# bvse market report on plastics, January 2017

## 1 The primary plastics market

On 22 December 2016, Plastics Europe published its current report on the European plastics industry (EU 28), comprising the period from January to October 2016. According to the report, the quantity of European plastics production rose by 5.3 % compared to the same period of the previous year. The amount of European plastics processing increased by 3.0 % within the above period. Hence, the industry-related production index for plastics products a) fell by 0.6 % for panels, film, pipes and profiles; b) rose by 2.8 % for packagings and c) increased by 4.1 % for the building and construction sector. A completely different picture than for quantity-related assessment arises if the prices applying to Europe are taken into account: plastics production fell by 3.1 %, while the prices of plastics processing held their own compared to the same period of the previous year.

**1.1 Standard plastics:** A comparison of the average listings for December 2016 (1261 €/t) with those for December 2015 (1319 €/t) shows the price fall to be as much as 58 €/t. In December 2016, the average prices of almost all standard plastics fell by 30 €/t, cf. Table 1. Due of the winter season, considerable supply was offset by relatively restrained demand. There was a supply surplus of polyolefins.

Contrary to the polymerisation plastics PE, PP and PVC, whose prices are falling, PS listings have risen by 150 €/t. The increase in PS is explained by the price rise in the corresponding precursor. Polyolefins and PVC are following the listings for monomer costs, which are falling. PS processors have considerably restricted their purchase orders after the rise. As a result of the contract price, PS listings are expected to rise further in January, too, while the prices of the other standard plastics might go down again. Packaging PET is listed at an average 1090 €/t and thus, 27 €/t higher than in 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 (KI Information on Plastics), cf. www.kiweb.de.

Table 1: EUWID listings for standard plastics over the past five months; prices in €/t.

| Prices in €/t | Dec. 2016 | Nov. 2016 | Oct. 2016 | Sep. 2016 | Aug. 2016 |
|---|---|---|---|---|---|
| LDPE film grade | 1310- 1410 | 1340- 1440 | 1340- 1440 | 1340- 1440 | 1340- 1440 |
| LLDPE film grade | 1280- 1370 | 1310- 1400 | 1310- 1410 | 1310- 1410 | 1310- 1410 |
| HDPE injection moulding | 1280- 1320 | 1330- 1370 | 1360- 1400 | 1360- 1400 | 1360- 1400 |
| HDPE blow moulding | 1300- 1340 | 1330- 1370 | 1360- 1400 | 1360- 1400 | 1360- 1400 |
| PS crystal clear | 1480- 1530 | 1330- 1380 | 1310- 1380 | 1340- 1430 | 1340- 1430 |
| PS high impact | 1570- 1630 | 1420- 1480 | 1400- 1480 | 1430- 1530 | 1430- 1530 |
| PP homopolymer | 1190- 1260 | 1220- 1290 | 1220- 1290 | 1200- 1270 | 1180- 1250 |
| PP copolymer | 1240- 1310 | 1270- 1340 | 1270- 1340 | 1250- 1320 | 1230- 1300 |
| PVC tube grade | 810- 850 | 830- 870 | 830- 860 | 830- 860 | 840- 870 |
| PVC film/cables | 850- 890 | 870- 910 | 870- 900 | 870- 900 | 880- 910 |
| **Average Price** | **1261 ± 239** | **1249 ± 217** | **1259 ± 211** | **1263 ± 217** | **1261 ± 213** |

**1.2 Technical plastics:** In December the average listings for technical plastics almost remained unchanged, cf. Table 2. Due to the winter season, December and January have proved to be relatively calm months. A comparison of the average listings for December 2016 (2326 €/t) with those for December 2015 (2428 €/t) shows the price fall to be 102 €/t. Technical plastics processors are generally satisfied with the past year even though there were hardly any incentives to revive the market.

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

| Prices in €/t | December 2016 | October 2016 | August 2016 | June 2016 |
|---|---|---|---|---|
| PMMA crystal clear | 2500 – 2600 | 2500 – 2600 | 2500 – 2550 | 2500 – 2550 |
| ABS natural | 1600 – 1750 | 1550 – 1720 | 1620 – 1820 | 1720 – 1920 |
| ABS white/black | 1700 – 1800 | 1650 – 1770 | 1720 – 1870 | 1820 – 1970 |
| ABS mixed colours | 2300 – 2550 | 2250 – 2520 | 2320 – 2620 | 2420 – 2720 |
| PC crystal clear | 2750 – 2850 | 2650 – 2800 | 2650 – 2800 | 2650 – 2800 |
| PC GF reinforced | 2950 – 3050 | 2950 – 3050 | 2900 – 3050 | 2900 – 3050 |
| POM natural | 1850 – 1950 | 1890 – 1990 | 1890 – 1990 | 1890 – 1990 |
| PA 6 natural/black | 1950 – 2170 | 2020 – 2170 | 2020 – 2170 | 2020 – 2170 |
| PA 6 GF reinforced | 2250 – 2350 | 2320 – 2420 | 2320 – 2420 | 2320 – 2420 |
| PA 66 natural | 2450 – 2600 | 2450 – 2600 | 2400 – 2600 | 2400 – 2600 |
| PA 66 GF reinforced | 2500 – 2700 | 2500 – 2700 | 2500 – 2700 | 2500 – 2700 |
| **Average Price** | **2326** | **2329** | **2378** | **2400** |

## 2 The secondary plastics market

Overall, the past year was static for plastics recycling. There were only few incentives to boost the plastic recylers’ business activities. While the past year, overall, instilled manufacturers and processors of primary plastics with satisfaction, the plastics recycling industry is looking back to a difficult business year. From March to September business was very calm. Only in the first and fourth quarters was demand for recyclates higher. The transformation of the waste plastics market into a buyers’ market is the only benefit for plastics recyclers. Plastics recyclers can thus increasingly implement their ideas of price and quality. The quality grades of used plastics have been improving, albeit in small increments. The industry is still continuing to consolidate. Small plastics recycling enterprises are vanishing, while medium-sized enterprises are expanding their capacity. Even trade and brokering are intensifying. The plastics sorting industry is lacking in investments aimed at expanding capacity and at meeting the quality requirements agreed. Exports to the Far East were extemely restrained. The quantities imported by plastics recyclers in China and India were low. The Tiger states are expanding their import actitivies.

According to the December price indices published by plasticker and EUWID, demand for standard plastics is low, which is due to the winter break. Plastics prices are reported to be relatively stable by both EUWID and plasticker. The post-user PE listings for bale goods are slightly higher according to EUWID. The price rises average 3 €/t to 5 €/t in this area. There is considerable demand in the PET markets. The quantities of used beverage bottles have been falling slightly; however, this is also due to the clearing of stockpiles. The increased prices listed for PET virgin materials are stabilising recyclate prices.

## 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 January 2017. These listings thus merely reflect an interim situation that does not become definitive until the beginning of February 2017. 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:** In December 2016, the average price listed in plasticker only changed slightly compared to the previous month, cf. Table 3. Prices fell by an average 8 €/t. HDPE regranulates, LDPE regrind, PP regrind, PVC_P regrind and PVC_U regrind reached an annual low. PP regrind reached its lowest level in five years. The listings for December

2016 (523 €/t) were 56 €/t lower than those in December 2015 (579 €/t). As a result of the winter break, turnover was low in December 2016. The individual listings changed only slightly. Considerable price changes, i.e. prices changes by more than +/- 40 €/t, were only reported for LDPE regrind, which fell by 50 €/t.

The first preview of the January listings, which cannot be definitively reported until the beginning of February 2017, shows the average price to remain more or less unchanged. At the beginning of January, as per 13 January 2017, plastics markets were still on a winter break. The prospective listings for LDPE regranulates and PET regrind will reach their lowest level in 12 months.

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

| | **January 17**[6] | **Dec. 16** | **Nov. 16** | **Oct. 16** | **Sept. 16** | **Aug. 16** | **Dec. 15** |
|---|---|---|---|---|---|---|---|
| HDPE regrind[1] | 590 | 590 | 570 | 590 | 600 | 600 | 610 |
| HDPE regranulates[5] | 840 | 820 | 840 | 860 | 840 | 850 | 910 |
| LDPE bale goods[2] | 190* | 220 | 240 | 210 | 200 | 190 | 230 |
| LDPE regrind[1] | 560 | 570 | 620 | 580 | 580 | 660* | 570* |
| LDPE regranulates[5] | 730 | 780 | 800 | 870 | 850 | 820 | 710 |
| PP bale goods[3] | 320* | 290 | 260 | 250 | 230 | 240 | 260 |
| PP regrind[1] | 520 | 500 | 520 | 540 | 520 | 540 | 600 |
| PP regranulates[5] | 750 | 760 | 750 | 750 | 800 | 800 | 960 |
| PS regrind[4] | 660 | 650 | 650 | 600 | 640 | 670 | 650 |
| PS regranulates[5] | 900 | 880 | 880 | 900 | 980 | 990 | 1050 |
| PVC_P regrind[1] | 410 | 360 | 380 | 360 | 360 | 390 | 430 |
| PVC_U regrind[1] | 450 | 410 | 430 | 410 | 420 | 460 | 440 |
| PET bale goods | 210* | 180 | 190 | 110* | 230 | 240 | 240 |
| PET regrind mixed colours | 280 | 310 | 310 | 350 | 370 | 440 | 450 |
| **Average Price** | **(529)** | **523** | **531** | **527** | **544** | **564** | **579** |

*: 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 December 2016 the average price of technical plastics in plasticker was listed 25 €/t higher than in the previous month, cf. Table 4. Thus technical plastics prices had bottomed out three months before. A comparison of the average prices for December 2016 (1168 €/t) with those for December 2015 (1333 €/t) shows the current prices to be 165 €/t lower. The prices of these quality grades changed by more than 70 €/t for the following plastic types in December 2016: PC regranulates + 190 €/t and POM regranulates – 120 €/t.

The first preview of the January listings, which cannot be definitively reported until the beginning of February 2017, shows the average prices to be 25 €/t higher than in the previous month. PBT regranulates are likely to rise disproportionately more by 120 €/t. Up until 13 January 2017, the plasticker internet platform showed demand for technical plastics to be satisfactory in December and January.

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

| | Jan. 17[6] | Dec. 16 | Nov. 16 | Oct. 16 | Sept. 16 | Aug. 16 | Dec. 15 |
|---|---|---|---|---|---|---|---|
| ABS regrind | 650 | 640 | 650 | 670 | 680 | 670 | 750 |
| ABS regranulates[5] | 1310 | 1260 | 1280 | 1160 | 1110 | 1320 | 1410 |
| PC regrind | 880 | 900 | 830 | 860 | 890 | 830 | 1020 |
| PC regranulates[5] | 1940 | 1980 | 1790 | 1790 | 1770 | 1930 | 2160 |
| PBT regrind | 490 | 460 | 430 | 470 | 470 | 470 | 620 |
| PBT regranulates | 1630 | 1510 | 1470 | 1350 | 1450 | 1450 | 1810 |
| PA 6 regrind | 890 | 870 | 870 | 860 | 890 | 950 | 1130 |
| PA 6 regranulates[5] | 1690 | 1610 | 1600 | 1390 | 1410 | 1500 | 1920 |
| PA 6.6 regrind | 900 | 910 | 860 | 850 | 890 | 900 | 1220 |
| PA 6.6 regranulates[5] | 1740 | 1730 | 1720 | 1560 | 1550 | 1600 | 1980 |
| POM regrind | 650 | 610 | 560 | 580 | 570 | 600 | 610 |
| POM regranulates[5] | 1550 | 1530 | 1650 | 1690 | 1460 | 1580 | 1360 |
| **Average Price** | **(1193)** | **1168** | **1143** | **1103** | **1095** | **1150** | **1333** |

[5]: Equivalent to the quality grade 'Regranulates, black'; [6]: Preview that may be amended by additional quotes

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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