bvse-Marktbericht: Kunststoffe Juni 2016

1 The primary plastics market

The mood in the German economy was positive up until the Brexit vote, cf. www.cesifo-group.de. The ifo Business Climate Index rose from 107.8 points in May (seasonally adjusted) to 108.7 points in June. Entrepreneurs were slightly more satisfied with their current business situation. Business prospects for the next few months even improved markedly. Germany’s upswing is continuing unabated. The index rose in the processing industry. Industrial companies were once again more satisfied with their current business situation. For the first time since January expectations have been, for the most part, optimistic again, too. Order books have been filling up. Consumer goods producers in particular have given considerably more positive feedback this month. However, slightly more than one third of the industrial companies surveyed fear that disadvantages may ensue from the UK’s exit from the EU.

Standard plastics: In May the average price for standard plastics kept the previous month’s level of 1309 €/t. The considerable price leap of 67 €/t, i.e. from 1238 €/t in March to 1305 €/t in April, held its own. Demand for standard plastics is described as restrained. Plastics processors, whose warehouses are replete with stocks, continue to observe the market developments. Plastics processors are ultimately hoping for prices to fall. However, there is still considerable insecurity concerning further price developments as a result of the experience gained last year – meaning force majeure. Packaging PET is listed at an average 1128 €/t and has thus remained almost unchanged relative to the previous month.

For a detailed analysis including information on price indices for virgin materials, used plastics and precursors, please refer to EUWID Recycling und Entsorgung (EUWID Recycling and Waste Management), cf. www.euwid .de, or to EUWID Kunststoff (EUWID Plastics), cf. www. euwid-kunststoff.de, and KI-Kunststoffinformation, cf. www.kiweb.de.

Table 1: E’UWID price of standard plastics over the past five months, prices in €/t.

Prices in €/t	May 2016	April 2016	March 2016	Feb. 2016	Jan. 2016
LDPE film grade	1420- 1530	1390- 1500	1330- 1420	1330- 1420	1420- 1490
LLDPE film grade	1410- 1500	1380- 1470	1320- 1410	1340- 1430	1440- 1510
HDPE injection moulding	1420- 1470	1410- 1470	1350- 1400	1350- 1420	1420- 1520
HDPE blow moulding	1400- 1460	1390- 1460	1330- 1380	1330- 1400	1400- 1450
PS crystal clear	1440- 1510	1450- 1520	1350- 1420	1270- 1340	1320- 1390
PS high impact	1530- 1610	1540- 1620	1440- 1520	1360- 1440	1410- 1490
PP homopolymer	1180- 1250	1180- 1270	1100- 1200	1100- 1220	1190- 1250
PP copolymer	1230- 1300	1230- 1320	1150- 1250	1150- 1270	1240- 1300
PVC tube grade	840- 870	820- 850	800- 850	810- 860	850- 900
PVC film/cables	880- 920	860- 900	840- 900	850- 910	890- 950
Average Price	**1309 ± 246**	**1304 ± 247**	**1238 ± 218**	**1230 ± 211**	**1289 ± 220**

2 The secondary plastics market

To date, an analysis of the developments in the secondary plastics market that took place during the first half of the year shows that the first quarter was relatively difficult for plastics recyclers, and that, in particular, with respect to the quality grades offered. Thus, the first three months of 2016 were marked by falling standard plastics prices, while the second quarter was marked by rising prices. Recyclates are stabilizing primary markets. It is doubtful that the positive trend will continue because the summer break is approaching.

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In its May price index, plasticker reported on slightly falling prices of an average 9 €/t. The purchase bids and offers in plasticker indicate that demand for standard plastics was satisfactory in May. In June demand for standard plastics has been restrained so far. Technical plastics prices have risen slightly in May and June.

In April and May the EUWID Price Watch for used plastics showed price rises in post-industrial PE and PS and in post-user PE. The price leap that occurred in April held its own in this area, too. In April, the average price rise was 10 €/t to 15 €/t for the quality grades indicated. Post-industrial PP and PVC prices have remained more or less unchanged. EUWID reports that demand for used plastics is sufficient. As regards used PET beverage bottles, PET transparent is listed at 80 – 90 €/t and PET coloured at 0 – 5 €/t.

2.1 Waste plastics:

The outflow of used plastics to the Far East, including China and India in particular, is still faltering. India is implementing its previously announced ban on waste plastics imports. The amount of used plastics reaching the People’s Republic of China is very low, too. In April and May the rise in incineration prices, once again, led to an increase in the amount of plastics being sorted out and processed. There is considerable supply of used plastics, not only in Germany, but all across Europe, even though the grades of the used plastics offered are still poor quality. The days of unlimited waste plastics availability are over. German plastics recyclers are finally in a position to purchase the quality grades they wish for. German plastics recyclers are still purchasing used plastics from other European member states in order to be able to preserve their independence from national structures.

In April and May the EUWID Price Watch showed increased prices for used plastics. The prices listed are following the trend set by primary goods. However, these prices only apply as long as the quality standards agreed are maintained. Otherwise, drastic price cuts will be implemented in the waste management market.

2.2 Recyclates:

The sales channels for plastics recyclates are stable. Recyclates are stabilising the prices of virgin materials. Thus recyclates are providing an advantageous supplement to the plastics markets, even in times of considerable virgin material supply. Above and beyond this, neither further developments in virgin material prices nor the supply quantities available can be estimated with certainty. Furthermore, supply shortages in primary goods may occur again at any time.

Since May recyclates have been benefiting from the rise in virgin material prices. The plastics recyclers’ incoming goods warehouses are replete with stocks. The amount of processed goods in the market is sufficient. Recyclers are only purchasing goods if the quality of the grades offered is sufficiently good.

3 The Plasticker Price Index

The **plasticker** internet platform, cf. http://plasticker.de, publishes quotes on an hourly basis. The present market report indicates the final monthly prices. It is only possible to represent the preliminary prices for June 2016. These listings thus merely reflect an interim situation that does not become definitive until July 2016. Plasticker offers the quality grades regrind and regranulates both as virgin materials and as secondary materials. The term 'bale goods' refers to waste plastics only.

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3.1 Standard plastics: In May 2016 the average price of standard plastics in plasticker was listed 9 €/t lower than in the previous month. Thus the average quotes fell in increments from November 2015, when they were listed at 595 €/t, to May 2016, when they reached 554 €/t. The listings for May 2016 were 56 €/t lower than those for May 2015.

In May the listings for each of the following quality grades changed considerably: LDPE bale goods -110 €/t, LDPE regrind +160 €/t, PP bale goods -70 €/t and PET bale goods -50 €/t. Demand for standard plastics was stable to satisfactory. LDPE bale goods, PP bale goods, PP regranulates, PS regranulates and PET bale goods reached very low levels in May. However, the price of HDPE regrind is very high.

The first preview of the June listings, which cannot be definitively reported until the beginning of July, shows that the prospective average price will hold its own. In June, standard plastics markets were restrained.

Table 2: Listings for standard plastics in plasticker; prices €/t.

	June 16[6]	**May16**	**April 16**	**March 16**	**Feb. 16**	**Jan. 16**	**May 15**
HDPE regrind[1]	630	620	610	590	600	630	570
HDPE regranulates[5]	940	920	890	870	970	920	930
LDPE bale goods[2]	230	220	330	230	270	290	280
LDPE regrind[1]	760	720	560*	570*	570*	570*	650*
LDPE regranulates[5]	810	800	830	800	770	780	1010
PP bale goods[3]	130*	150	220	210	200	190	320
PP regrind[1]	560	550	540	550	600	630	590
PP regranulates[5]	820	830	840	880	890	860	1000
PS regrind[4]	620	620	610	630	620	650	700
PS regranulates[5]	950	950	990	980	1010	1060	1020
PVC_P regrind[1]	400	380	410	420	440	430	420
PVC_U regrind[1]	420	420	450	440	410	430	470
PET bale goods	100	130	180	260	230*	230	190
PET regrind, mixed colours	390	440	420	420	440	430	390
Average Price	**(554)**	**554**	**563**	**561**	**573***	**579***	**610**

*: Supply figure too low to attain statistical significance; [1]: equivalent to the grade 'post-industrial, mixed colours'; [2]: equivalent to K49; [3]: equivalent to K59; [4]: equivalent to 'standard, mixed colours'; [5]: equivalent to the grade 'regranulates, black'; [6]: preview (may be amended by additional quotes)

3.2 Technical plastics: In May 2016 the average technical plastics price in plasticker was listed at 1184 €/t. Thus it was 16 €/t higher than in the previous month. A comparison between the average prices for May 2016 (1184 €/t) with those for May 2016 (1289 €/t) shows the current price to be 105 €/t lower. In May 2016 PA 6.6 regranulates changed markedly by +110 €/t for the quality grades listed. The May listings show that there was satisfactory demand for technical plastics.

The first preview of the June listings, which cannot be definitively reported until the beginning of July, shows that prices will hold their own. Until 15 June 2016 the plasticker internet platform showed satisfactory demand for technical plastics. Technical plastics prices are still low and are tending to fall further.

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Table 3: Listings for technical plastics in plasticker; prices in €/t.

	June 16[6]	May 16	April 16	March 16	Feb. 16	Jan. 16	May 15
ABS regrind	680	700	680	740	740	720	760
ABS regranulates[5]	1340	1250	1230	1290	1350	1470	1390
PC regrind	830	900	880	920	1020	1020	900
PC regranulates[5]	1910	1750	1760	1720	1860	1810	1950
PBT regrind	480	470	440	450	490	510	500
PBT regranulates	1650	1710	1680	1640	1660	1850	1660*
PA 6 regrind	960	970	950	910	930	990	1070
PA 6 regranulates[5]	1630	1610	1610	1720	1750	1790	1800
PA 6.6 regrind	900	920	950	970	1040	1060	1090
PA 6.6 regranulates[5]	1780	1800	1690	1790	1780	1820	2060
POM regrind	600	600	600	570	550	550	590
POM regranulatest[5]	1460	1530	1550	1420	1440	1340	1700
Average Price	**(1185)**	**1184**	**1168**	**1178**	**1218**	**1244**	**1289**

[5]: equivalent to the grade "regranulates, black"; [6]: preview (may be amended by additional quotes)
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No guarantee for any of the prices. All EUWID prices are quoted ex works. As a rule, the prices quoted refer to quantities in excess of 20 tons. The monthly quotes for **secondary plastics**, which are updated on an hourly basis, can be calculated using the price lists that are derived from the quotations published in the raw material exchange **plasticker** (www.plasticker.de). The prices listed in this index are quoted without reservation - as the majority of the quotes submitted are not necessarily equivalent to the sales prices. Furthermore, plasticker does not distinguish between the following grades: transparent, mixed colours or colour-separated. Therefore, the information provided by plasticker may indicate different market behaviour than the prices quoted by EUWID

Bonn, Tuesday 26 April 2016 Dr. Thomas Probst, bvse