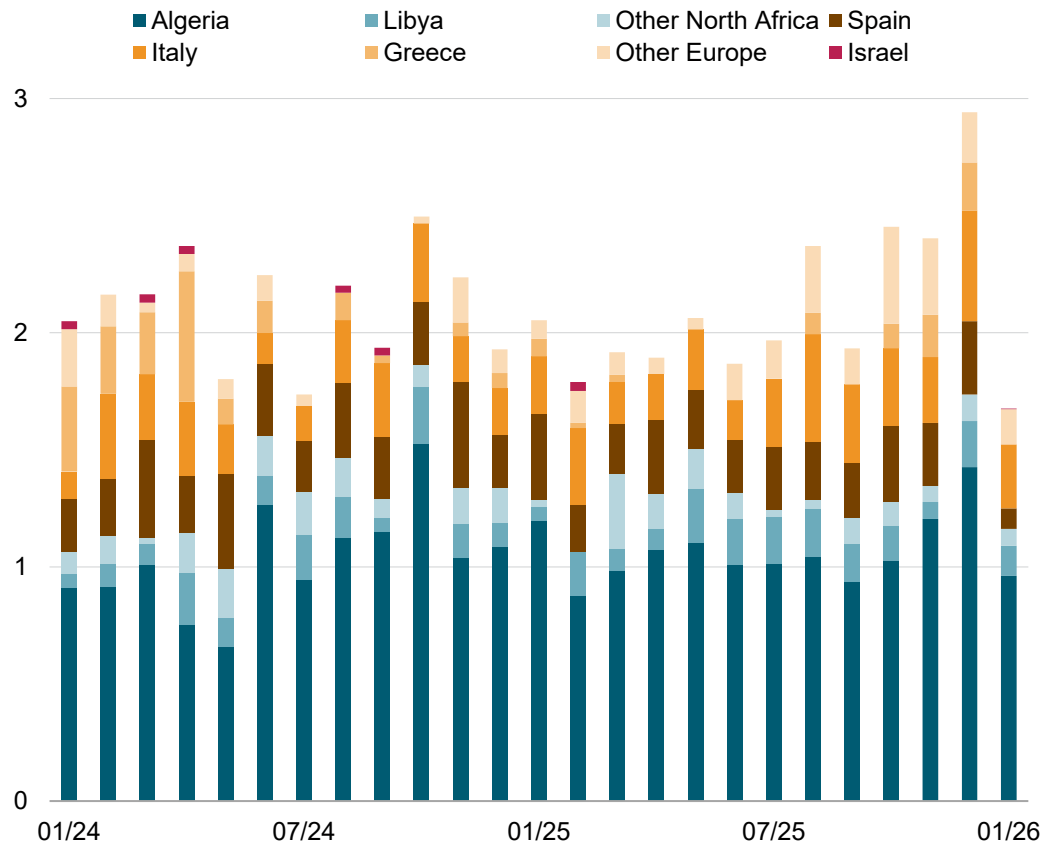


Data compiled Jan. 30, 2026.
Source: S&P Global Energy, Joint Organizations Data Initiative, Commodities at Sea, a product of S&P Global Energy

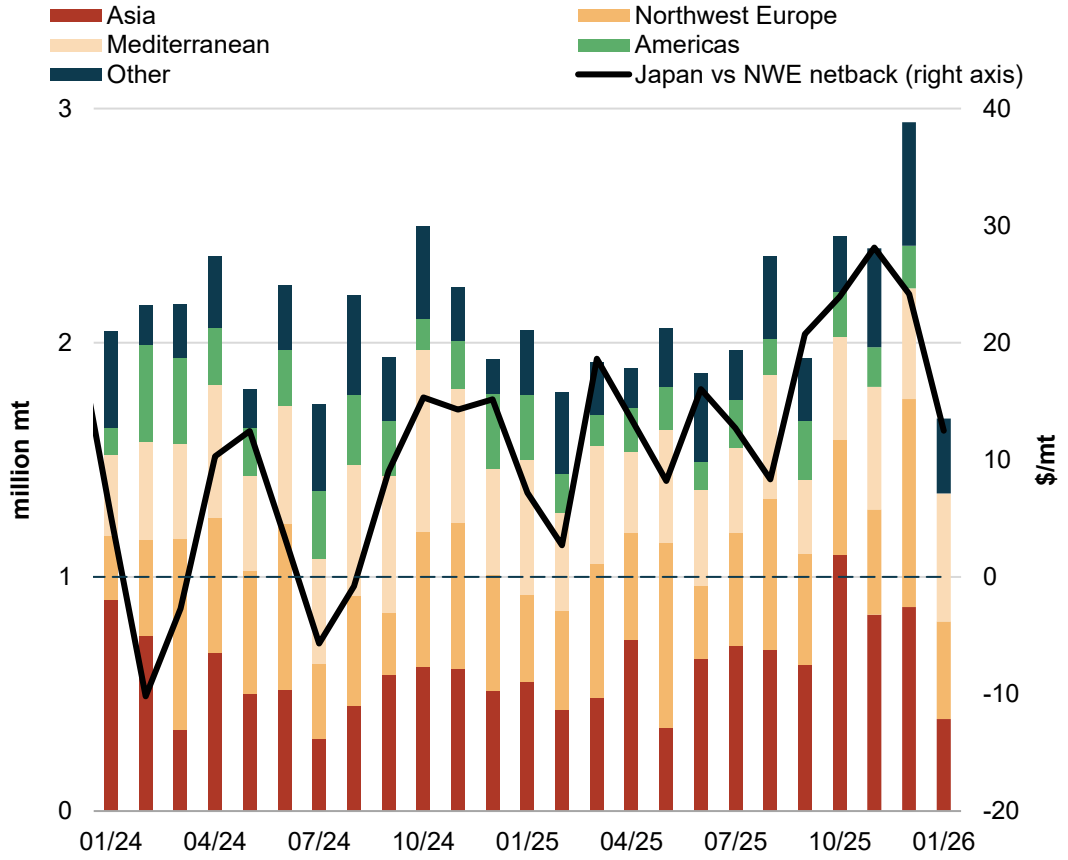
Naphtha and LPG trade flows

Planned and unplanned outages across key MED naphtha exporters reduce movements to Asia and the Americas, as the arbitrage incentive normalizes

MED naphtha exports by origin (million mt)



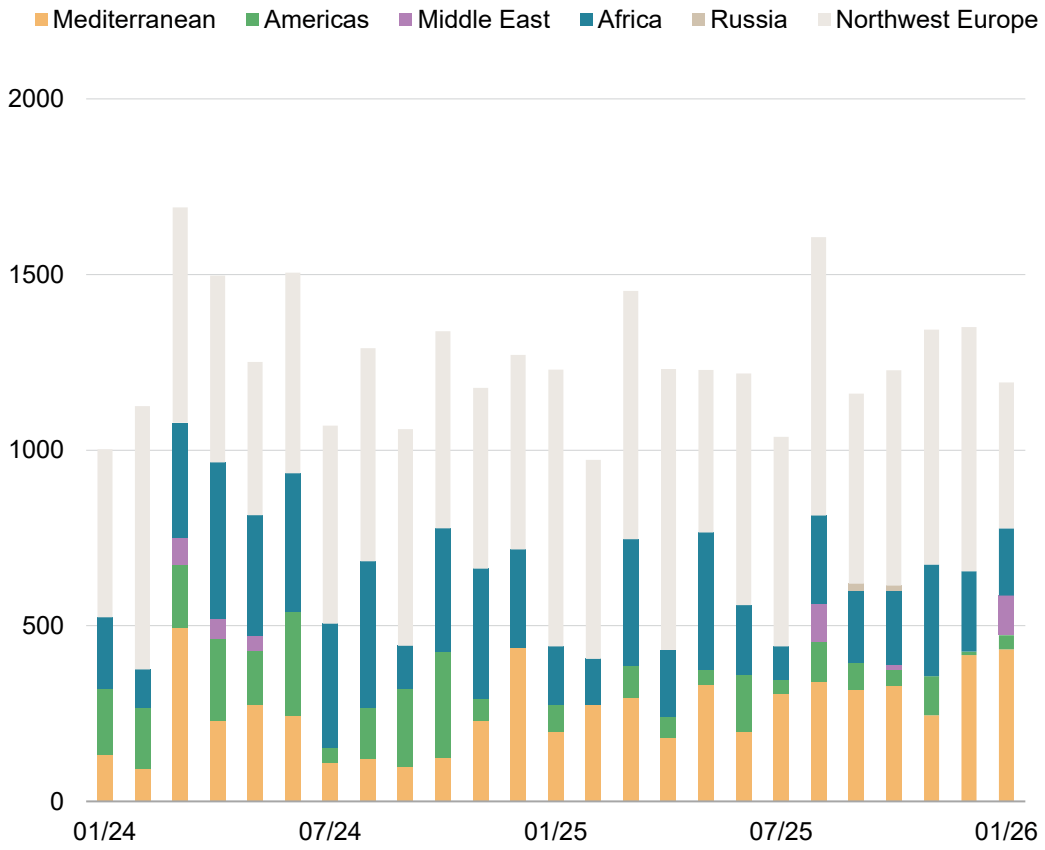
MED naphtha exports by destination



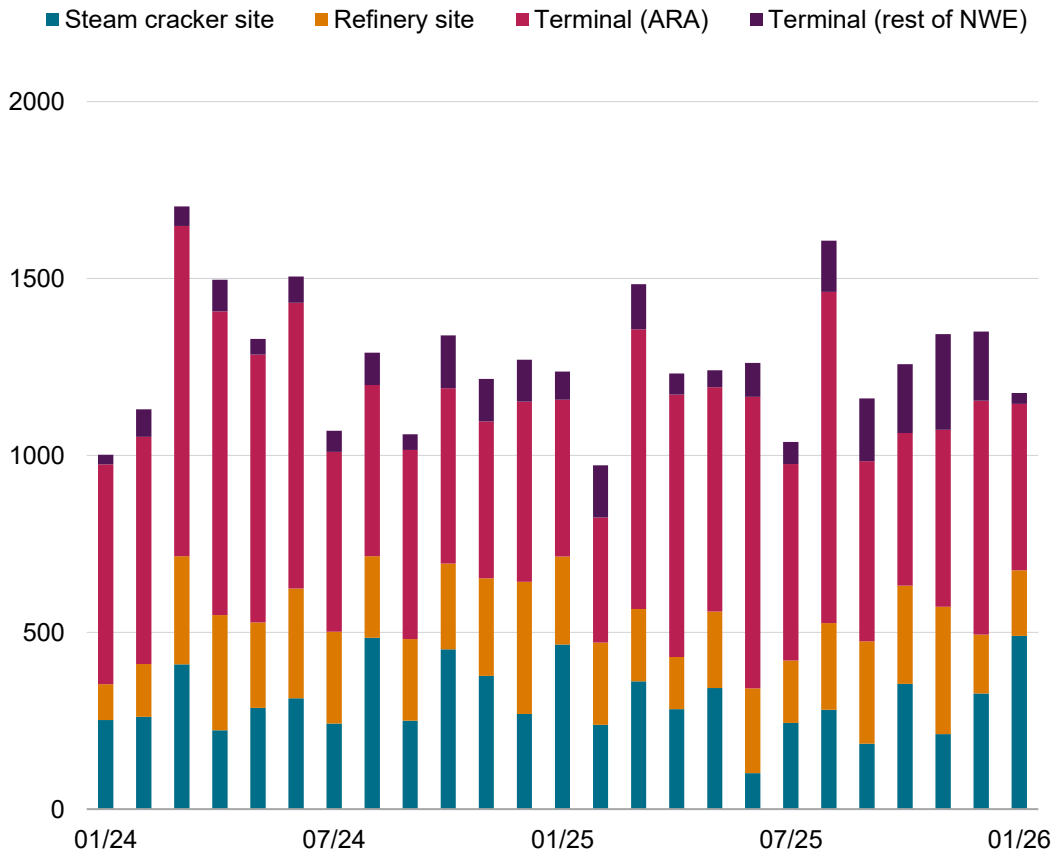
Data compiled Feb. 2, 2026.
Turkey is included under “other Europe”. Algerian exports shown through vessel tracking include a share of NGLs identified by the platform as naphtha.
Japan and NWE netbacks based on the month-average delivered prices and LR2/MR freight rates only, excluding any market structure adjustments.
Source: Commodities at Sea, a product of S&P Global Energy

Refineries and crackers in Northwest Europe pick up more naphtha once again, as ARA blending hubs lead the overall decline

NWE naphtha imports by origin (thousand metric tons)



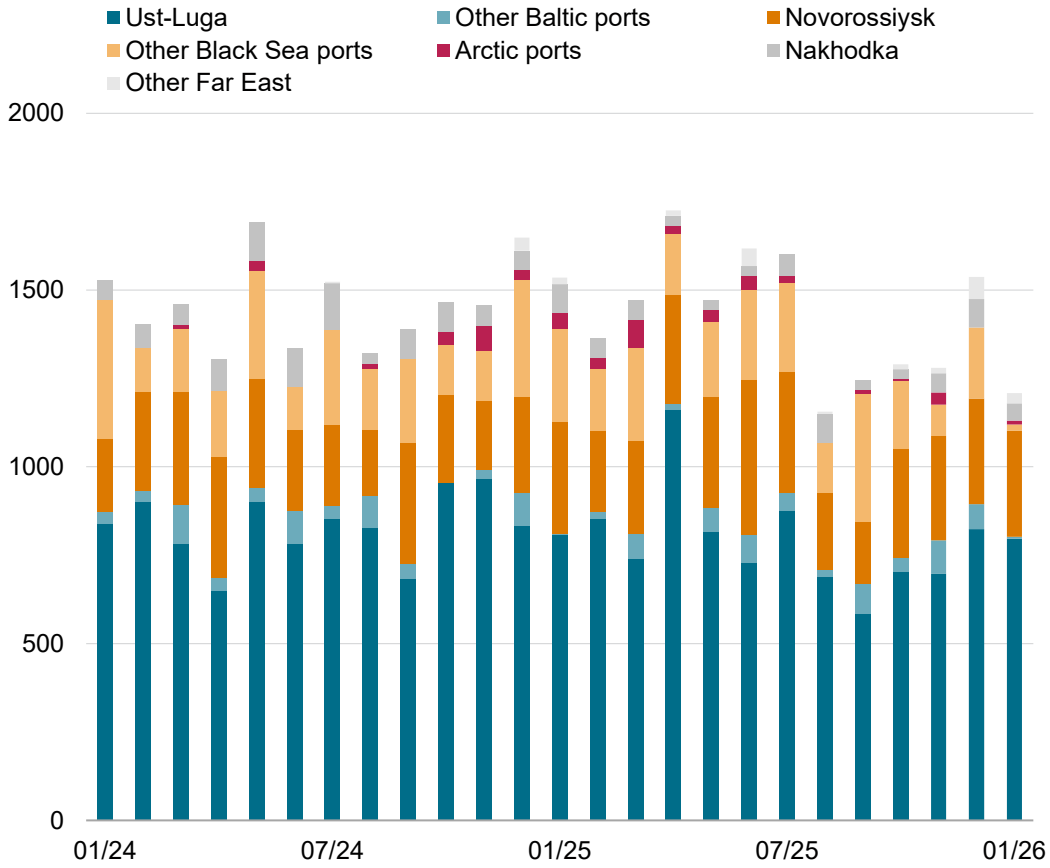
NWE naphtha imports by discharge facility (thousand metric tons)



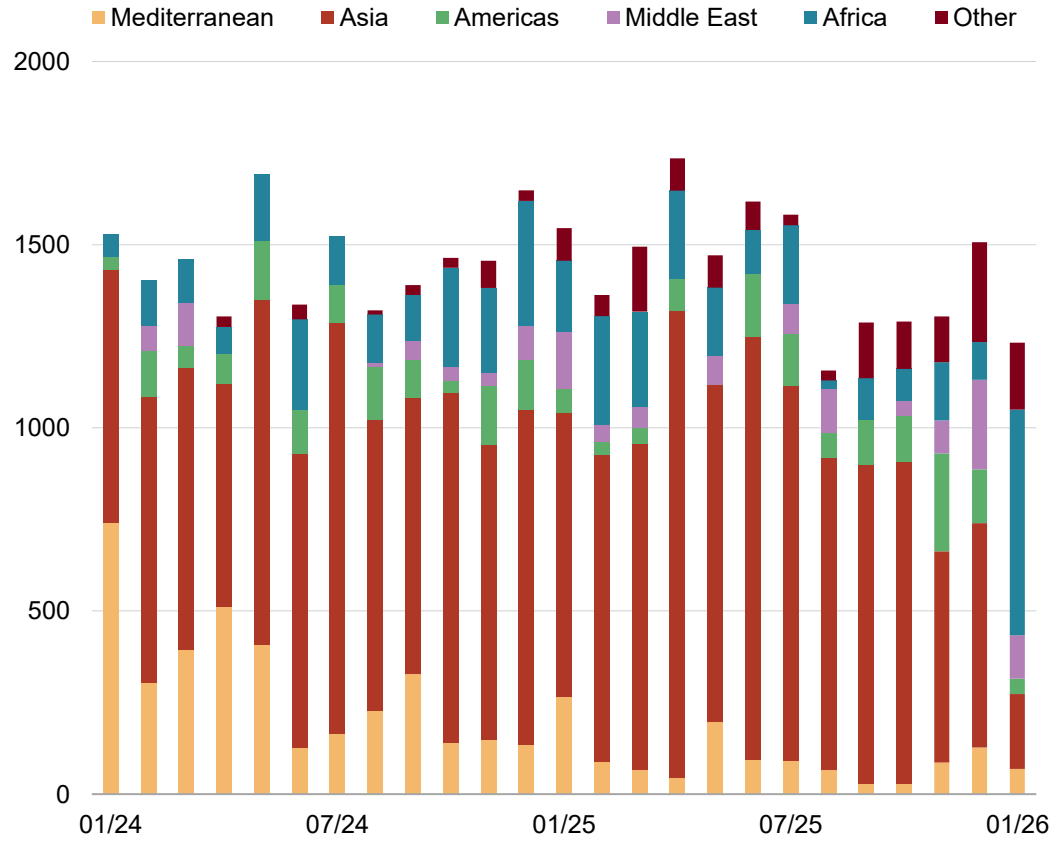
Data compiled Feb. 2, 2026.
Horizontal axis refers to the discharge date.
Source: Commodities at Sea, a product of S&P Global Energy.

Despite steadier outflows from Ust-Luga and Novorossiysk, Russian naphtha exports get a fresh blow, amid disruption in Taman and Tuapse

Russia naphtha exports by load port (thousand metric tons)



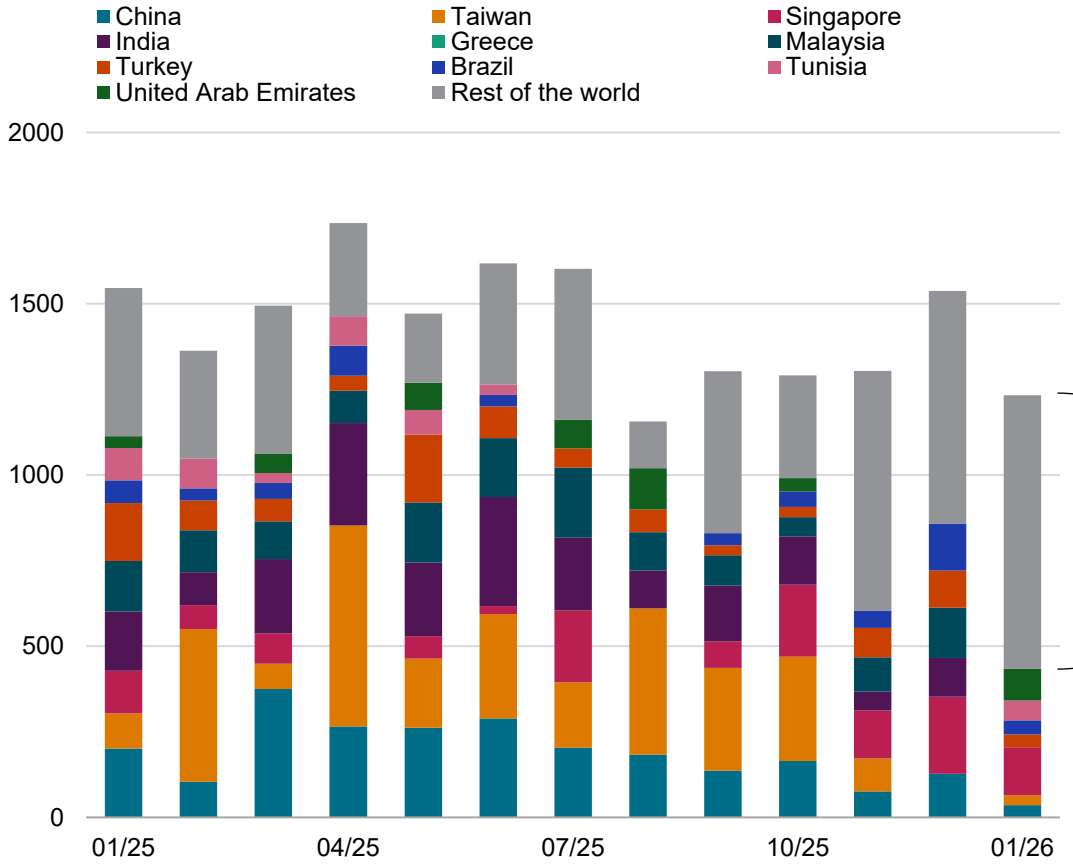
Russia naphtha exports by destination (thousand metric tons)



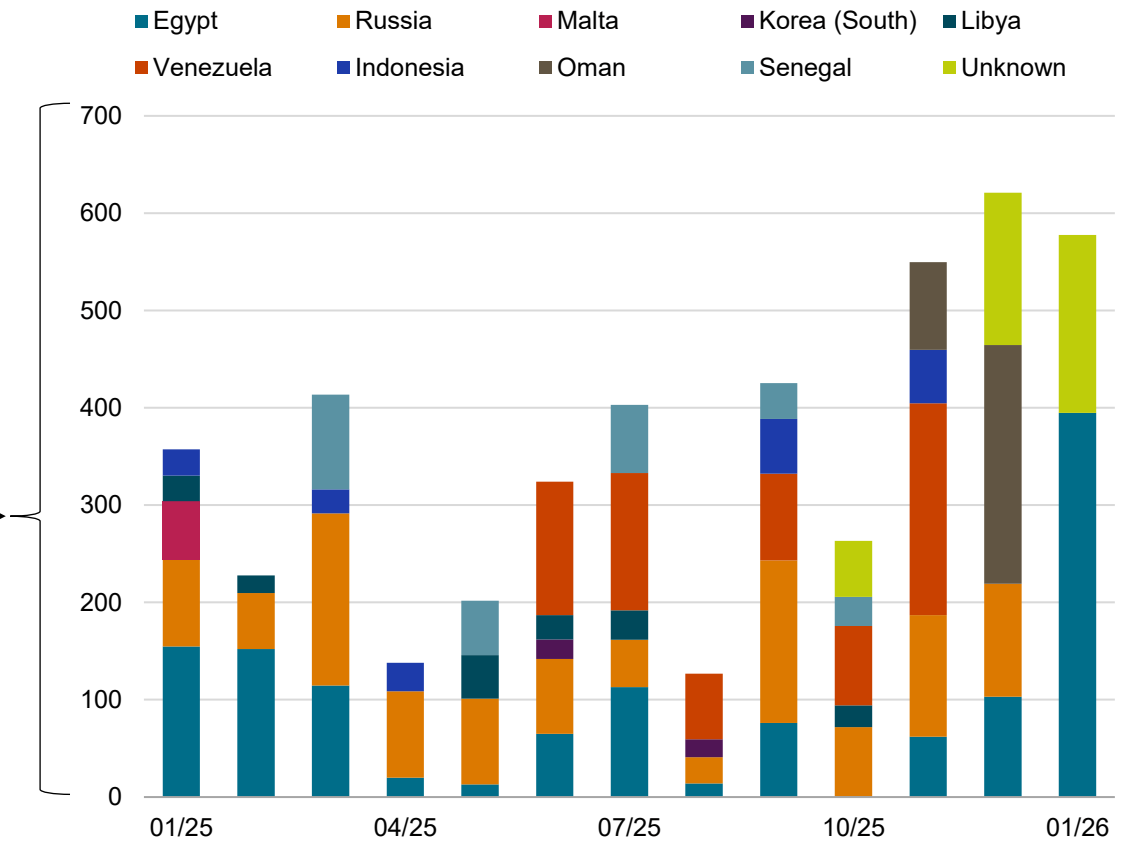
Data compiled Feb. 2, 2026.
Horizontal axis refers to the load date. Destination “Other” includes unknown destinations and vessels signaling a domestic port.
Source: Commodities at Sea, a product of S&P Global Energy.

Growing volumes of Russian naphtha appear to remain unsold or head to new destinations from where reexport to Asia is likely

Russia naphtha exports –Top 10 (thousand metric tons)



Russia naphtha exports – Next 10 (thousand mt)

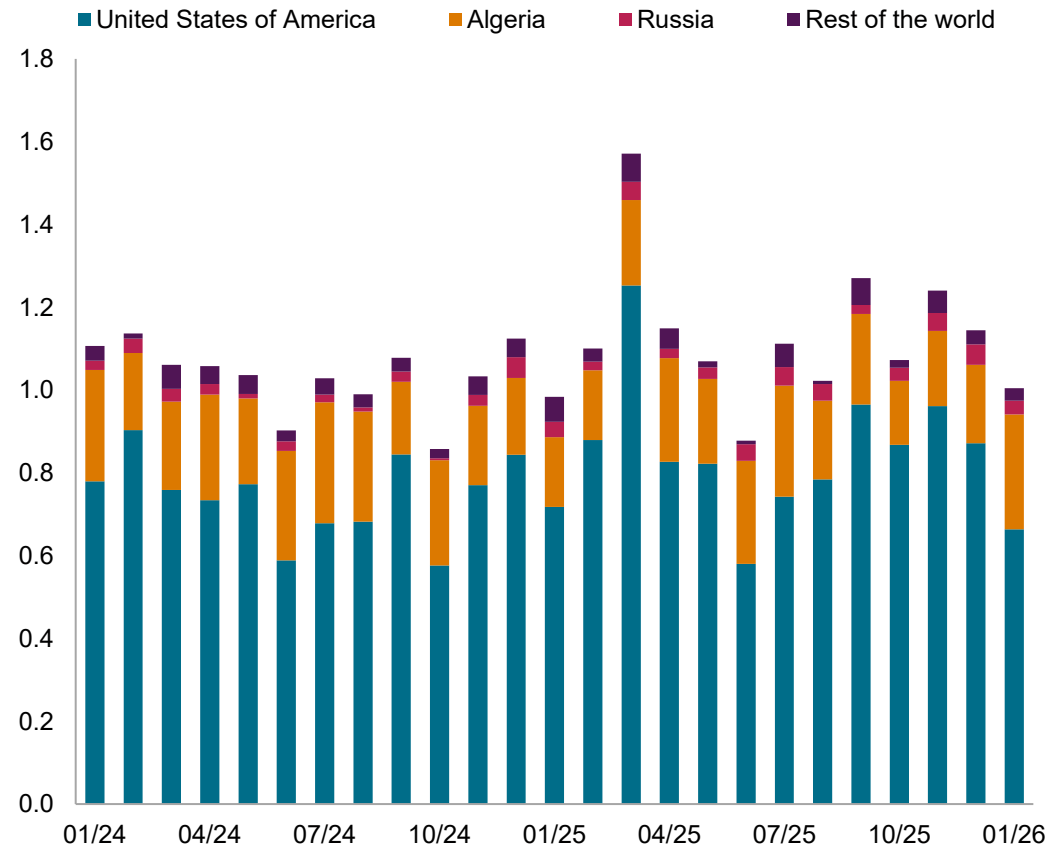


Data compiled Feb. 2, 2026.
Source: Commodities at Sea, a product of S&P Global Energy

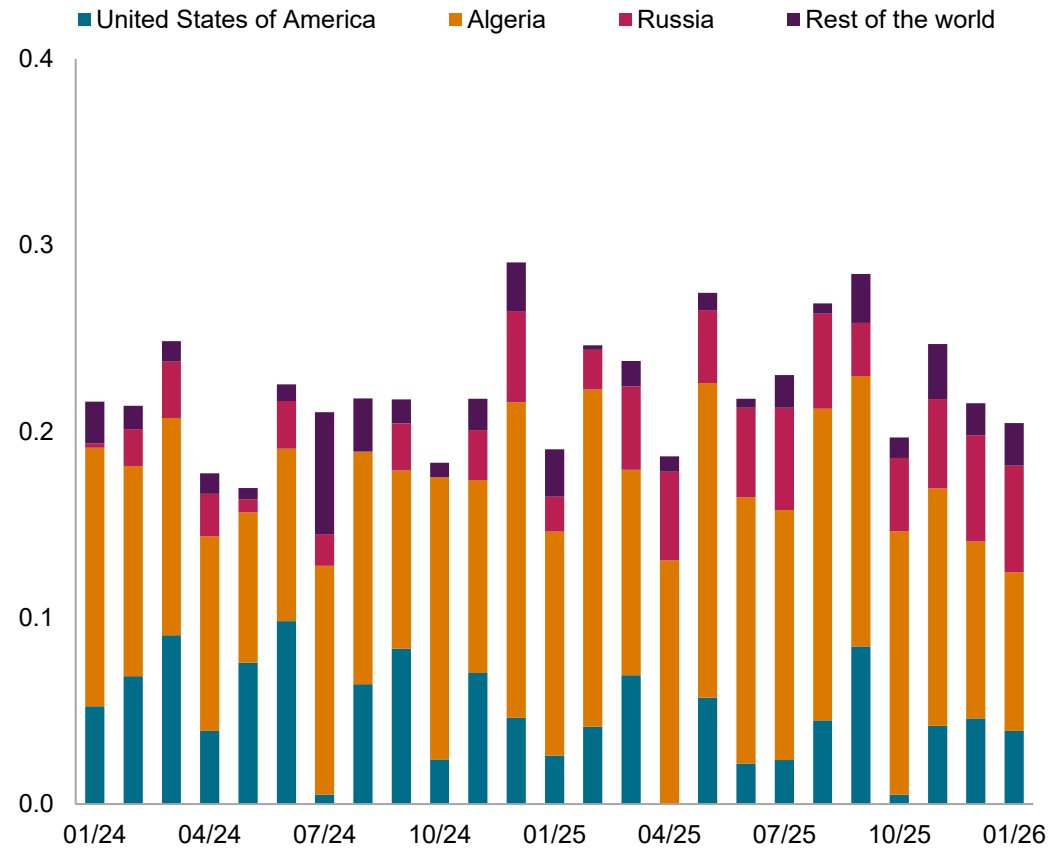
S&P Global
Energy

US propane exports are lower than expected, largely due to fog-related delays on the Gulf Coast, followed by a cold snap, as freight rates rise further

Europe propane imports from overseas (MMt)



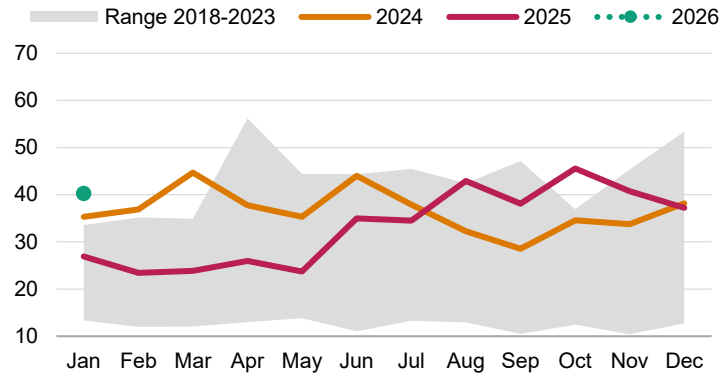
Europe butane imports from overseas (MMt)



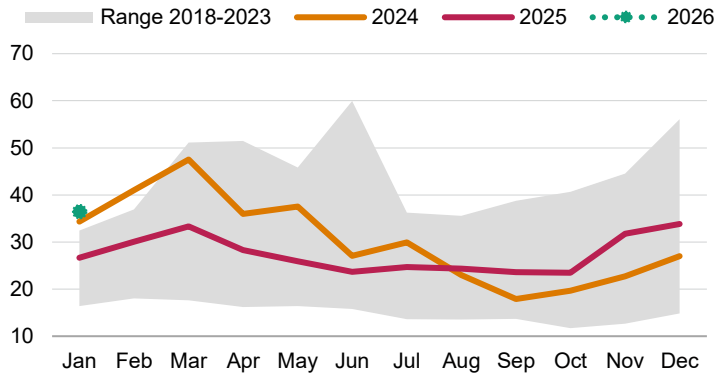
Data compiled Feb. 2, 2026.
Horizontal axis refers to the discharge date.
Source: Commodities at Sea, a product of S&P Global Energy.

Tight tonnage, healthy chartering activity and the US cold snap support rates on most key clean tanker routes

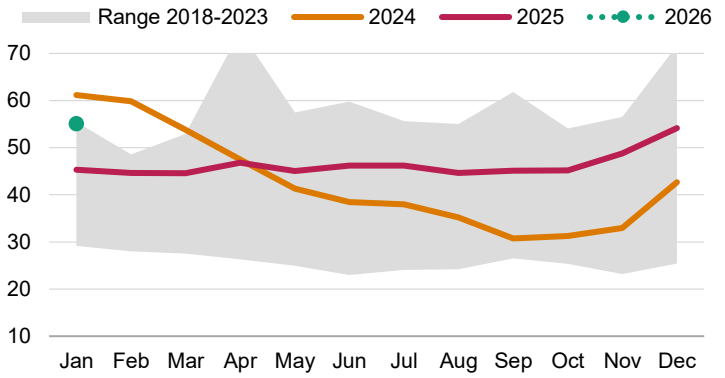
Clean MR tanker rate USGC-UKC ($/mt)



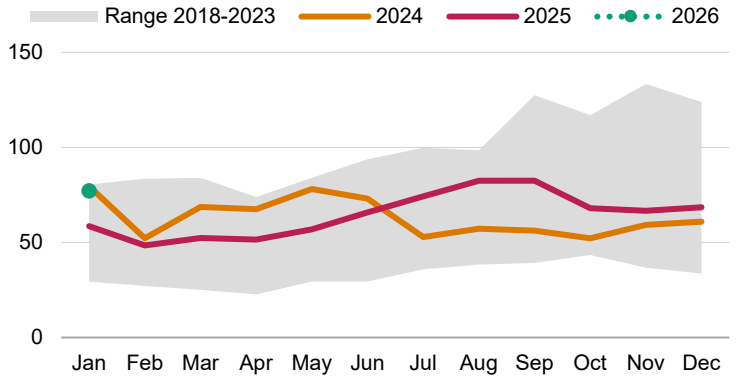
Clean handysize tanker rate MED-UKC ($/mt)



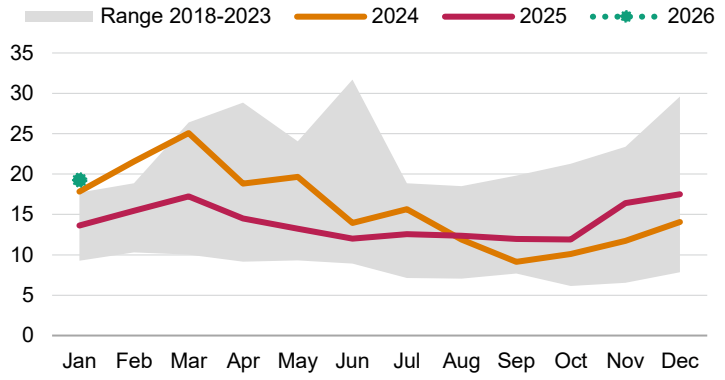
Clean LR1 tanker rate MED-Japan ($/mt)



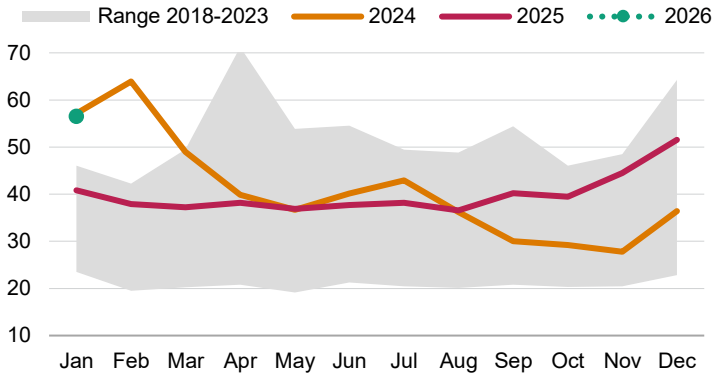
VLGC rate USGC-NWE ($/mt)



Clean handysize tanker rate cross-MED ($/mt)



Clean LR2 tanker rate MED-Japan ($/mt)

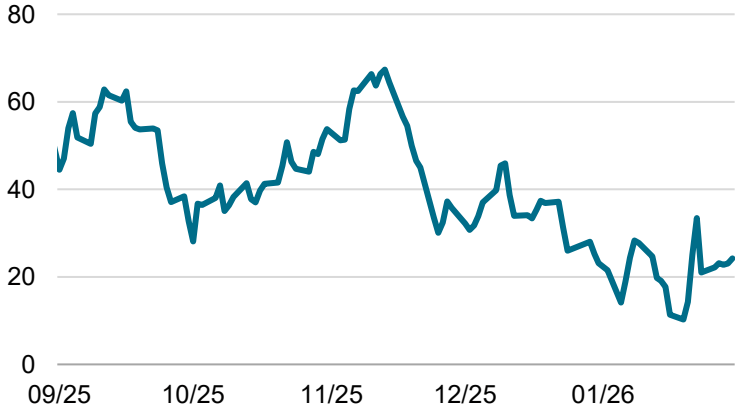


Data compiled Jan. 30, 2026.
LR = long range; USGC = US Gulf Coast; UKC = United Kingdom and European continent; MED = Mediterranean, VLGC = very-large gas carrier. Medium range based on 38,000 mt, handysize on 27,500 mt, long range 1 on 60,000 mt and long range 2 on 80,000 mt.
Source: S&P Global Energy.

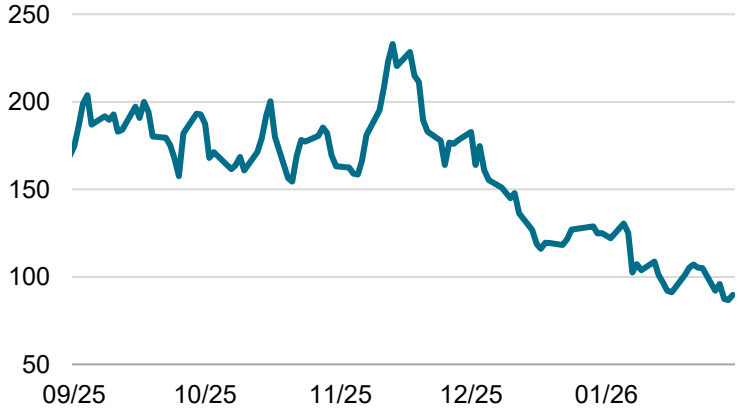
Prices and margins

European naphtha cracks weaken in January, amid lackluster demand and ample domestic supply, as East-West spreads start a new rally above $40

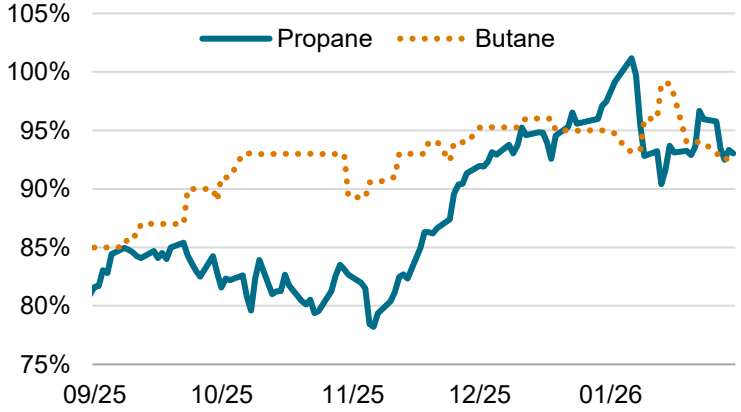
NWE naphtha crack to Dated Brent ($/mt)



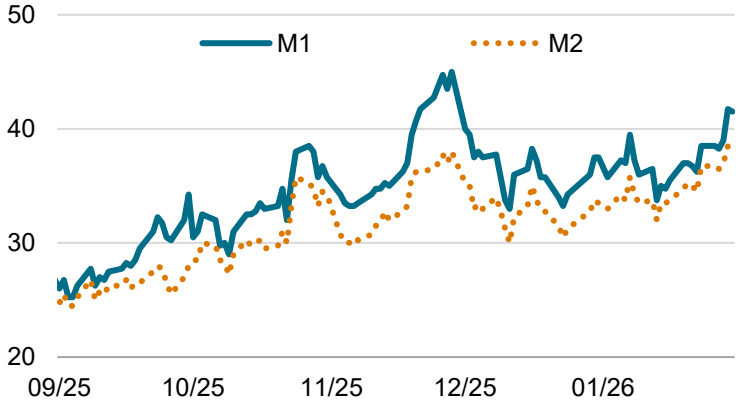
NWE gasoline-naphtha spread ($/mt)



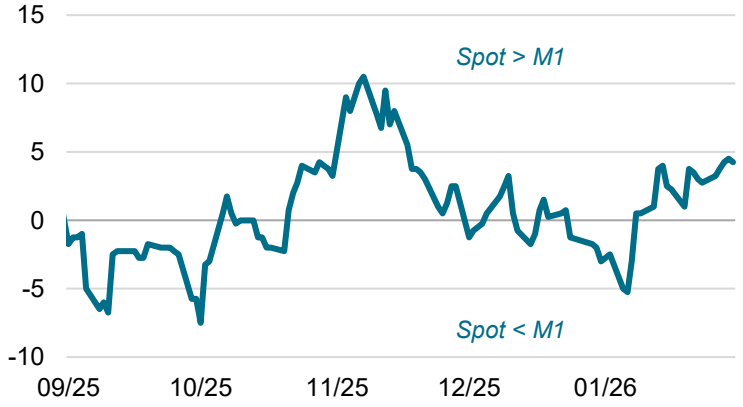
LPG ratios to naphtha



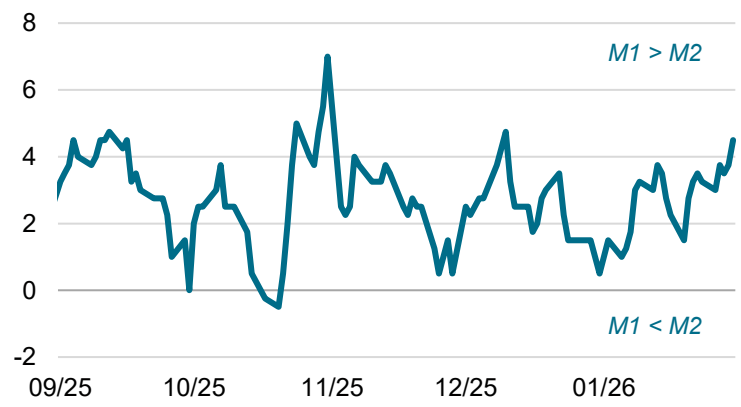
Naphtha east-west spread ($/mt)



NWE naphtha cash differential ($/mt)



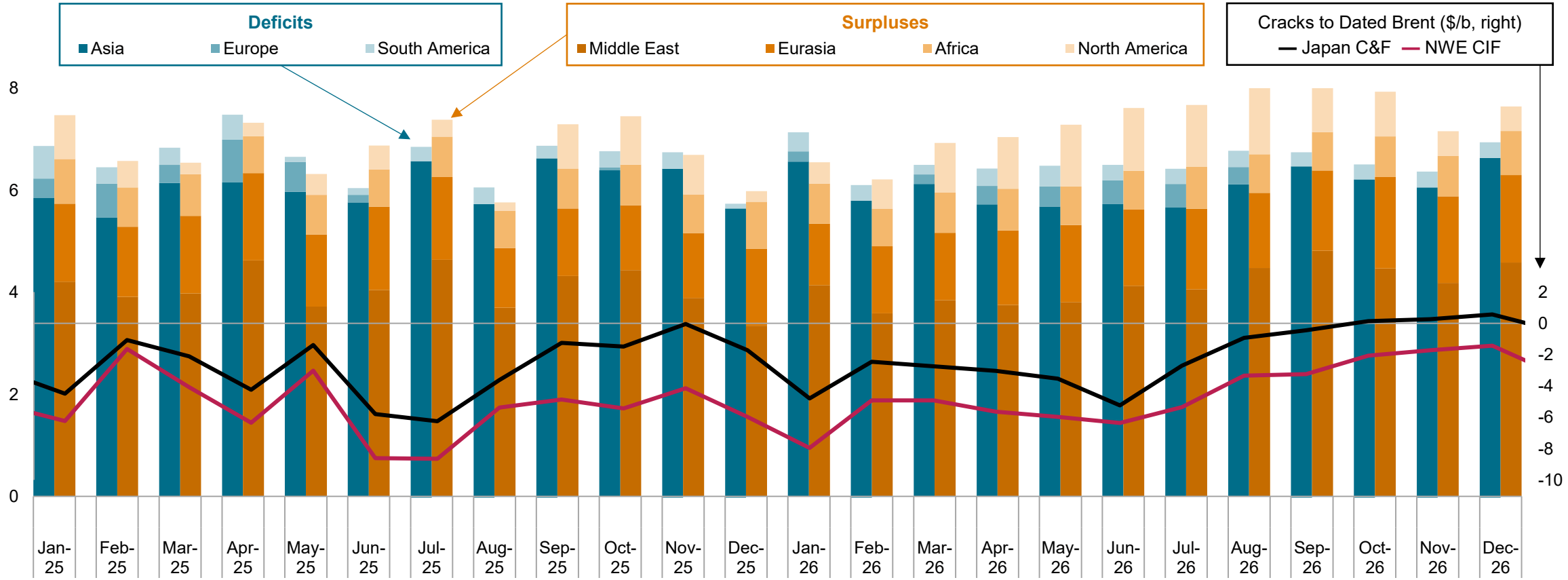
NWE naphtha time spread M1-M2 ($/mt)



Data compiled Jan. 30, 2026.
NWE = Northwest Europe; M1 = front month swap; M2 = second-month swap
Cracks and spreads are calculated using the Platts CIF NWE cargo quotes for propane, butane and naphtha, and the Platts barge quote for 95RON gasoline. East-west naphtha is spread between the CFR Japan naphtha cargo swap and the CIF NWE equivalent.
Source: S&P Global Energy.

A naphtha surplus is gradually building as Asia's net import needs hardly grow, while outflows from the Middle East, Russia and especially the US increase

Regional naphtha imbalances (million metric tons)

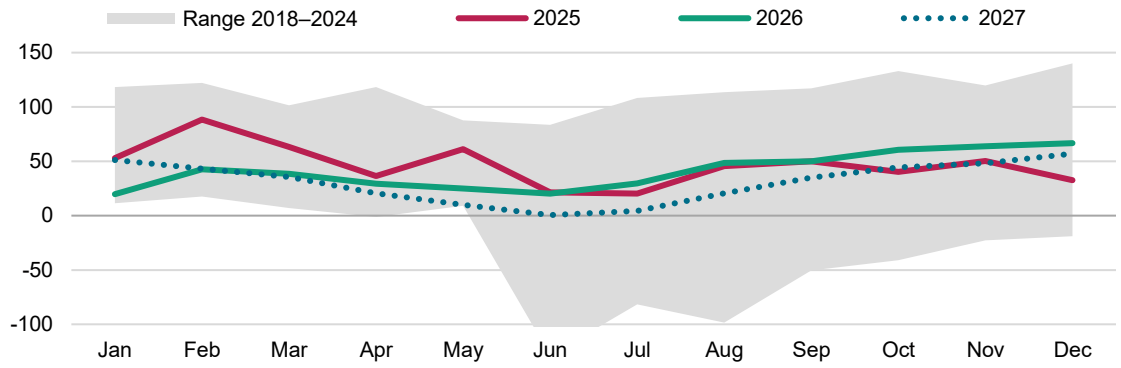


Data compiled Jan. 30, 2026.
Source: S&P Global Energy.

European demand weakness persists, with support coming from potential gasoline blending upside in H1’26, as the pull from Asia is set to weaken

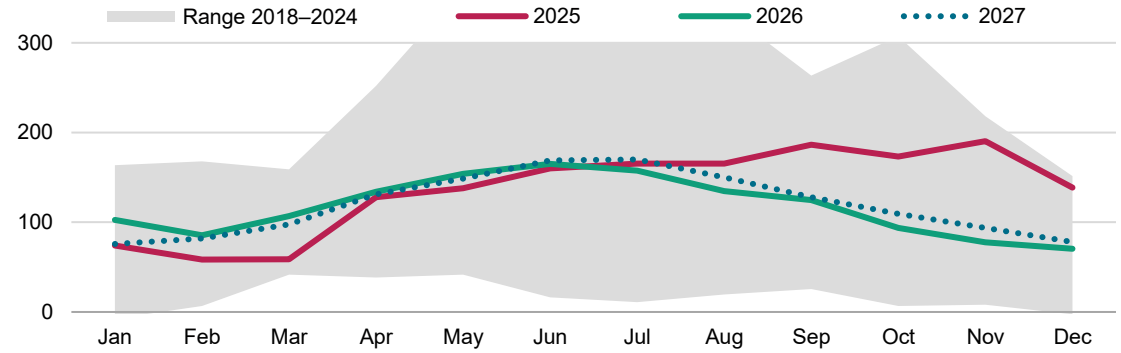
- Asian naphtha cracks weakened due to rising crude prices and abundant supply, despite rising LPG and gas prices, and ongoing concerns about Russian supply. Restocking continues but chemical margins are weak
  - Asian naphtha cracks are likely to remain firm in February before softening with seasonal demand. There are downside risks, from trade tariff uncertainty and geopolitics contribute to demand uncertainty downstream
- With European petrochemical demand weak, gasoline at seasonal lows, and refinery utilization strong, NWE and MED naphtha cracks are expected to trend up and down with movements in Asia, at wide east-west spreads
- An emerging naphtha surplus will weigh on cracks to incentivize disposition in the gasoline pool, and is set to drive wider octane spreads

Naphtha crack ($/mt, historical range truncated for better visibility)



- Gasoline cracks continued to correct in January following the November spike, slipping back to $8/b. With the correction now largely complete, we expect ARA cracks to rebound to $9/b in February, reaching $17/b in June
- Fundamentals remain robust, with demand supported by a mild winter, and supply constrained because of maintenance at Dangote, European refinery closures, and inventory builds ahead of the spring maintenance season
- Contango structure in the gasoline futures curve further supports speculative storage plays ahead of the seasonality switch to summer grade

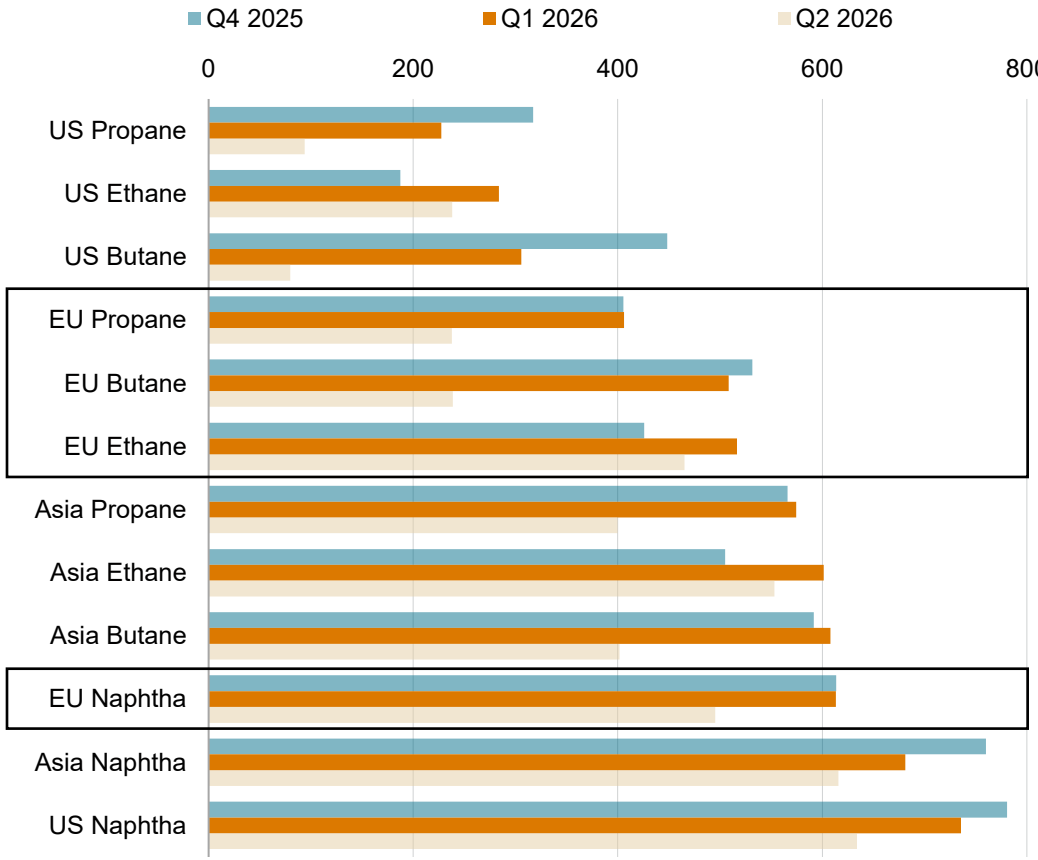
Gasoline-naphtha spread ($/mt, historical range truncated for better visibility)



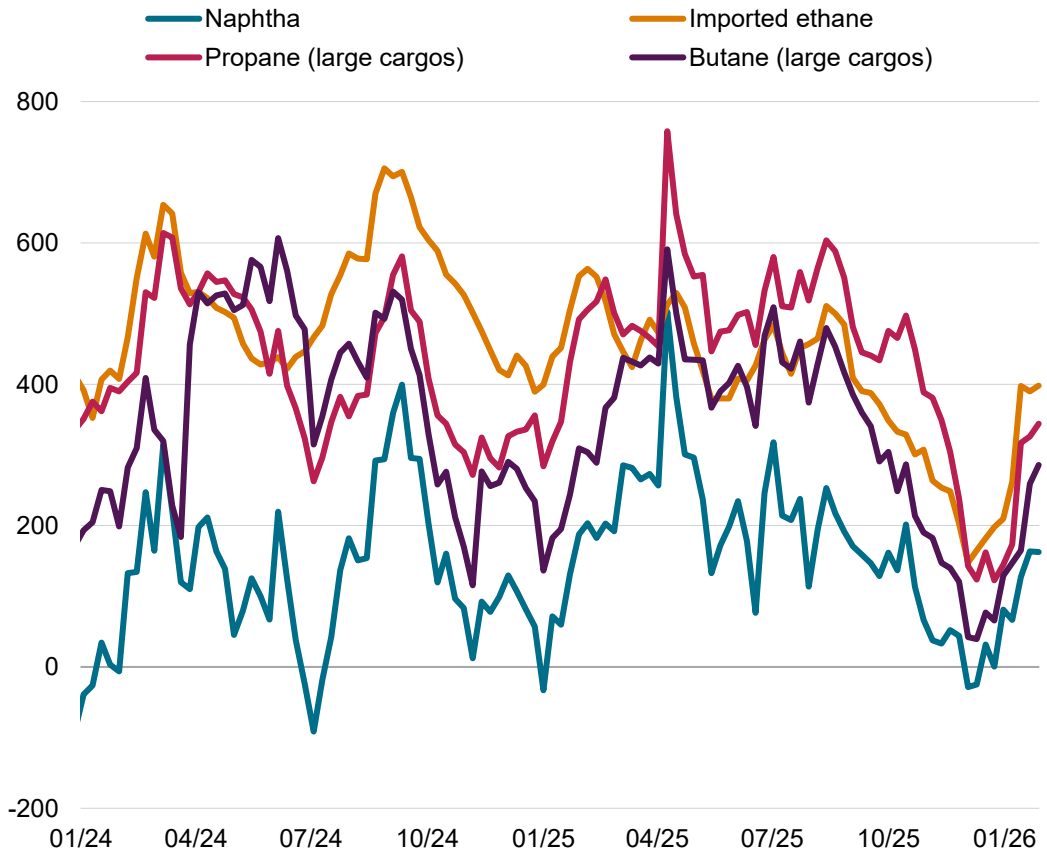
Data compiled Jan. 30, 2026.
Naphtha cracks based on the Platts CIF NWE cargo assessment; Gasoline based on the Platts Euro 95 ARA FOB barge assessment
For more detail about naphtha balances in Asia and the Middle East, please refer to the monthly Asia and Middle East Petrochemical Feedstock Markets Short-Term Outlook, available on Platts Connect and S&P Connect (subscription required).
Source: S&P Global Energy.

Cracking margins rebound in January on stronger olefins values during the early-year restocking phase, as the feedstock signal will shift further to max LPG

Global cash cost of ethylene ($/mt. ascending order Q1'26)



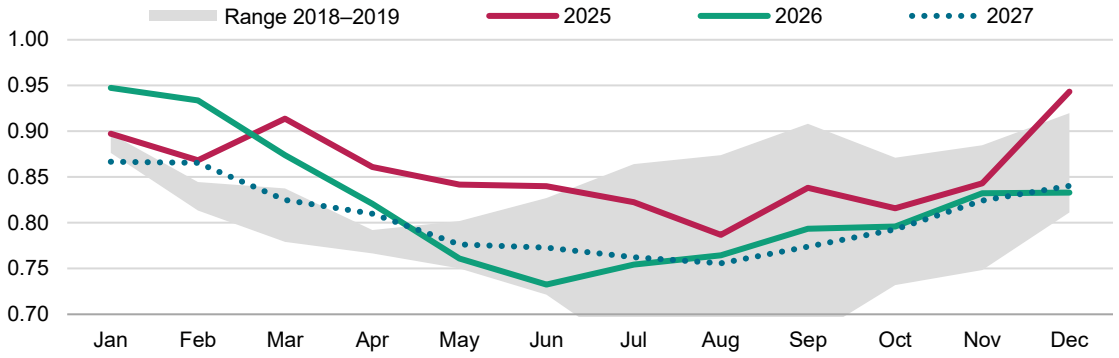
Europe variable-cost cracking margins ($/mt of ethylene)



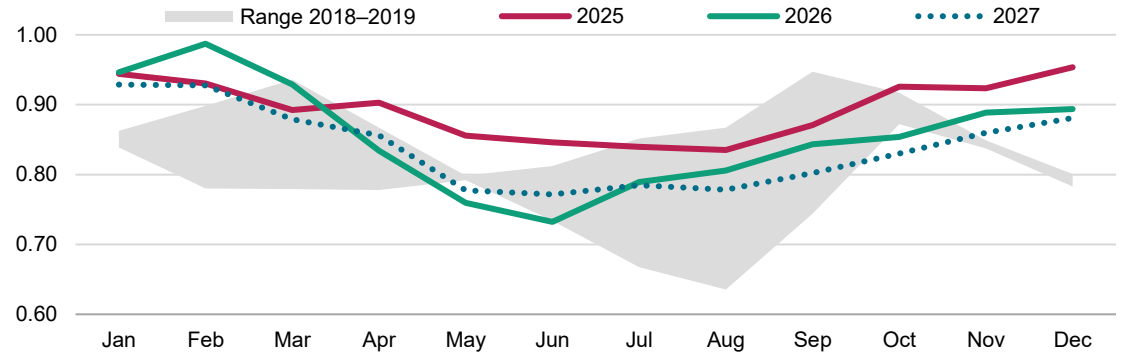
Data compiled Jan. 30, 2026.
Naphtha prices based on the Platts CIF NWE cargo assessment; Propane and Butane based on Platts CIF NWE large cargo, FOB Seagoing vessel and FOB Barge; Cracking advantage refers to variable-cost margins per metric ton of ethylene
Source: S&P Global Energy.

Both propane and butane remain ahead of naphtha in terms of cracker economics, with smaller stems potentially in the money from February or March

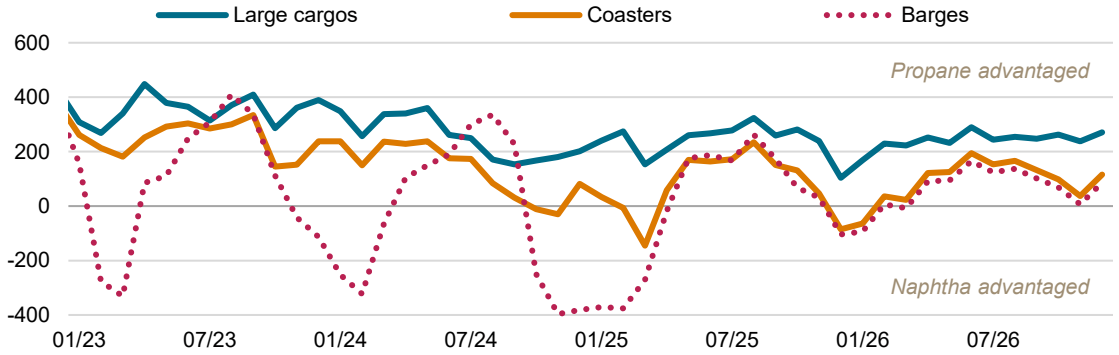
Propane-to-naphtha price ratio



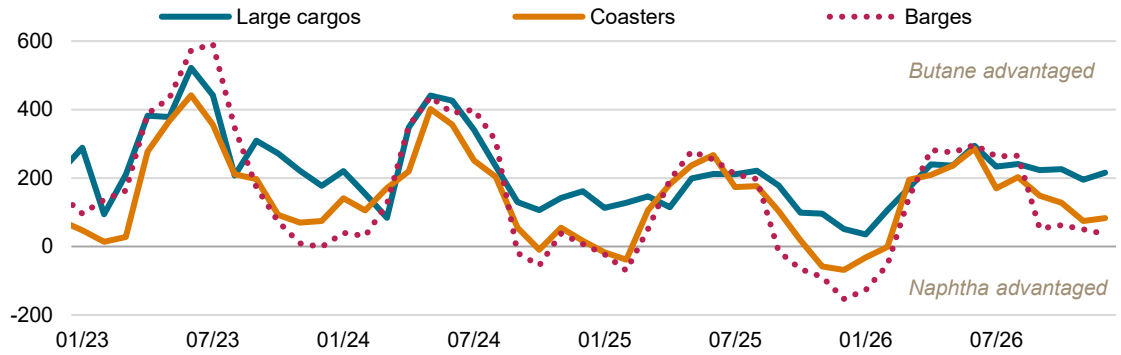
Butane-to-naphtha price ratio



Propane cracking advantage over naphtha ($/mt of ethylene)



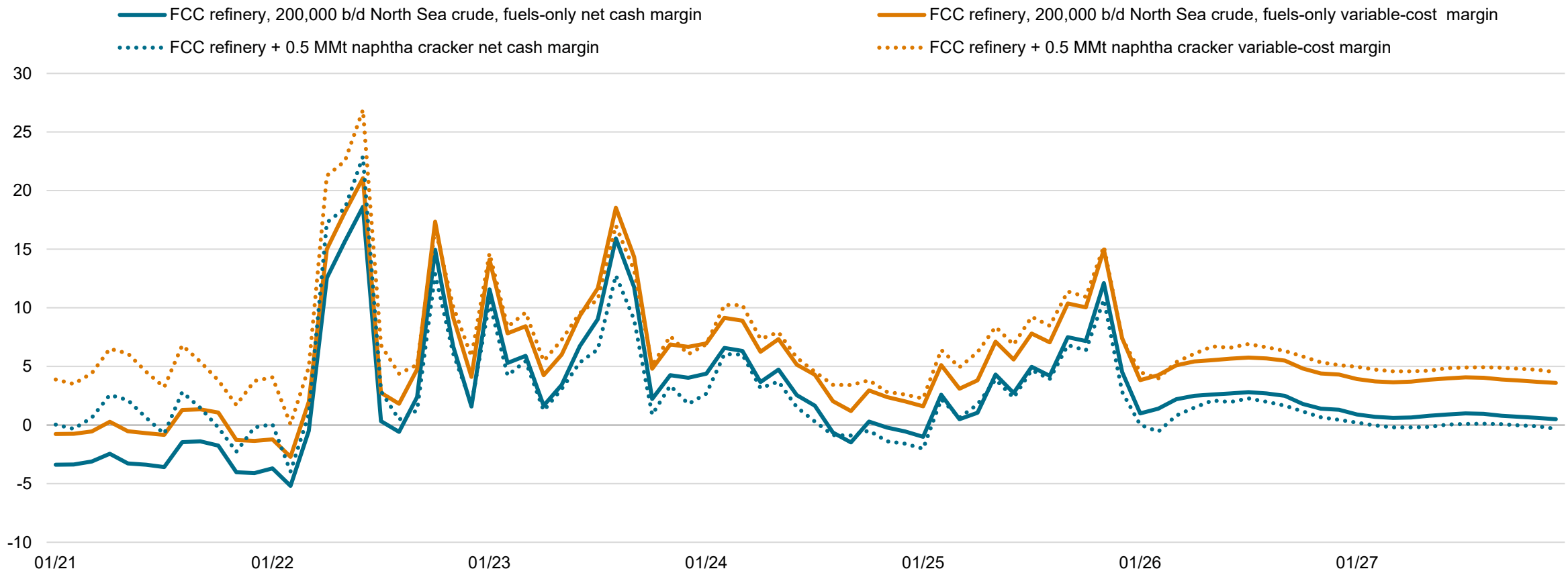
Butane cracking advantage over naphtha ($/mt of ethylene)



Data compiled Jan. 30, 2026.
Naphtha prices based on the Platts CIF NWE cargo assessment; Propane and Butane based on Platts CIF NWE large cargo, FOB Seagoing vessel and FOB Barge; Cracking advantage refers to variable-cost margins per metric ton of ethylene.
Forward-looking coaster-cargo and barge-cargo differentials based on analysis of the prior months and prior years.
Source: S&P Global Energy.

After a period of exceptional gasoline and diesel cracks, refinery margins have fallen dramatically, exacerbated by rising natural gas prices

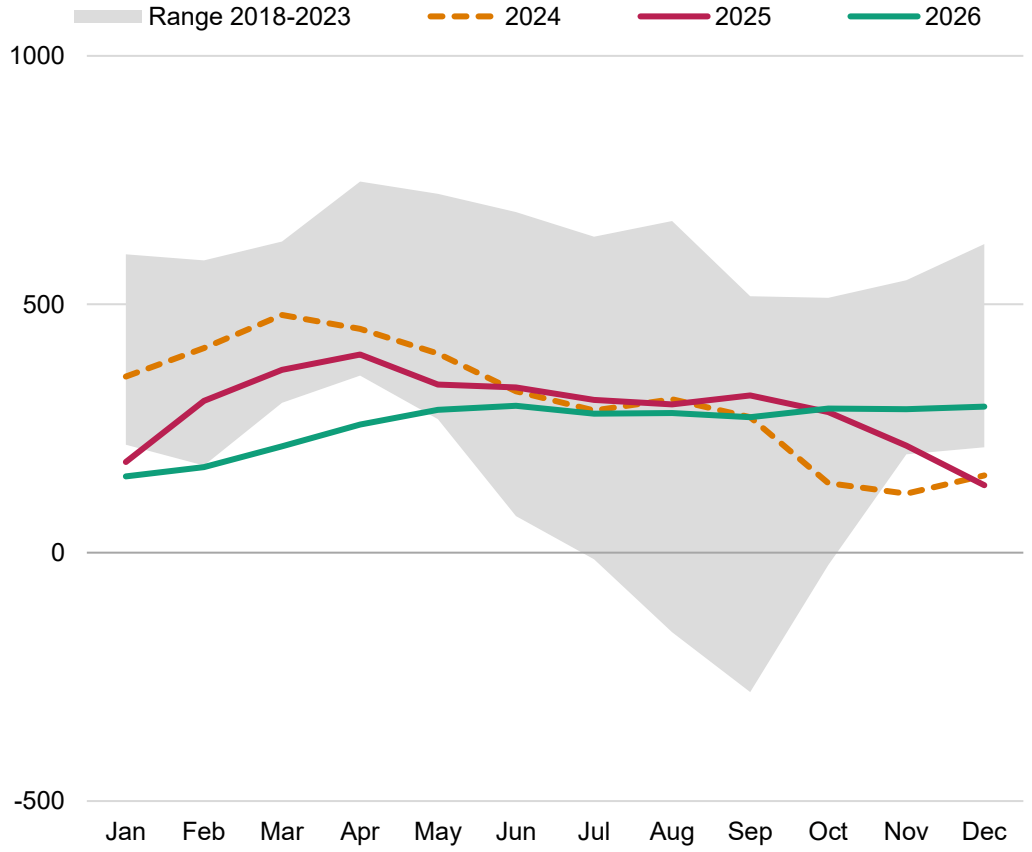
NWE fuels-only and integrated margin indicators ($/b)



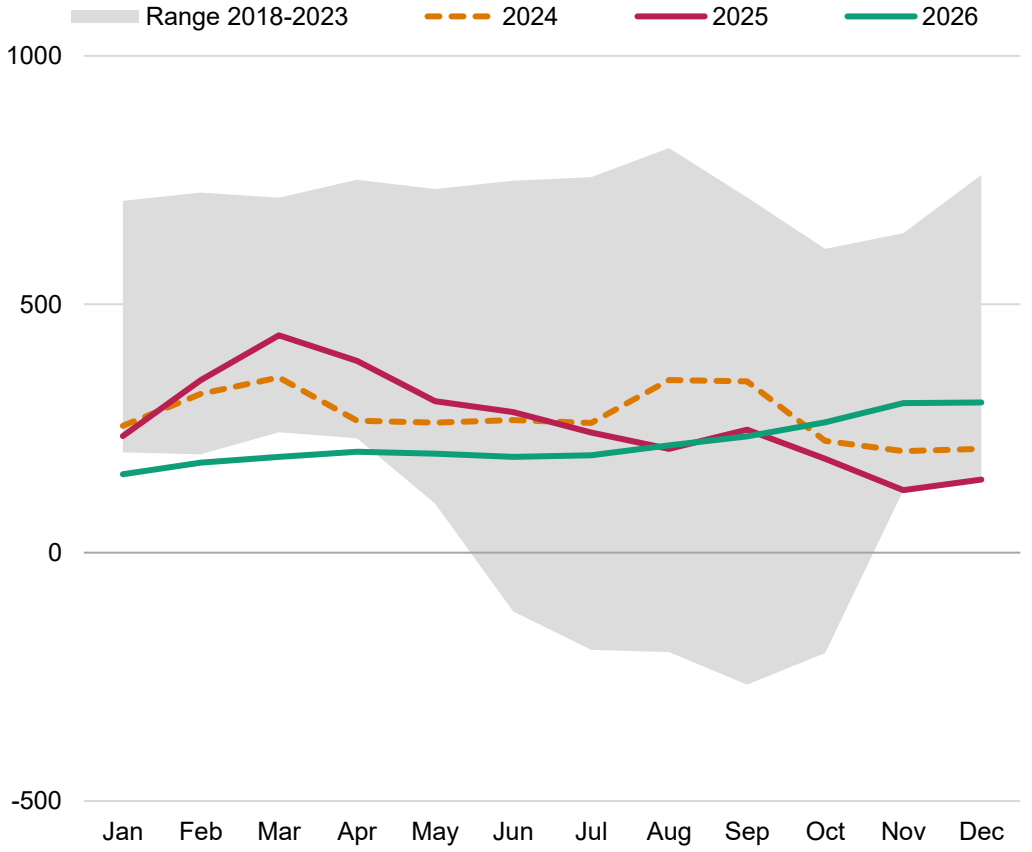
Data compiled Jan. 30, 2026.
Petrochemical component based solely on cracker products; excludes further upside from derivatives such as polyolefins.
Source: S&P Global Energy.

Seasonally strong propane and unseasonably tight gasoline weigh on PDH margins and FCC max-olefins operations, respectively, amid lackluster propylene

Europe propane dehydrogenation, marginal margin ($/mt)



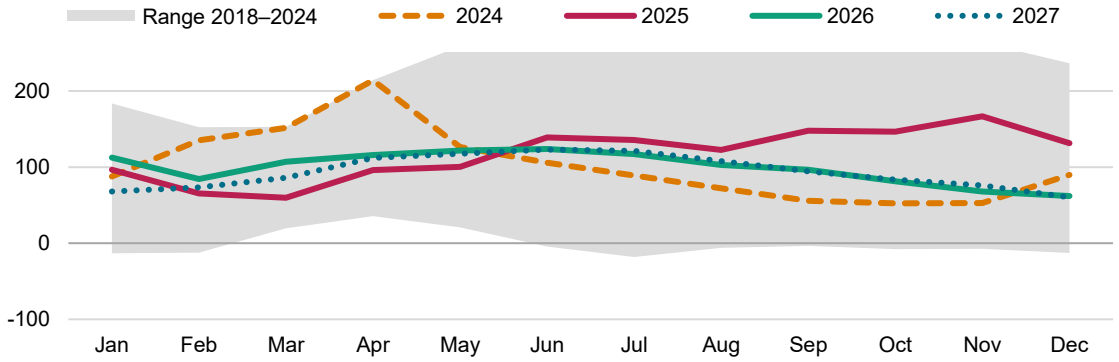
Spread between European propylene and FCC gasoline ($/mt)



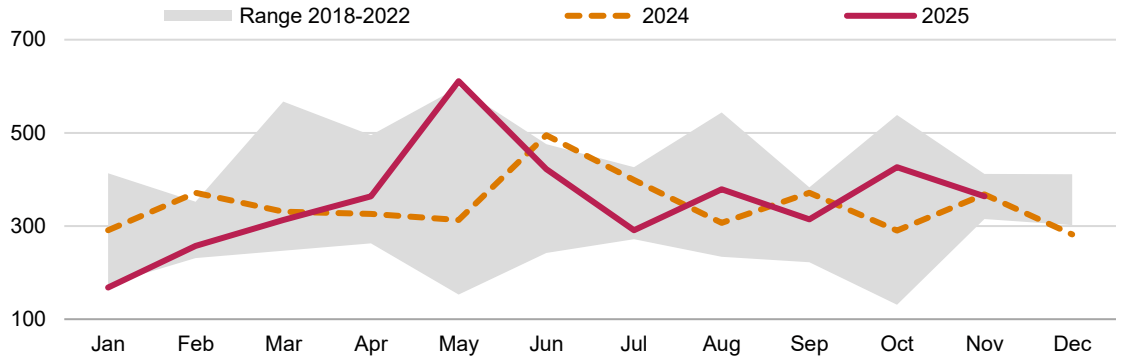
Data compiled Jan. 30, 2026.
Marginal PDH margin refers to hydrogen being valued in in fuel gas parity. FCC gasoline price calculated as an octane-RVP-tight blend of euro95 gasoline, naphtha and butane.
Source: S&P Global Energy.

The mirror image of weakening naphtha—octane on the rise, buoyed by stock builds of desirable components ahead of driving season

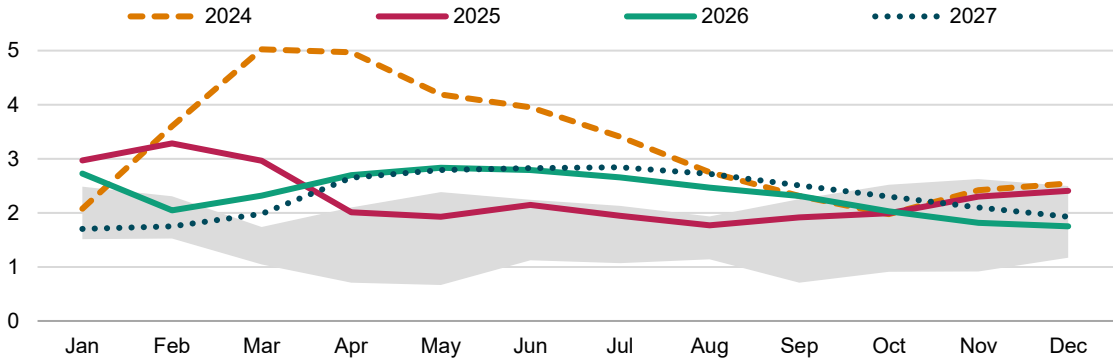
Reformer margin with hydrogen in SMR back-out ($/mt)



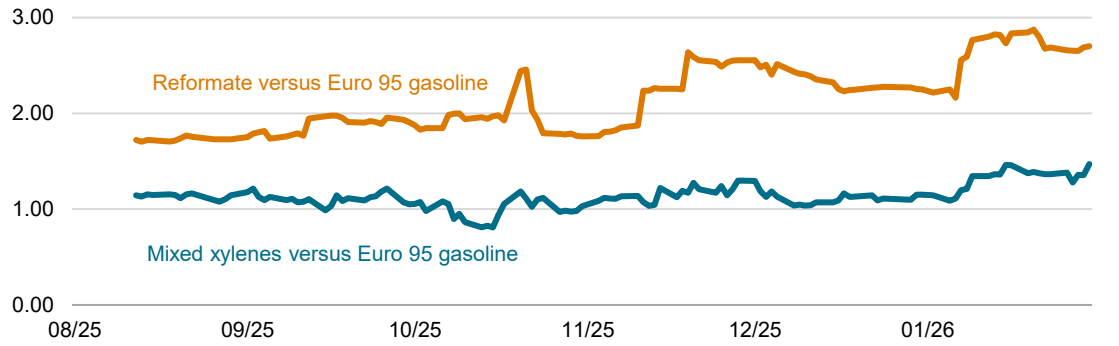
Netherlands notional aromatics blending into gasoline (thousand mt)



European octane valuation ($/OIB)



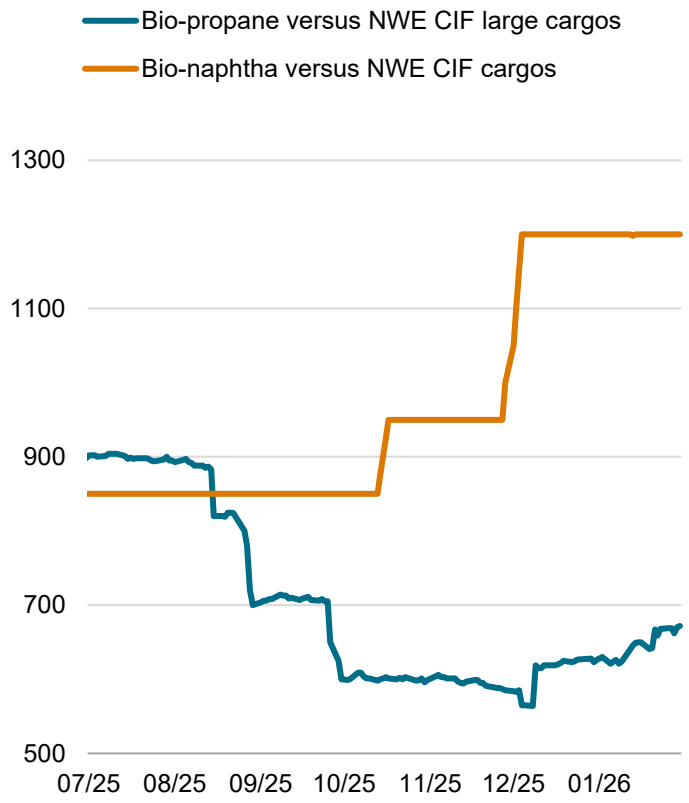
Implied cost of octane (dollar per incremental octane barrel)



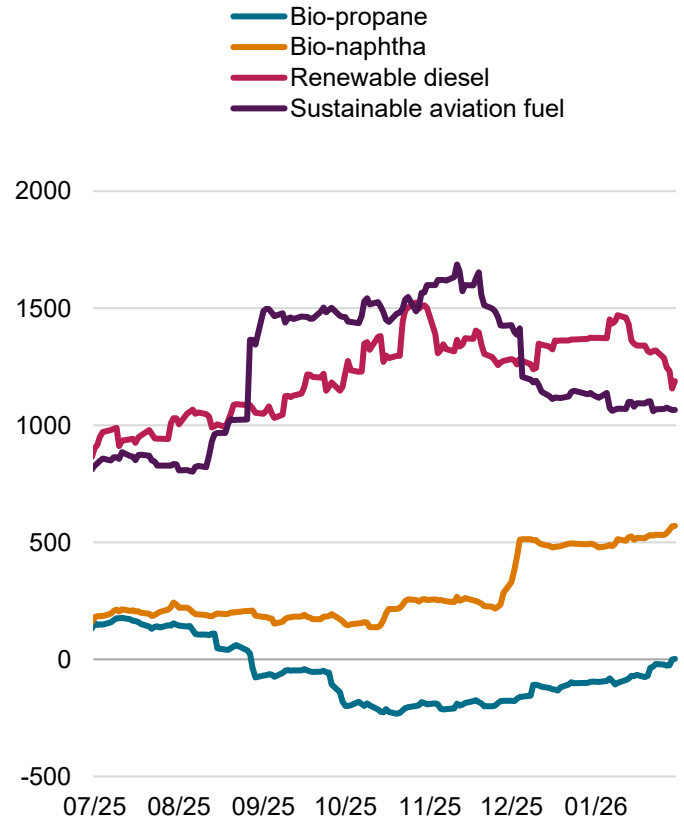
Data compiled Jan. 30, 2026.
SMR = steam-methane reformer; OIB = octane incremental barrel, calibrated against the spread between reformate and gasoline barge prices.
Source: S&P Global Energy, Statistics Netherlands

Soaring propane supports its renewable sibling lifting all hydrogenation products above the used cooking oil price

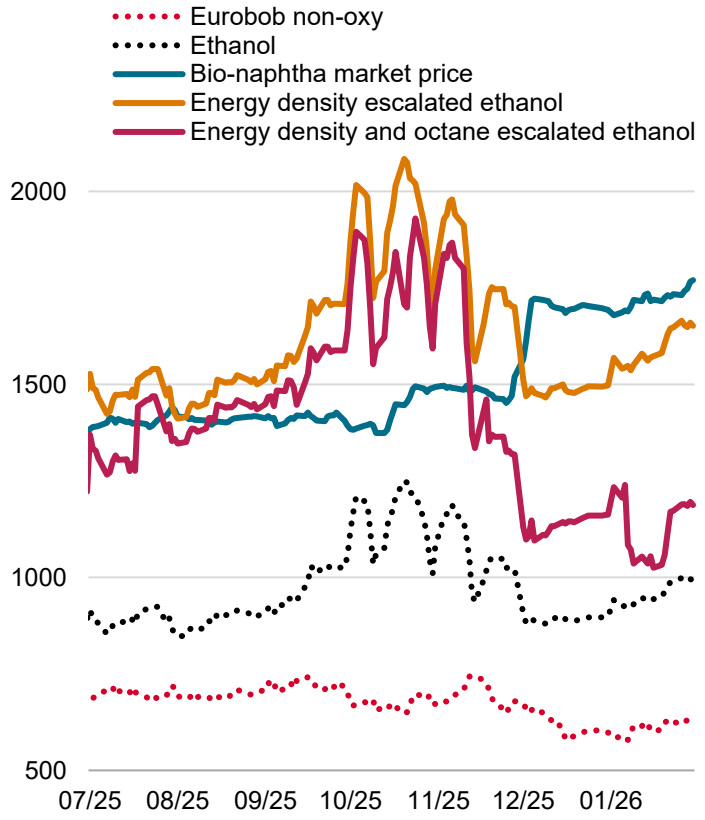
Northwest Europe bio-feedstocks versus fossil equivalents ($/mt)



Northwest Europe HVO products versus used cooking oil ($/mt)



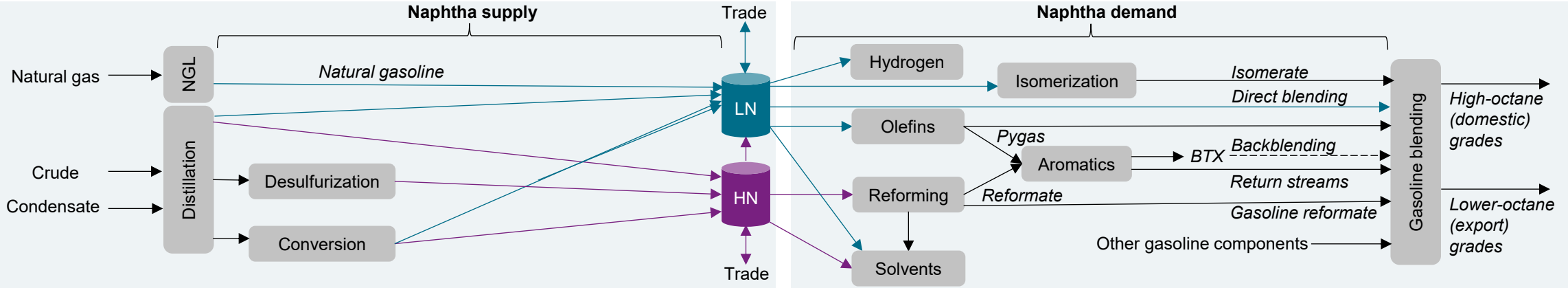
Bio-naphtha price relative to octane/energy parity with ethanol blending ($/mt)



Data compiled Jan. 30, 2026.
Bio-naphtha refers to the Platts FOB NWE assessment, bio-propane to the FCA NWE assessment, ethanol, used cooking oil, renewable diesel and sustainable aviation fuel based on FOB ARA.
For more details, please refer to the Biofuels Value Chain Service, available on Platts Connect and S&P Connect (subscription required).
Source: S&P Global Energy

Annex

Methodology—Naphtha balances are calculated at the country level, calibrated using supply, demand, trade and inventory statistics, and rolled up to regions



- Crude and condensate runs consistent with *Refined Products short-term outlook (STO)*; natural gasoline supply with *Natural Gas Liquids STO*
- Crude light and heavy naphtha cuts: linear regression off monthly country crude API, either reported (Eurostat) or calculated using trade statistics and *S&P Global Commodities at Sea*
- Desulfurization and conversion runs estimated based on CDU utilization, typical differences by process unit, turnaround activity (*World Refining Database*) and conversion economics
- Hydrocracker and coker naphtha yields, as well as hydrotreating, visbreaking and other thermal cracking wild naphtha yields, based on proprietary modelling
- Naphtha trade using *S&P Global Trade Atlas* validated with statistics agency values for history, and vessel tracking using *S&P Global Commodities at Sea*

- Naphtha cracking to olefins consistent with the monthly *Ethylene STO* and its cracker feed slates by country, further calibrated against published data by the statistics agencies
- Extraction of benzene, toluene and xylenes from pyrolysis gasoline and reformate consistent with Aromatics country balances
- Hydrogen demand based on steam-naphtha reforming capacity, isomerization based on installed capacity with utilization adjusted for crude runs, slate and mogas-naphtha spreads
- Naphtha to solvents based on assumed naphtha shares in total solvents production, consistent with reported statistics (history) and *S&P Global Annual Strategic Workbook*
- Reformer runs: first layer based on aromatics needs; BTX extraction from Aromatics country balances, while second layer is based on country gasoline blending models
- Gasoline blending model solves for total supply, pool RON and pool RVP, which defines the call on direct naphtha, butane, and gasoline reformate

LN = light naphtha; HN = heavy naphtha; Pygas = pyrolysis gasoline; BTX = benzene, toluene and xylenes; RON = research octane number; RVP = Reid vapor pressure; LVN = light virgin naphtha.
Steam cracking of condensate and raffinate are taken into consideration where data suggests so but not drawn on the schematic to avoid overcomplicating the picture.
Source: S&P Global Energy.

Schematic representation of the key crude pipeline systems in continental Europe

Legend	
	Druzhba North
	Druzhba South
	Transalpine (TAL)
	Adria-Wien (AWP)
	Ingolstadt-Kralupy-Litvinov (IKL)
	Adria
	CONPET
	SPSE (branch to Karlsruhe not in use)
	Pomeranian
	Rostock-Schwedt
	Rotterdam-Antwerp (RAPL)
	Rotterdam-Rhine (RRP)
	NWO/NDO
	Discharge terminal
	Refinery (or refinery cluster)

Does not include all refineries or crude oil pipelines. Trajectory simplified for better reading experience, not aligned with exact topography or GIS coordinates
Provided “as is” without any warranty. This map is not to be reproduced or disseminated and is not to be used nor cited as evidence in connection with any territorial claim.
S&P Global is impartial and is not an authority on international boundaries, which might be subject to unresolved claims by multiple jurisdictions
Source: S&P Global Energy

Contact us

Primary contact(s)

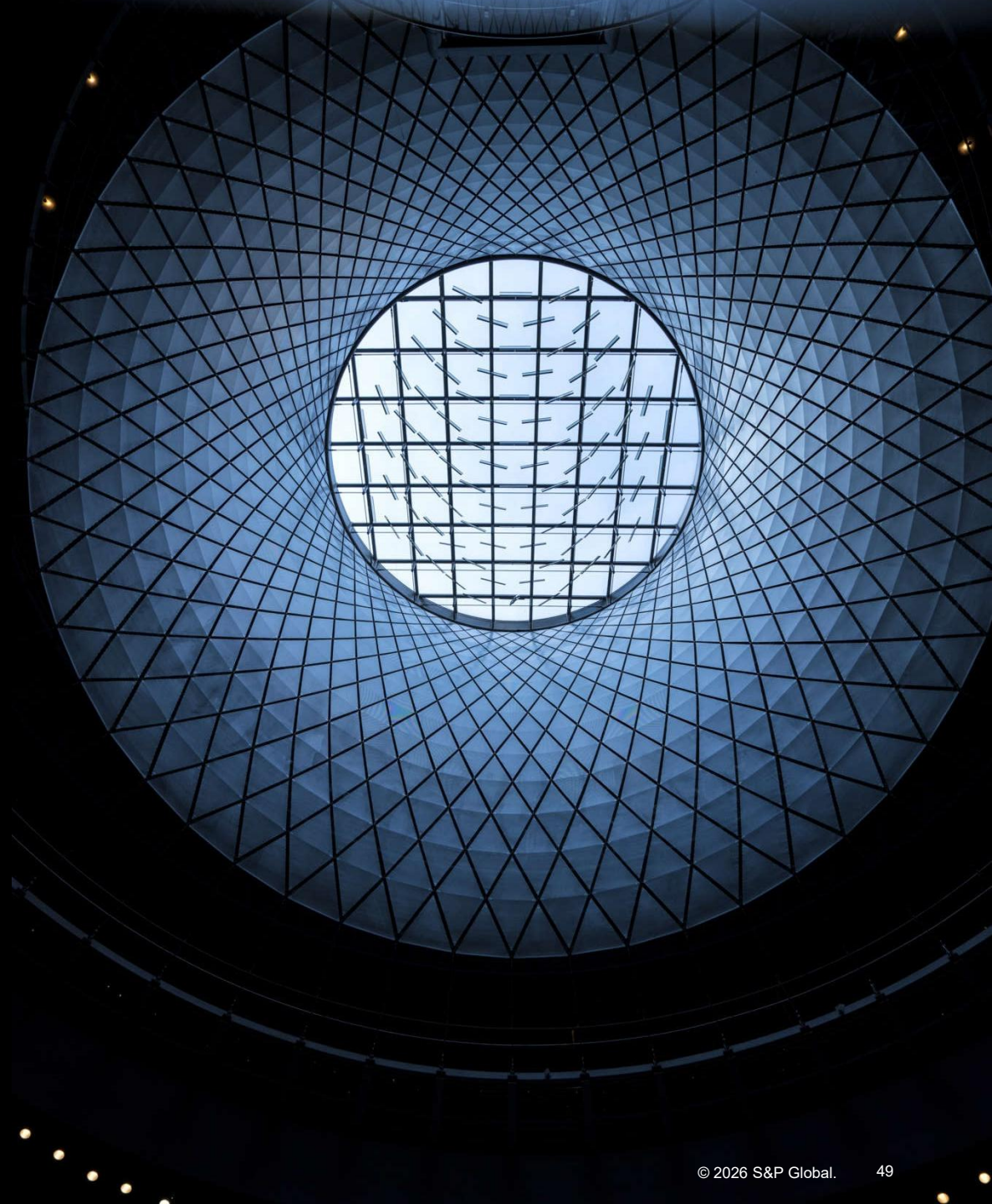
Hédi Grati
hedi.grati@spglobal.com

Ravi Narayanaswamy
ravi.narayanaswamy@spglobal.com

Contact us

Americas	+1 800 597 1344
Asia-Pacific	+60 4 296 1125
Europe, Middle East, Africa	+44 (0) 203 367 0681

www.spglobal.com/en/enterprise/about/contact-us.html
www.spglobal.com



S&P Global
Energy