

Specialty Chemicals

India

Sector View: **Neutral**

NIFTY-50: **22,012**

March 21, 2024

Crop & Chemical Dashboard: A surprise jump in exports

India's exports of organic and inorganic chemicals jumped 23%/33% mom/yoy in February 2024 for reasons that are not yet apparent—the leading specialty chemical companies do not seem to have experienced a pickup. The demand environment generally remains subdued, with crop prices under pressure and chemical prices also generally soft. We continue to expect sluggish performances in general for another quarter or two.

India's chemical exports jumped in February 2024 for reasons as yet unclear

India's exports of organic and inorganic chemicals jumped 23%/33% mom/yoy in February 2024, while imports also picked up 9% mom but fell 12% yoy. The reason for the spike in monthly exports is not yet apparent, as a category-wise breakdown is not yet available. Besides, the softness in imports may indicate weak domestic demand. US chemical production for February 2024 was lower by 1.3%/0.2% mom/yoy, while chemical railcar holdings—a measure of volumes—increased 4.9% yoy on a 13-week moving average basis for the week ending March 9. US data indicates continued softness in pricing, with chemicals producer prices down 4.9% yoy and import prices down 0.2%/18.1% mom/yoy. Commentary from global companies suggests that a demand recovery is not apparent for the near future and, besides, Chinese overcapacity is an overhang.

Agricultural crop price trends

US futures prices of corn and soybeans ticked up 3-5% sequentially amid short covering and some uncertainty regarding weather, but are still lower 17-30% yoy. In general, farm economics have weakened in recent months, and that is a worry for agrochemical demand. In India, vegetable prices are significantly higher yoy, while palm oil prices have also perked up amid weather-related concerns. Rainfall remained deficient across the country in March, and reservoir levels remain low in southern India. Fertilizer prices remain generally weak, although urea has perked up recently in the US. On the agrochemical 9(3) registration front, while there were new registrations obtained by several companies including Sumitomo, Dhanuka, Rallis and Best Agro, the most interesting seems to be pydiflumetofen, a patented fungicide from Syngenta.

Chemical price trends

While chemical prices remain soft in general, a few points worth highlighting include: (1) prices of BOPP film increased 10% mom—potentially a positive sign for SRF's Packaging Films Business, although raw material polypropylene prices have also risen in recent months; (2) HFC refrigerant prices have perked up in China YTD, as highlighted in our recent note; (3) there may be some pricing pressure on certain contract-manufactured products, e.g., topramezone and DFPA for SRF and Solstice 1233zd for NFIL; (4) Astec has started shipments of pyroxasulfone—a sign of looming competition for PI and its customer Kumiai; and (5) market reports suggest there might be a shortage of nitric acid (a key raw material for Deepak Nitrite and Aarti Industries) amid a plant shutdown by a key producer. Soda ash prices remain under pressure, as do phenol spreads.

Company data and valuation summary

Ticker	CMP(Rs)	FV (Rs)	Rating	Upside (%)
ARTO IN	644	480	SELL	(25)
ATLP IN	5,933	4,050	SELL	(32)
CLEAN IN	1,306	1,540	ADD	18
DN IN	2,131	2,190	REDUCE	3
NFIL IN	3,004	3,120	REDUCE	4
SRF IN	2,488	2,660	BUY	7
TTCH IN	1,048	780	SELL	(26)
VO IN	1,616	1,100	SELL	(32)
BYRCS IN	4,985	5,190	SELL	4
GOAGRO IN	500	600	ADD	20
PI IN	3,701	3,830	ADD	3
RALI IN	255	220	SELL	(14)
UPLL IN	459	390	SELL	(15)

Ticker	P/E(x)		EV/EBITDA(x)	
	2025E	2026E	2025E	2026E
ARTO IN	42.3	31.6	20.5	16.6
ATLP IN	35.3	29.0	20.5	16.5
CLEAN IN	43.4	25.4	31.2	16.5
DN IN	32.4	26.0	23.8	20.4
NFIL IN	41.3	28.5	23.9	17.7
SRF IN	38.2	33.7	21.4	15.6
TTCH IN	31.9	28.9	9.7	9.0
VO IN	41.9	33.4	28.4	22.3
BYRCS IN	24.6	22.3	17.0	15.3
GOAGRO IN	21.4	21.4	13.0	10.0
PI IN	32.0	28.5	23.3	20.7
RALI IN	24.1	20.7	13.2	11.5
UPLL IN	54.8	16.5	7.7	6.0

Source: Bloomberg, Company data, Kotak Institutional Equities estimates

Prices in this report are based on the market close of March 21, 2024

Quick Numbers

India's exports of organic and inorganic chemicals jumped 23%/33% mom/yoy

Imports increased 9% mom but fell 12% yoy

Related Research

- Specialty Chemicals: HFC refrigerant prices
- Specialty Chemicals: Crop & Chemical
- Specialty Chemicals: CG-2024 takeaways—

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Agriculture dashboard

US corn and soybean futures ticked up sequentially, but remain sharply lower yoy; palm oil rose, too

Exhibit 1: International crop futures prices

	Unit	20-Mar-24	19-Feb-24	21-Mar-23	mom	yoy
US crop futures prices						
Coffee	(US\$/lb)	1.8	1.9	1.9	-4.4%	-2.3%
Cotton	(US\$/lb)	0.9	0.9	0.8	-0.8%	10.4%
Corn	(US\$/bushel)	4.4	4.2	6.3	5.4%	-30.3%
Rice	(US\$/cwt)	17.7	18.3	17.3	-3.4%	2.5%
Soybean	(US\$/bushel)	12.1	11.7	14.7	3.2%	-17.6%
Sugar	(USc/lb)	21.4	22.4	17.9	-4.2%	20.0%
Wheat	(US\$/bushel)	5.5	5.6	7.3	-2.5%	-25.3%
Brazil crop futures prices						
Corn	US\$/60 kg-bag	14.6	16.2	16.7	-9.8%	-12.4%
Soybean	US\$/60 kg-bag	24.8	24.0	30.9	3.5%	-19.7%
Europe futures prices						
Wheat	US\$/ ton	235.7	220.9	268.6	6.7%	-12.2%
Malaysia futures prices						
Palm oil	US\$/ ton	920.5	826.5	922.1	11.4%	-0.2%

Note: 1 bushel of corn = 25.401 kg, 1 bushel of wheat or soybean = 27.216 kg, 1cwt = 45.359 kg

Source: Bloomberg, Kotak Institutional Equities

In India, prices of vegetables are significantly higher yoy

Exhibit 2: Spot prices of crop commodities in India

	19-Mar-24	27-Feb-24	22-Mar-23	mom	yoy
Crop prices (Rs/quintal)					
Paddy	2,441	2,380	1,850	2.5%	32.0%
Wheat	2,433	2,406	2,295	1.1%	6.0%
Maize	2,145	2,158	2,133	-0.6%	0.6%
Soybean	4,358	4,294	4,854	1.5%	-10.2%
Cotton	7,155	6,767	7,448	5.7%	-3.9%
Ground nut	6,287	6,256	6,399	0.5%	-1.8%
Rubber (natural)	16,957	15,444	13,950	9.8%	21.6%
Vegetable prices (Rs/quintal)					
Cabbage	1,749	1,698	975	3.0%	79.4%
Cauliflower	2,257	1,758	1,399	28.4%	61.3%
Onion	1,937	1,962	1,388	-1.3%	39.6%
Potato	1,510	1,269	992	19.0%	52.2%
Tomato	2,104	1,981	1,340	6.2%	57.0%

Source: Agmarknet, Kotak Institutional Equities

Global estimated stock-to-use ratios underwent modest cuts in March 2024, except for rice

Exhibit 3: USDA world agriculture demand and supply estimates

Crop	Unit	2020-21	2021-22	2022-23 Estimate	Feb-24	Mar-24
					2023-24 Projection	2023-24 Projection
Corn - world						
	mn MT					
Production		1,129.4	1,216.0	1,157.5	1,232.6	1,230.2
Consumption		1,144.0	1,198.3	1,166.6	1,210.8	1,212.2
Closing stocks		292.8	310.7	301.6	322.1	319.6
Stock-to-use		25.6%	25.9%	25.9%	26.6%	26.4%
Corn - world less China						
	mn MT					
Production		868.8	943.4	880.3	943.7	941.4
Consumption		859.0	907.3	867.6	904.8	906.2
Closing stocks		87.1	101.5	95.6	110.2	107.8
Stock-to-use		10.1%	11.2%	11.0%	12.2%	11.9%
Cotton - world						
	mn 480-pound bales					
Production		111.5	114.5	116.6	112.8	113.0
Consumption		123.3	116.1	111.2	112.5	112.9
Closing stocks		86.3	76.4	83.2	83.7	83.3
Stock-to-use		70.0%	65.8%	74.9%	74.4%	73.8%
Rice - world						
	mn MT					
Production		509.3	513.1	513.0	513.7	515.4
Consumption		503.7	517.8	519.9	522.9	522.9
Closing stocks		187.3	183.3	176.4	167.2	169.7
Stock-to-use		37.2%	35.4%	33.9%	32.0%	32.5%
Soybean - world						
	mn MT					
Production		368.6	360.4	378.1	398.2	396.9
Consumption		364.0	364.0	364.9	383.0	381.9
Closing stocks		100.4	98.0	103.6	116.0	114.3
Stock-to-use		27.6%	26.9%	28.4%	30.3%	29.9%
Wheat - world						
	mn MT					
Production		774.4	780.1	789.7	785.7	786.7
Consumption		787.7	791.2	790.9	797.5	799.0
Closing stocks		286.3	272.3	271.6	259.4	258.8
Stock-to-use		36.3%	34.4%	34.3%	32.5%	32.4%

Source: USDA, Kotak Institutional Equities

For India, the USDA revised rice and cotton production estimates upward

Exhibit 4: USDA India agriculture demand and supply estimates

Crop	Unit	2020-21	2021-22	2022-23 Estimates	Feb-24	Mar-24
					2023-24 Projection	2023-24 Projection
Cotton						
	mn 480-pound bales					
Production		27.6	24.3	26.3	25.0	25.5
Consumption		26.0	25.0	23.5	23.7	24.0
Closing stocks		11.9	8.4	11.8	12.5	12.3
Stock-to-use		45.9%	33.6%	50.3%	52.8%	51.3%
Rice						
	mn MT					
Production		124.4	129.5	135.8	132.0	134.0
Consumption		101.1	110.5	114.5	118.0	118.0
Closing stocks		37.0	34.0	35.0	33.0	35.0
Stock-to-use		36.6%	30.8%	30.6%	28.0%	29.7%
Wheat						
	mn MT					
Production		107.9	109.6	104.0	110.6	110.6
Consumption		102.2	109.9	108.7	111.0	111.0
Closing stocks		27.8	19.5	9.5	9.0	9.0
Stock-to-use		27.2%	17.7%	8.7%	8.1%	8.1%

Source: USDA, Kotak Institutional Equities

World stock-to-use ratios have moved up for corn (ex-China) and soybeans in recent years, weighing on their prices

Exhibit 5: World stock-to-use ratios in key crops

	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024P
Corn	21%	22%	32%	31%	28%	27%	26%	26%	26%	26%
non-China	14%	14%	15%	14%	13%	12%	10%	11%	11%	12%
Cotton	100%	85%	69%	66%	67%	94%	70%	66%	75%	74%
Rice	24%	28%	31%	34%	37%	37%	37%	35%	34%	32%
Soybean	26%	25%	29%	29%	33%	27%	28%	27%	28%	30%
Wheat	31%	34%	35%	38%	39%	40%	36%	34%	34%	32%

Source: USDA, Kotak Institutional Equities

Weather conditions have generally been reasonably favorable, permitting larger harvests

Exhibit 6: Weather check

India	The more than normal minimum temperatures in March may affect the wheat crops
Europe	Warm and showery weather prevailed, with locally heavy rain reported from England southeastward into the southern Balkans.
Latin America	Warm, sunny weather returned to much of the south, hastening maturation of first-crop corn and soybeans but limiting moisture for later-planted summer crops in Brazil. Heavy rain provided abundant moisture for summer crops in high-yielding central and northeastern farming areas in Argentina.
Australia	Relatively dry weather in the east favored summer crop maturation and harvesting.
Asia	Southern showers continued to benefit seasonal rice, while earlier-than-normal heat continued in Thailand. Unseasonable warmth promoted winter crop development, while southern showers aided early-crop rice establishment in South-East Asia
Middle east	Widespread showers in Turkey and Iran bookended dry conditions in central portions of the region.

Source: USDA, Kotak Institutional Equities

Fertilizer prices have generally been under pressure, though urea has perked up lately

Exhibit 7: Fertilizer prices (US\$/MT)

Prices in USD/ton	Average monthly prices			Price as of	% change	
	Feb-24	Jan-24	Feb-23	15-Mar-24	mom	yoy
International prices						
Ammonia (US)	445	505	740	445	-11.9%	-39.9%
DAP (US)	581	580	735	583	0.2%	-20.9%
Phosphoric acid (China)	1062	1062	1193	NA	0.0%	-11.0%
Potassium Chloride (US)	289	296	497	NA	-2.3%	-41.8%
Rock phosphate (Global index)	153	153	323	NA	0.0%	-52.7%
Urea (US)	351	322	327	396	8.8%	7.4%
India prices						
Ammonia	335	425	752	390	-21.2%	-55.4%
Phosphoric acid	972	985	1050	968	-1.3%	-7.4%
Urea	323	342	576	323	-5.8%	-44.0%

Source: Bloomberg, Kotak Institutional Equities

Non-urea fertilizer sales slipped slightly yoy in February 2024; however, YTD sales are higher despite lower imports

Exhibit 8: Production, sales and imports of fertilizers (mn MT)

(mn MT)	Feb-24			% yoy			YTD 2024			% yoy		
	Production	Sales	Import	Production	Sales	Import	Production	Sales	Import	Production	Sales	Import
Urea	2.33	2.66	0.23	-3%	17%	120%	28.91	34.41	6.67	11%	1%	-10%
DAP	0.31	0.39	0.22	-24%	-5%	-17%	4.07	10.69	5.31	2%	5%	-20%
Complex fertilizers	0.68	0.71	0.16	-9%	-4%	-13%	8.86	11.24	2.00	12%	21%	-18%
MOP	NA	0.12	0.18	NA	-1%	NA	NA	1.52	2.21	NA	0%	59%

Source: Department of Fertilizers, Kotak Institutional Equities

Subsidy disbursement picked up by 160% yoy for P&K fertilizers in January 2024

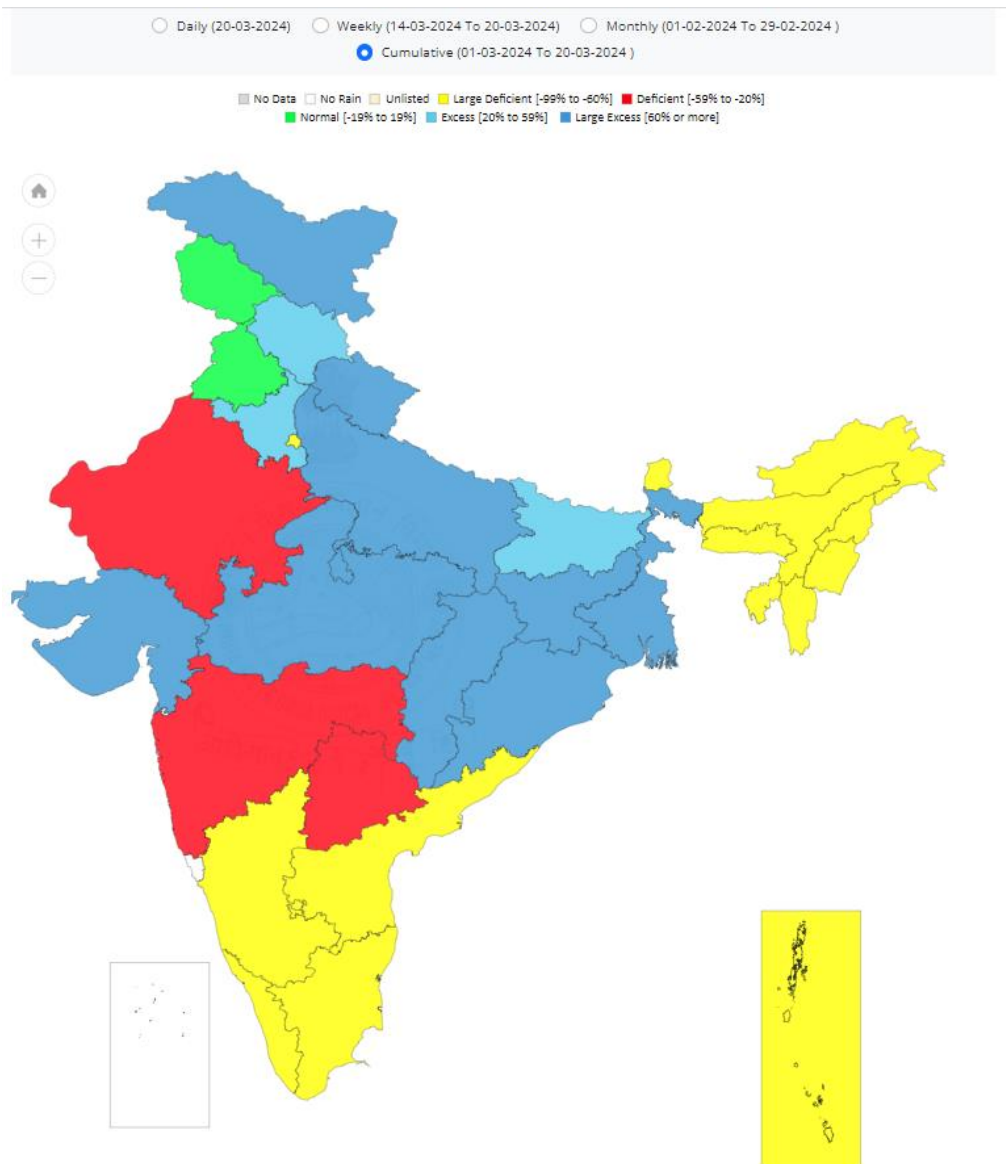
Exhibit 9: Fertilizer subsidy disbursement (Rs bn)

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	YTD 2024
Fertilizer monthly subsidy disbursement (Rs bn)											
Urea	69	93	141	185	156	63	92	73	153	92	1,115
P&K	94	1	66	85	95	81	11	57	-	156	646
Total	162	94	206	270	251	144	103	130	153	248	1,760
Growth (yoy, %)											
Urea	39	67	(3)	100	14	(15)	32	(80)	(37)	(53)	(22)
P&K	1,387	(18)	5,301	(20)	364	(39)	(92)	(56)	(100)	160	(1)
Total	191	65	42	35	60	(31)	(52)	(74)	(47)	(4)	(15)

Source: Department of Fertilizers, Kotak Institutional Equities

Most parts of southern and northeastern India experienced deficient rainfall in March 2024

Exhibit 10: Sub-divisional rainfall map of India in March 2024



Source: IMD, Kotak Institutional Equities

Deficit rainfall has depleted water reservoir levels in southern India

Exhibit 11: Region-wise water reservoir levels (bn cubic meter) as of March 14, 2024

Regions	Current storage	Last year's storage	10 years average storage
Northern	6.7	7.7	6.8
Eastern	10.4	9.1	10.5
Western	17.8	21.2	16.1
Central	22.8	23.8	21.0
Southern	13.1	22.3	18.4

Source: Central Water Commission, Kotak Institutional Equities

Livestock market watch: Broiler prices rose sequentially in January 2024

Exhibit 12: Prices of broiler (Rs/kg), egg (Rs/100 eggs) and layer (Rs/kg)

	Unit	Jan-24	Dec-23	Jan-23	mom	yoy
Average broiler prices	(Rs/kg)	96	87	110	10%	-13%
Average egg prices	(Rs/100 eggs)	586	588	533	0%	10%
Average layer prices	(Rs/kg)	48	NA	57	NA	-16%

Source: Poultry Bazaar

9(3) agrochemical registration watch

Exhibit 13: Registration committee decisions on registration of new formulations/technical in 454th meeting (held on Feb 29, 2024)

Company	Product	Comments
M/s Natco Pharma Ltd	Boscalid 25.2%+ Pyraclostrobin 12.8% WG	Registration granted and approved for indigenous manufacture of Boscalid 25.2%+ Pyraclostrobin 12.8% WG under section 9(3) FIM vs FIT.
M/s Sumitomo Chemicals India	Etoxaconazole 10% SC	Registration granted and approved for indigenous manufacture of Etoxaconazole 10% SC under section 9(3) FIM vs FIT.
M/s Bharat Rasayan Ltd	Lamba cyhalothrin 22.8% CS	Registration granted and approved for indigenous manufacture of Lamba cyhalothrin 22.8% CS under section 9(3) FIM vs FIT.
M/s BASF India Ltd	Teflubenzuron technical 98% w/w min	Registration granted and approved for technical import of Teflubenzuron technical 98% w/w min. under section 9(3) TI.
M/s BASF India Ltd	Alphacypermethrin 75 g/l + Trifluzenuron 75 g/l SC	Registration granted and approved for indigenous manufacture of Alphacypermethrin 75 g/l + Trifluzenuron 75 g/l SC under section 9(3) FIM.
M/s Syngenta India Ltd	Pydiflumetofen technical 98% w/w min.	Registration granted and approved for technical import of Pydiflumetofen technical 98% w/w min. under section 9(3) TI
M/s Syngenta India Ltd.	Pydiflumetofen 6.89% + Difenconazole 11.49% SC (Pydiflumetofen 7.5% + Difenconazole 12.5% SC).	Registration granted and approved for formulation import of Pydiflumetofen 6.89% + Difenconazole 11.49% SC (Pydiflumetofen 7.5% + Difenconazole 12.5% SC). under section 9(3) FI.
M/s Saraswati Agrochemicals	Ethafluralin technical 96% w/w min.	Registration granted and approved for technical import of Ethafluralin technical 96% w/w min. under section 9(3) TI.
M/s Saraswati Agrochemicals	Ethafluralin 35.65% EC (36% EC)	Registration granted and approved for indigenous manufacture of import of Ethafluralin 35.65% EC (36% EC) under section 9(3) FIM.
M/s Dhanuka Agritech	Glufosinate ammonium technical 95% w/w min	Registration granted and approved for technical import of Glufosinate ammonium technical 95% w/w min. under section 9(3) TI (new source)
M/s Dhanuka Agritech Ltd	Ipencarbazone technical 97% w/w min	Registration granted and approved for technical import of Ipencarbazone technical 97% w/w min. under section 9(3) TI
M/s Dhanuka Agritech Ltd	Ipencarbazone 25% SC (22.81% w/w)	Registration granted and approved for indigenous manufacture of Ipencarbazone 25% SC (22.81% w/w) under section 9(3) FIM
M/s Bharat Rasayan	Carfentrazone ethyl technical 90% w/w min.	Registration granted and approved for indigenous manufacture of Carfentrazone ethyl technical 90% w/w min. under section 9(3) TIM vs TI
M/s Godrej Consumers Products Ltd.	Renofluthrin 1.5% Liquid Vaporizer	Registration granted and approved for indigenous manufacture Renofluthrin 1.5% Liquid Vaporizer under section 9(3) FIM.
M/s Best Crop Science	Fomesafen technical 95% w/w min.	Registration granted and approved for indigenous manufacture of Fomesafen technical 95% w/w min. under section 9(3) TIM vs TI.
M/s Seedling India Pvt.	Pymetrozine 30% + Dinotefuran 10% + Pyraclostrobin 20% WG	Registration granted and approved for indigenous manufacture of Pymetrozine 30% + Dinotefuran 10% + Pyraclostrobin 20% WG under section 9(3) FIM.
M/s Willowood Chemicals Pvt.	Metalaxyl technical 97% w/w min.	Registration rejected for technical import of Metalaxyl technical 97% w/w min. under section 9(3) TI
M/s UPL	Mancozeb 52.6% + Hexaconazole 2.4% WG	Registration granted and approved for indigenous manufacture of Mancozeb 52.6% + Hexaconazole 2.4% WG under section 9(3) FIM.
M/s FMC India	Beflubutamid 2.5% GR	Registration deferred as the technical is not registered
M/s Rallis India	Fipronil 12.5% + Lambdacyhalothrin 5% ZC	Registration granted and approved for indigenous manufacture of Fipronil 12.5% + Lambdacyhalothrin 5% ZC under section 9(3) FIM
M/s Coromandel International	Mancozeb 40% + Tebuconazole 1.0% WS	Registration granted and approved for indigenous manufacture of Mancozeb 40% + Tebuconazole 1.0% WS under section 9(3) FIM
M/s Willowood Chemicals	Fomesfen 12.5% + Fenoxaporp ethyl 10% + Chlorimuron ethyl 0.9% ME	Registration granted and approved for indigenous manufacture of fomesfen 12.5% + Fenoxaporp ethyl 10% + Chlorimuron ethyl 0.9% ME under section 9(3) FIM

Source: CIB, Kotak Institutional Equities

Chemical dashboard

India's chemical exports increased 23%/33% mom/yoy, whereas imports declined 12% yoy but increased 9% mom in February 2024

Exhibit 14: Monthly export and import of organic and inorganic chemicals (US\$ mn)



Source: Ministry of Commerce, Kotak Institutional Equities

US chemical production has picked up in some pockets, but prices remain under pressure

Exhibit 15: Change (yoy, 3-month moving average) in chemicals production and producer prices in the US

	February 2024 3MMA % yoy change	
	Production	Producer prices
Chemicals	1.9	(4.9)
Agricultural chemicals	4.2	(17.4)
Consumer products	1.9	2.5
Basic & specialty chemicals	1.6	(6.2)
Basic chemicals	4.2	(8.2)
Inorganic chemicals	(2.2)	(9.5)
Bulk Petrochem & Organics	8.7	(9.9)
Plastic resins	4.6	(3.2)
Synthetic rubber	(11.4)	(8.5)
Manufactured fibers	(6.3)	(1.7)
Specialty chemicals	(5.3)	0.2
Coatings	(3.3)	(0.9)
Other specialties	(6.8)	0.8
Feedstocks	n/a	(34.7)
Capacity utilization	78.0%	n/a

Source: American Chemistry Council, Kotak Institutional Equities

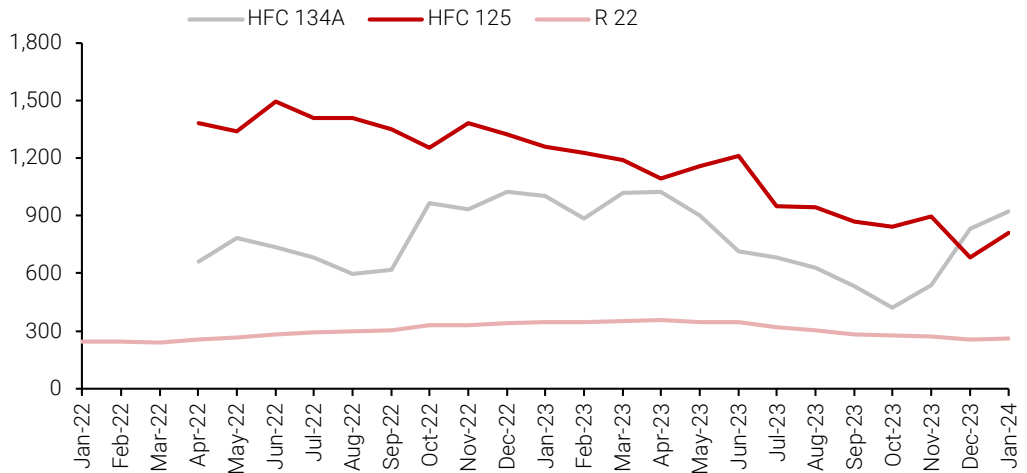
Exhibit 16: US chemical production, exports and producer prices

	Month	Change (%)	
		mom	yoy
Chemical Production	Feb-24	1.6%	-1.6%
Chemical Import Prices	Feb-24	0.2%	-18.1%
Chemical Producer Prices	Feb-24	0.9%	-4.9%

Source: American Chemistry Council, Kotak Institutional Equities

HFC 134A and HFC 125 prices increased in January 2024, while HCFC 22 prices remained flat

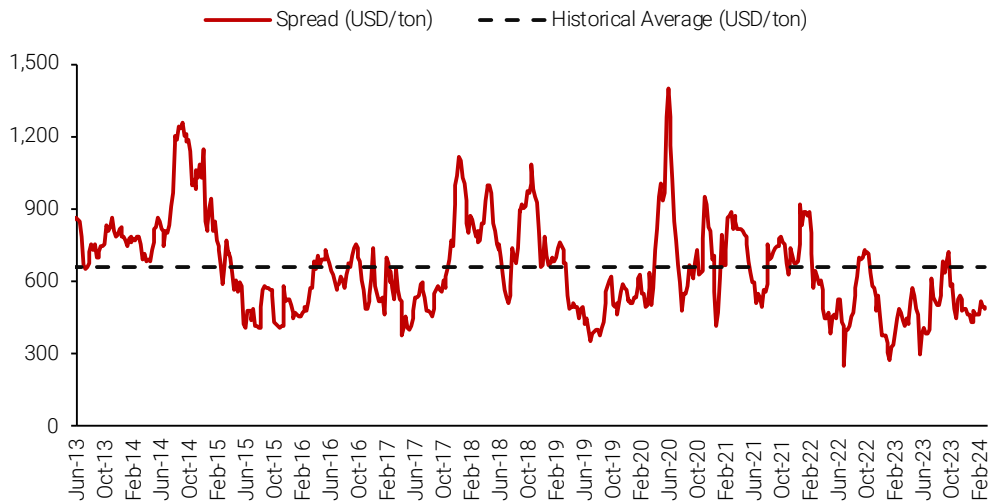
Exhibit 17: Average export prices of refrigerants (Rs/Kg)



Source: Ministry of Commerce, Kotak Institutional Equities

International phenol spreads remain below the decadal average

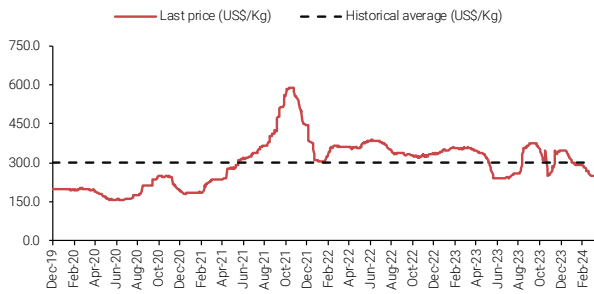
Exhibit 18: International spreads between phenol-acetone versus benzene-propylene (US\$/ton)



Source: Bloomberg, Kotak Institutional Equities

Soda ash spot prices in China declined further last month

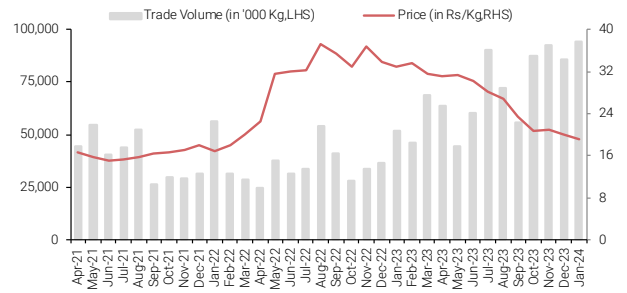
Exhibit 19: China spot soda-ash prices



Source: Bloomberg, Kotak Institutional Equities

Soda ash continues to see heavy imports into India

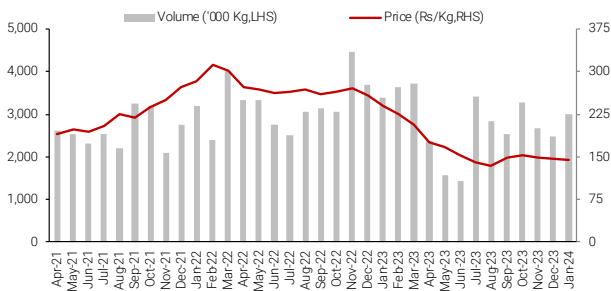
Exhibit 20: Soda ash import volumes and prices



Source: Ministry of Commerce, Kotak Institutional Equities

2,4-D export prices dipped modestly in January 2024

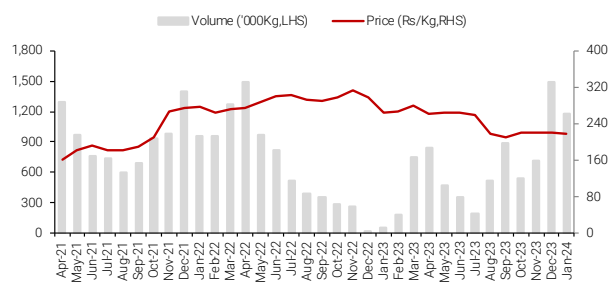
Exhibit 21: 2,4-D export volumes and prices



Source: Ministry of Commerce, Kotak Institutional Equities

Para-cresol export volumes remained elevated amid soft prices

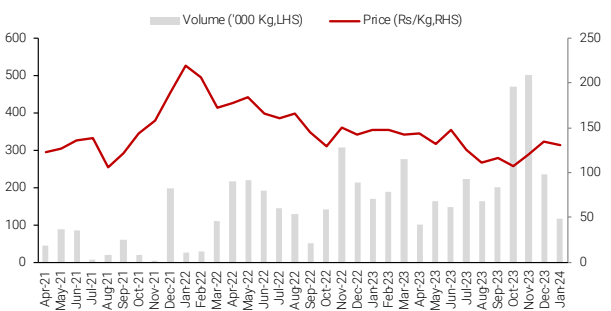
Exhibit 22: Para-cresol export volumes and prices



Source: Ministry of Commerce, Kotak Institutional Equities

Sulphur black import volumes declined

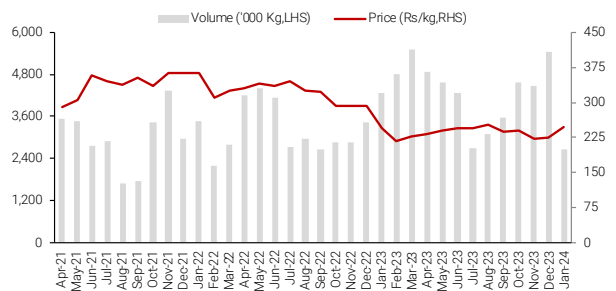
Exhibit 23: Sulphur black import volumes and prices



Source: Ministry of Commerce, Kotak Institutional Equities

Epoxy resin import prices increased amid declining volumes

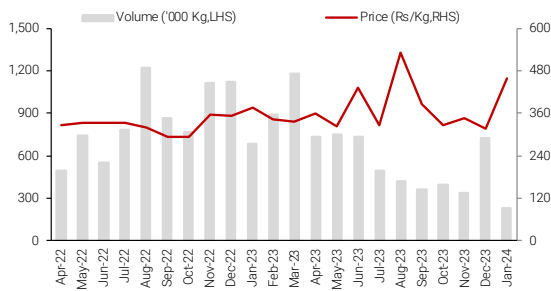
Exhibit 24: Epoxy resin import volumes and prices



Source: Ministry of Commerce, Kotak Institutional Equities

R134a import prices perked up

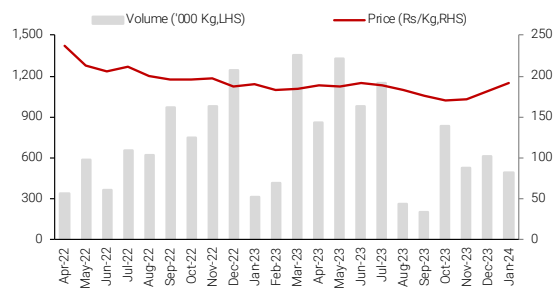
Exhibit 25: R134a import volumes and prices



Source: Ministry of Commerce, Kotak Institutional Equities

R32 import prices also rose

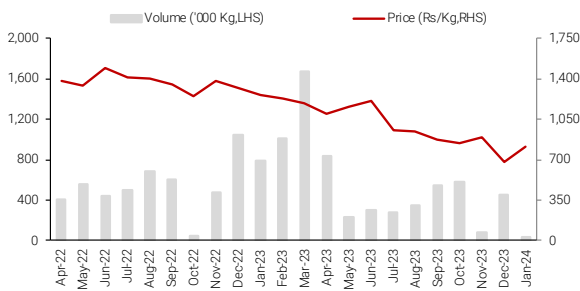
Exhibit 26: R32 import volumes and prices



Source: Ministry of Commerce, Kotak Institutional Equities

R125 export prices rose amid low volumes

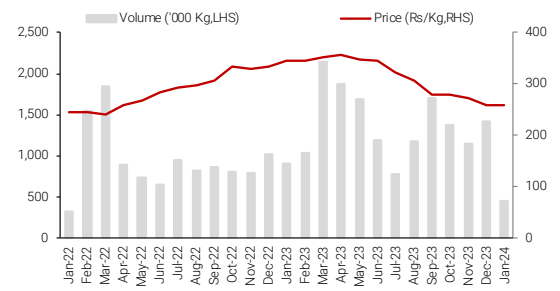
Exhibit 27: R125 export volumes and prices



Source: Ministry of Commerce, Kotak Institutional Equities

R22 export volumes were sharply lower

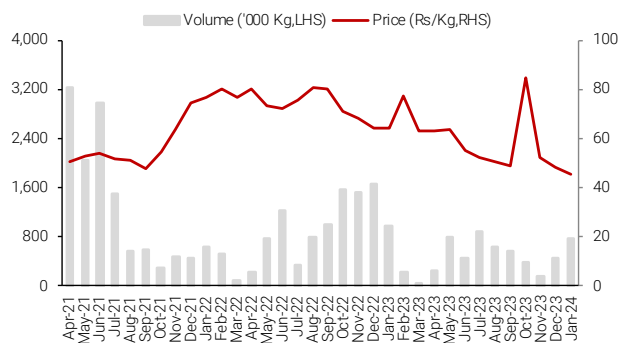
Exhibit 28: R22 export volumes and prices



Source: Ministry of Commerce, Kotak Institutional Equities

Sodium nitrite import prices declined

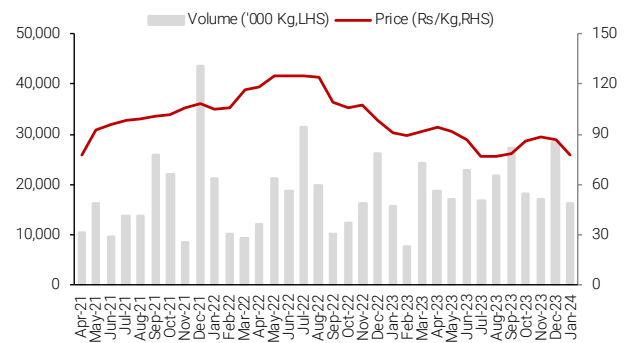
Exhibit 29: Sodium Nitrite import volumes and prices



Source: Ministry of Commerce, Kotak Institutional Equities

Phenol import prices also dipped

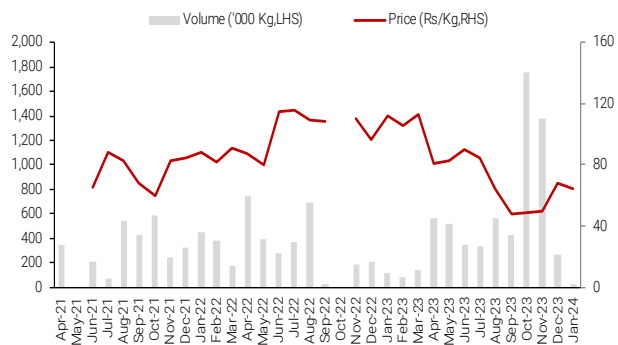
Exhibit 30: Phenol import volumes and prices



Source: Ministry of Commerce, Kotak Institutional Equities

ONCB export volumes were lower

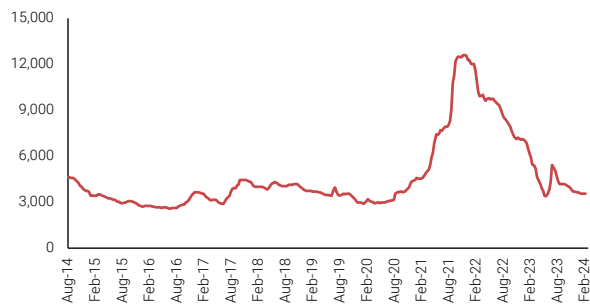
Exhibit 31: O-Nitrochlorobenzene export volumes and prices



Source: Ministry of Commerce, Kotak Institutional Equities

Glyphosate prices in China continue to decline

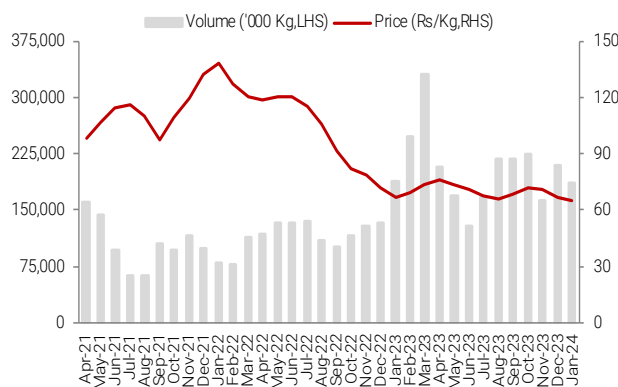
Exhibit 32: Glyphosate China prices (USD/ton)



Source: Ministry of Commerce, Kotak Institutional Equities

PVC import prices remain under pressure

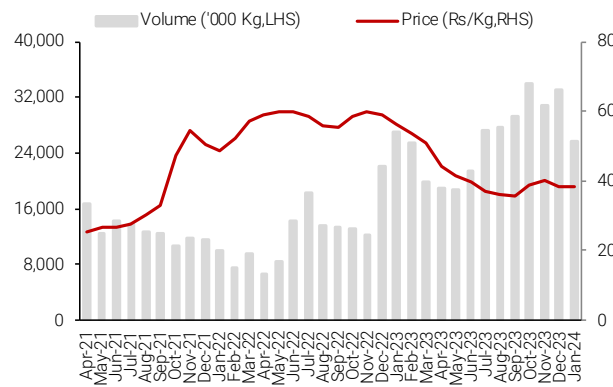
Exhibit 33: PVC import volumes and prices



Source: Ministry of Commerce, Kotak Institutional Equities

Caustic soda export volumes moderated

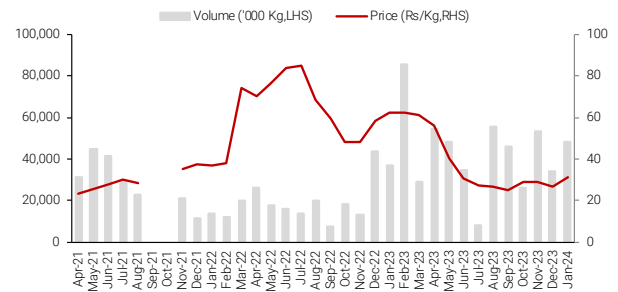
Exhibit 34: Caustic soda export volumes and prices



Source: Ministry of Commerce, Kotak Institutional Equities

Ammonium nitrate import volumes remain elevated

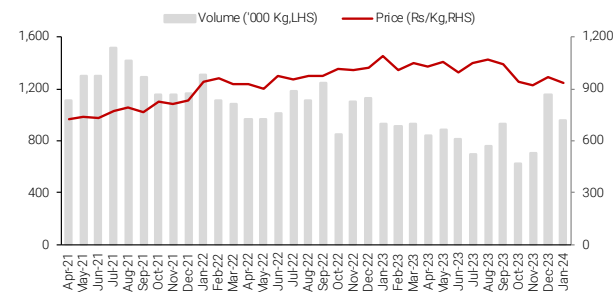
Exhibit 35: Ammonium nitrate import volumes and prices



Source: Ministry of Commerce, Kotak Institutional Equities

PTFE export prices have dipped

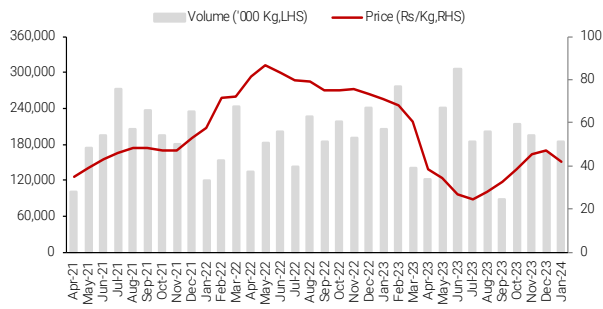
Exhibit 36: PTFE export volumes and prices



Source: Ministry of Commerce, Kotak Institutional Equities

Ammonia import prices corrected

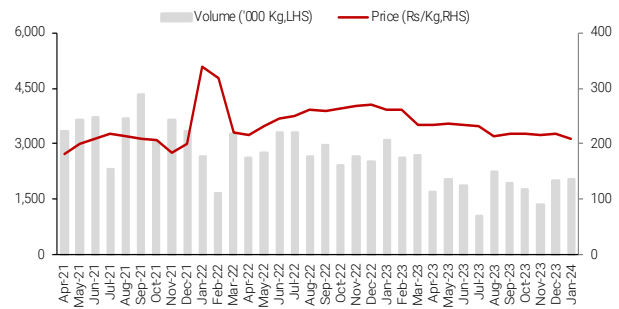
Exhibit 37: Ammonia import volumes and prices



Source: Ministry of Commerce, Kotak Institutional Equities

ATBS export volumes remain well off peak

Exhibit 38: ATBS export volumes and prices



Source: Ministry of Commerce, Kotak Institutional Equities

Price trends for basic chemicals are mixed

Exhibit 39: Price trends for key basic chemicals (Rs/kg)

Product name	Unit	Region	Latest Price	% change				Relevant for
				1W	1M	3M	12M	
Basic Chemicals								
Acetic acid, local	Rs/kg	India	60	0%	3%	-5%	0%	LXCHEM, JUBLINGR (RM)
Acetone	US\$/ton	China	1,028	0%	0%	-5%	-13%	DN (FG)
Acrylonitrile	US\$/ton	SE Asia	1,280	1%	3%	3%	-17%	VO (RM)
Bromine, int'l	US\$/ton	China	2,970	-3%	-5%	-16%	-25%	NEOGEN (RM)
Benzene	US\$/ton	India	1,045	-1%	0%	-16%	-11%	ARTO (RM)
BOPP film	Rs/kg	India	127	0%	1%	-2%	-28%	SRF (FG)
Caprolactam	US\$/ton	Taiwan, S Korea	1,690	0%	-2%	1%	-2%	CENK, SRF (RM), GSFC (FG)
Chloroform	US\$/kg	India	0.32	0%	13%	-10%	-36%	NFIL (RM)
Ethyl acetate	US\$/ton	China	865	-2%	-4%	-5%	-8%	GNFC, JUBILINGR, LXCHEM (FG)
Ethylene dichloride	US\$/kg	India	0.35	0%	-10%	13%	-57%	CHEMPLAS, FINOLEX, RIL (RM)
Fluorospaer	US\$/ton	China	458	1%	3%	-5%	3%	NFIL (RM)
Isopropyl alcohol	US\$/ton	China	1,028	0%	2%	0%	17%	DN, DFCPL (FG)
Phenol	US\$/ton	China	1,066	-1%	-6%	-5%	-7%	VO, CLEAN (RM), DN (FG)
PVC	Rs/kg	India	80	0%	-2%	-6%	-16%	CHEMPLAS, DCM, DCW, FINOLEX, RIL (FG)
Soda ash (China FOB)	US\$/ton	China	251	0%	-14%	-28%	-30%	TTCH (FG)
Sodium nitrite	US\$/kg	India	0.62	0%	14%	-14%	-24%	DN (FG)
Toluene	US\$/ton	China	1,027	1%	1%	10%	1%	ARTO (RM)
Vinyl acetate monomer	US\$/ton	China	1,014	0%	-3%	16%	-5%	PIDI (RM)
Fertilizers								
Ammonia, local	US\$/ton	India	390	22%	11%	-22%	-14%	
Ammonia, int'l	US\$/ton	US	445	0%	0%	-15%	-25%	DFPC, CRIN (RM)
Phosphoric acid, local	US\$/ton	India	968	0%	0%	-2%	-8%	CRIN (RM)
Rock phosphate	Index	Index	153	0%	0%	-56%	-53%	CRIN (RM)
DAP	US\$/ton	Morocco	583	0%	0%	1%	-14%	
DAP	US\$/ton	Global	635	4%	10%	14%	5%	
Urea, local	US\$/ton	India	323	0%	0%	-20%	-3%	CHMB (FG)
Urea, int'l	US\$/ton	US	396	4%	11%	32%	25%	
Muriate of Potash	CNY/ton	China	2,480	-3%	-8%	-14%	-30%	
Agrochemicals								
Glyphosate	US\$/ton	China	3,556	0%	0%	-6%	-40%	BYRCS (FG)
Chemical spreads								
Phenol	US\$/ton	China	481	-2%	5%	-1%	22%	DN (FG)
Energy prices								
Brent crude	US\$/bbl		86	2%	4%	8%	14%	
Coal	US\$/ton	Indonesia	125	-1%	-35%	-35%	-55%	
Natural Gas	US\$/mn BTU	US	2	0%	6%	-29%	-23%	
Natural Gas	GBP/ mn BTU	UK	9	14%	21%	-13%	-31%	

Notes: RM = Raw material, FG = Finished Good

Source: Bloomberg, Volza, Plastemart, Kotak Institutional Equities

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ADD. We expect this stock to deliver 5-15% returns over the next 12 months.

REDUCE. We expect this stock to deliver -5+5% returns over the next 12 months.

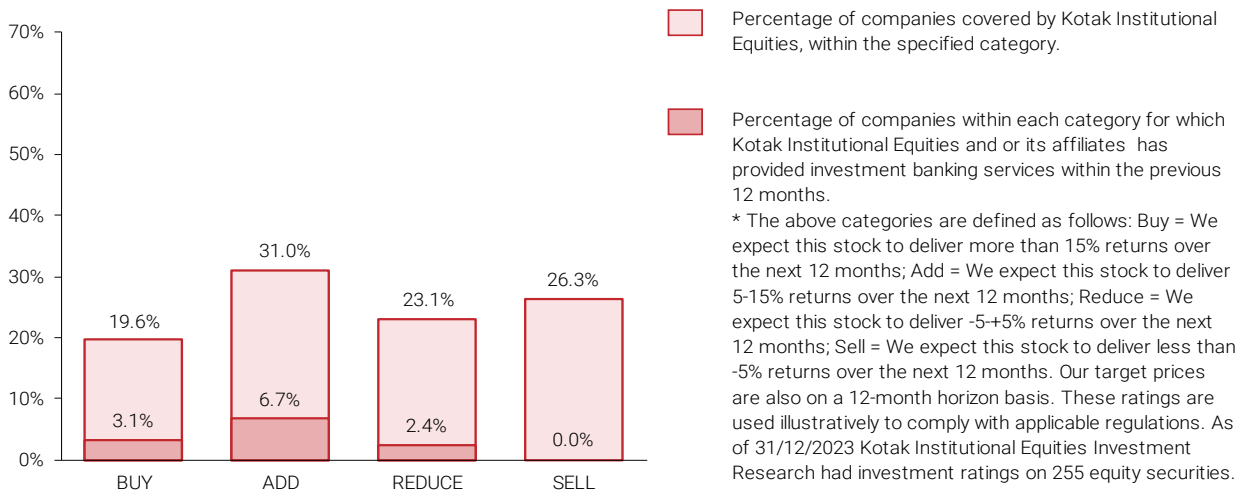
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Our Fair Value estimates are also on a 12-month horizon basis.

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