bvse market report on plastics, July 2016

1 The primary plastics market

The findings from business activity monitoring on the plastics industry in Europe that were published by Plastics Europe in June 2016 encompass the first four months of 2016. Both plastics production and plastics processing were reported to be growing in this publication. Plastics production reached its peak in the first quarter of 2016, which was followed by a decline in April 2016. The fall in April was 4.4 % compared to the previous month. However, in total plastics production figures for the first four months in 2016 still exceeded those for the first four months in 2015 by 2.7 %. A comparison between the first four months of 2016 and those of 2015 shows that plastics production prices fell by almost 1.7%.

Plastics processing reached a 12-month-high in April 2016, with plastics processing rising by 4.5 % during the first four months of 2016. A comparison between the first four months of 2016 and those of 2015 shows that plastics processing prices climbed by 0.6 % - a tendency that might not be maintained.

The K 2016 plastics fair in Düsseldorf is expected to give an additional boost to the plastics industry. Despite the challenges to be faced, the European plastics industry, which is in a good state of health, is looking towards the K 2016 with cautious optimism. Applied Market Information (AMI), a consultancy for the plastics industry, recently found that Europe's plastics industry "is, once again, subject to a period of rebuilding and change and is still fighting to free itself from the stagnation triggered by the 2008-2009 recession and the subsequent Eurozone crisis that occurred from 2012-2013." According to AMI previews, demand for polymer will rise by just over 1% annually until 2019.

Standard plastics: In June, too, the average price of standard plastics held its own at 1312 €/t compared to the previous month (1309 €/t), cf. Table 1. While polyolefin listings are tending to be lower, PS and PVCs prices are reported to have risen slightly. Demand for standard plastics is still described as low. Plastics processors are ultimately hoping for prices to fall. However, it is impossible to infer from the various price indices for standard and technical plastics that prices are falling. The shortages of plastics supplies in the German market are being balanced out by imports without difficulty. As regards further price setting, it will be interesting to observe the impact of the summer break on the demand for plastics. Packaging PET is quoted at an average 1115 €/t. Thus, PET listings have fallen by 13 €/t 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	June 2016	May 2016	April 2016	March 2016	Feb. 2016
LDPE film grade	1420-1510	1420-1530	1390-1500	1330-1420	1330-1420
LLDPE film grade	1390- 1480	1410-1500	1380-1470	1320-1410	1340-1430
HDPE injection moulding	1410-1470	1420-1470	1410-1470	1350-1400	1350- 1420
HDPE blow moulding	1400-1460	1400-1460	1390-1460	1330-1380	1330-1400
PS crystal clear	1440-1550	1440-1510	1450-1520	1350-1420	1270-1340
PS high impact	1550-1650	1530-1610	1540-1620	1440-1520	1360-1440
PP homopolymer	1180-1250	1180-1250	1180-1270	1100-1200	1100-1220
PP copolymer	1230-1300	1230-1300	1230-1320	1150-1250	1150-1270
PVC tube grade	850-880	840-870	820-850	800-850	810-860
PVC film/cables	890-920	880-920	860-900	840-900	850-910
Average Price	**1312 ± 246**	**1309 ± 246**	**1304 ± 247**	**1238 ± 218**	**1230 ± 211**

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1.2 Technical plastics: From April to June 2016 technical plastics prices rose by an average 40 €/t. The average technical plastics price was 2400 €/t in February 2016, cf. Table 2. In May and June demand for technical plastics was assessed as stable. However, the high supply is pushing prices down. Prices are expected to change only slightly over the next two months, which is also due to the forthcoming summer break. To date the precursor market, which is determining prices, has not been subject to any major fluctuations.

Table 2: EUWID listings for technical plastics, which are published every two months, over the past six months; prices in €/t.

Prices in €/t	June 2016	April 2016	February 2016	Dec. 2015
PMMA crystal clear	2500-2550	2500-2550	2520-2570	2550-2600
ABS natural	1720-1920	1700-1900	1670-1900	1720-1950
ABS w/b	1820-1970	1800-1950	1770-1950	1820-2000
ABS mixed colours	2420-2720	2400-2700	2370-2700	2420-2750
PC crystal clear	2650-2800	2650-2800	2600-2750	2650-2800
PC GF-reinforced	2900-3050	2900-3050	2850-3000	2950-3100
POM natural	1890-1990	1890-1990	2890-1990	1900-2000
PA 6 natural/black	2020-2170	2020-2170	2100-2250	2150-2350
PA 6 GF-reinforced	2320-2420	2320-2420	2400-2500	2500-2600
PA 66 natural	2400-2600	2400-2600	2450-2600	2500-2700
PA 66 GF-reinforced	2500-2700	2500-2700	2550-2700	2600-2800
Average Price	**2400**	**2360**	**2367**	**2428**

2 The secondary plastics market

In the Plasticker Price Index for June, prices are reported to have fallen by an average 5 €/t. The purchase bids and offers in plasticker indicated restrained demand for standard plastics in June, while technical plastics prices fell by an average 21 €/t. The tendency of the primary market, in which prices are stabilising, should also apply to the secondary market. Or to put it another way: In July and August the listings are not expected to fall further – technical plastics can still be purchased at favourable prices.

In June the EUWID Price Watch for used plastics indicated only minor price changes by ± 10 €/t, for film grade in particular. At the beginning of June demand for used plastics was reported to be satisfactory; however, it weakened as the month went on.

2.1 Waste plastics:

The start of the summer break has led to markedly lower demand for used plastics. Waste incineration prices, which have been higher since the beginning of April, have resulted in an increasing amount of used plastics being sorted out and processed. The incineration quotas are reported to have been reduced lately. There is limited demand for film in particular from the part of European plastics processors. Where film is being purchased, the quality offered must be absolutely up to standard. In part, prices are being drastically reduced in the waste market. In the case of thin, transparent film prices have fallen by 28 €/t. The listings for farm film and mixed film have dropped by 10 €/t. There is considerable supply of used plastics – not only in Germany, but all across Europe. The outflow of used plastics to the Far East, including the People’s Republic of China and India in particular, is faltering. The foreign trade statistics for used plastics shows that exports fell markedly in the first quarter of 2016, reaching 300,700 to – compared to 338,700 to last year. The price of used PET beverage bottled listed by the EUWID Price Watch has remained unchanged compared to the previous month.

2.2 Recyclates:

While some experts report that plastics recyclates came under pressure from virgin materials in June, the current price indices show both virgin material and recyclate listings to be stable. Plastics recyclers agree in their reports that there is sufficient supply of processing goods in the markets. Recyclers are only buying if the quality of the goods offered is sufficiently good. For plastics recyclers the market for waste plastics has changed on both the national and European scale – from a market regulated by supply towards a market determined by demand from the part of plastics processors. There are occasional reports of supply shortages in primary goods on the domestic market. The shortages of primary goods in the German market, which only occur from time to time, are being balanced out by plastics imports.

As regards recycled plastics, the market for PP regrind is restrained, while the one for PP regranulates is satisfactory. The supply of PP processing input is sufficiently good in Germany. However, British PP waste, which is now available in sufficient quantities in the German markets, is markedly better quality. HDPE markets can be described as restrained. Very little turnover is being made in the markets for PS regrind. The PET recyclates market is strongly dependent on virgin material prices. According to reports by plastics recyclers, the quality of PP and PE processing input has not improved as much as expected.

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 July 2016. These listings thus merely reflect an interim situation that does not become definitive until August 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.

3.1 Standard plastics: According to plasticker, the average June price almost held its own compared to the previous month. The average listings for standard plastics have only changed minimally since March. Prices are still tending to fall slightly each month. The listings for June 2016 (549 €/t) were 54 €/t lower than those for June 2015 (603 €/t). In June demand for standard plastics was restrained.

In June 2016 the following quality grades changed considerably: PS regranulates – 70 €/t and PET regrind – 100 €/t. PP regranulates and PS regranulates reached very low levels in June.

The first preview of the July listings, which cannot be definitively reported until the beginning of August, shows the prospective average price to 11 €/t higher. In July, too, standard plastics markets have been restrained. The summer break is having a price-stabilising effect in this case.

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

	July 2016[6]	June 2016	May 2016	April 2016	March 2016	Feb. 2016	June 2015
HDPE regrind[1]	610	610	620	610	590	600	620
HDPE regranulates[5]	900	920	920	890	870	970	850
LDPE bale goods[2]	200	240	220	330	230	270	280
LDPE regrind[1]	720*	730	720	560*	570*	570*	660*
LDPE regranulates[5]	840	820	800	830	800	770	1030
PP bale goods[3]	240	160	150	220	210	200	310
PP regrind[1]	580	570	550	540	550	600	560
PP regranulates[5]	850	830	830	840	880	890	930
PS regrind[4]	620	630	620	610	630	620	730
PS regranulates[5]	870	880	950	990	980	1010	1050
PVC_P regrind[1]	420	410	380	410	420	440	380*
PVC_U regrind[1]	430	410	420	450	440	410	430
PET bale goods	180	140	130	180	260	230*	190
PET regrind, mixed colours	390	340	440	420	420	440	420
Average Price	**(560)**	**549**	**554**	**563**	**561**	**573***	**603**

*: 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 that may be amended by additional quotes

3.2 Technical plastics: In June 2016 the average technical plastics price in plasticker was listed at 1163 €/t. Thus it was 21 €/t lower than in the previous month. A comparison between the average prices for June 2016 (1163 €/t) and those for June 2015 (1283 €/t) shows the current price to be 120 €/t lower. In June 2016 the prices of the following quality grades changed markedly: PC regrind -70 €/t, PC regranulates + 120 €/t, PBT regranulates – 90 €/t, POM regranulates – 100 €/t. The June listings indicate restrained demand for technical plastics.

The first preview of the July listings, which cannot be definitively reported until the beginning of August, shows that prices will hold their own. Until 13 July 2016 the plasticker internet platform showed very satisfactory demand for technical plastics considering the summer break. Technical plastics prices still continue to be low.

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Table 4: Listings for technical plastics in plasticker; prices in €/t.

	July 2016[6]	**June 2016**	**May 2016**	**April 2016**	**March 2016**	**Feb. 2016**	**June 2015**
ABS regrind	670	670	700	680	740	740	770
ABS regranulates[5]	1300	1290	1250	1230	1290	1350	1430
PC regrind	820	830	900	880	920	1020	820
PC regranulates[5]	1810	1870	1750	1760	1720	1860	1800
PBT regrind	510	490	470	440	450	490	510
PBT regranulates	1620	1620	1710	1680	1640	1660	1620
PA 6 regrind	910	930	970	950	910	930	1050
PA 6 regranulates[5]	1610	1600	1610	1610	1720	1750	1800
PA 6.6 regrind	930	870	920	950	970	1040	1050
PA 6.6 regranulates[5]	1780	1760	1800	1690	1790	1780	1040
POM regrind	590	590	600	600	570	550	590
POM regranulatest[5]	1400	1430	1530	1550	1420	1440	1620
Average Price	**(1163)**	**1163**	**1184**	**1168**	**1178**	**1218**	**1283**

[5]: equivalent to the grade "regranulates, black"; [6]: preview that 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

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