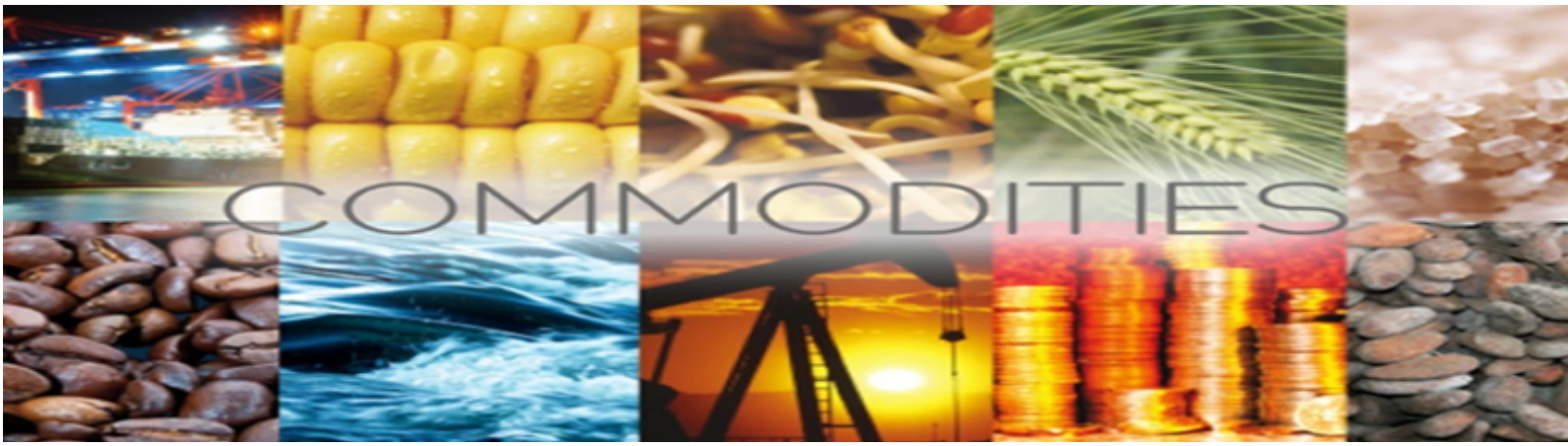
ITALIAN TRADE AGENCY

ITA Beijing Office

NEWSLETTER

COMMODITIES
12 - 18 October 2026



China's Autumn Grain Harvest Passes 50%
China has harvested more than half of its autumn grain crop, according to the Ministry of Agriculture and Rural Affairs on Oct. 10. Regional progress varied, reaching 75% in the southwest, over 60% in the Huang-Huai-Hai region, more than 50% in the middle and lower Yangtze River region, 55% in the northwest and 35% in the northeast. **(Xinhua Finance)**

Strong El Niño Raises Risks for Global Commodity Supply Chains
China's National Climate Center confirmed a strong El Niño event in September 2026, with sea temperatures expected to peak in late autumn or early winter. The phenomenon could disrupt agricultural output, hydropower, mining and transport. Drought has cut rainfall in the Panama Canal basin by 34% against the historical average, adding pressure to global shipping and supply chains. **(Futures Daily)**

China's PVC Market Supported by Production Cuts and Lower Inventories
China's polyvinyl chloride (PVC) industry is facing tighter supply as losses drive production cuts, with capacity utilization at 69.23%. Social inventories have declined since September but remain elevated. High oil and coal costs are limiting further price declines, while weak property-sector demand and cautious downstream purchasing constrain recovery. Infrastructure investment and exports may provide some support to demand. **(Futures Daily)**

China's Silicone Industry Sees Improving Supply-Demand Balance
China's silicone market has strengthened as production cuts and rising demand support prices. Domestic dimethyl siloxane cyclics (DMC) prices rose from 13,600 yuan per tonne (about $2,030) at the start of September to 14,400 yuan (about $2,150) by Oct. 7. Demand from solar power, electric vehicles, energy storage and AI data-center cooling is supporting higher-value silicone products. **(Securities Daily)**

China's Soda Ash Market Faces Persistent Oversupply
China's soda ash market is expected to remain oversupplied in the fourth quarter as idled plants resume production and new natural soda ash capacity adds supply. Industry operating rates stood at 72% in late September, while sampled producers' inventories reached 1.81 million tonnes, up 9.34% year-on-year. Weak glass demand, with housing completions down 23.7% in Jan.-Aug., is likely to keep prices under pressure. **(Futures Daily)**