

# bvse market report on plastics, February 2017

## 1 The primary plastics market

The Ifo Business Climate Index published in January 2017 fell at the beginning of the New Year, cf. [www.cesifo-group.de](http://www.cesifo-group.de). The mood in German boardrooms deteriorated. The Ifo Business Climate Index fell from 111.0 points in January, reaching 109.8 points. Even though companies were, once again, more satisfied with their current business situation, they were taking a less optimistic view of the next six months. The German economy started the New Year in a less confident mood.

The index fell in the processing industry, which was due to business expectations being markedly less optimistic. Nevertheless, companies were satisfied with their current situation. This pattern applies to many important German industrial sectors. Capacity utilisation rose by 0.3 per cent, reaching 86.0 per cent, and companies are expecting increasingly more prices to rise.

**Standard plastics:** In January 2017 the average prices of all standard plastics rose markedly. Standard plastics were listed at 1305 €/t, i.e. 44 €/t higher on average than in the previous month, cf. Table 1. In January 2017, average prices were quoted at 1305 €/t, i.e. 16 €/t higher than in January 2016, when they reached 1289 €/t. Business reports are inconsistent. The price rises are explained by the increased precursor prices. As has been predicted by experts, the marked increase in the PS price, for its part, is also due to the increase in the precursor price. Packaging PET is quoted at an average 1180 €/t and thus, 90 €/t higher than in the previous month. After the winter break demand for plastics is expected to rise amazingly quickly. Supply and demand are largely balanced.

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](http://www.euwid.de), or to EUWID Kunststoff (EUWID Plastics), cf. [www.euwid-kunststoff.de](http://www.euwid-kunststoff.de), and KI-Kunststoffinformation (KI Information on Plastics), cf. [www.kiweb.de](http://www.kiweb.de).

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

Prices in €/t	Jan. 2017	Dec. 2016	Nov. 2016	Oct. 2016	Sept. 2016
LDPE film grade	1350- 1440	1310- 1410	1340- 1440	1340- 1440	1340- 1440
LLDPE film grade	1320- 1400	1280- 1370	1310- 1400	1310- 1410	1310- 1410
HDPE injection moulding	1320- 1360	1280- 1320	1330- 1370	1360- 1400	1360- 1400
HDPE blow moulding	1340- 1380	1300- 1340	1330- 1370	1360- 1400	1360- 1400
PS crystal clear	1570- 1620	1480- 1530	1330- 1380	1310- 1380	1340- 1430
PS high impact	1660- 1720	1570- 1630	1420- 1480	1400- 1480	1430- 1530
PP homopolymer	1230- 1290	1190- 1260	1220- 1290	1220- 1290	1200- 1270
PP copolymer	1280- 1340	1240- 1310	1270- 1340	1270- 1340	1250- 1320
PVC tube grade	820- 870	810- 850	830- 870	830- 860	830- 860
PVC film/cables	870- 910	850- 890	870- 910	870- 900	870- 900
<b>Average Price</b>	<b>1305 ± 260</b>	<b>1261 ± 239</b>	<b>1249 ± 217</b>	<b>1259 ± 211</b>	<b>1263 ± 217</b>

## 2 The secondary plastics market

January and February 2017 were surprisingly positive months, with considerable market fluctuations being in part noticeable in both virgin materials and recyclates. There is relatively high demand from plastics recyclers for standard and technical plastics alike. Overall, the considerable demand for technical plastics is giving positive incentives to the plastics markets. Even though the positive trend in virgin materials is slightly weaker for recyclates, it has also been felt in February in particular.

The Plasticker Price Index for January 2017 showed that prices had held their own compared to December 2016. Due to the public holidays, the data derived from Plasticker indicated low

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demand for standard plastics in January. However, there is considerable demand for technical plastics.

In contrast to plasticker, EUWID reports for January 2017 indicate considerable demand for standard plastics. The considerable price rises in virgin materials are already having an impact on recyclate prices. This is also possible because the plastics recyclers' warehouses are replete with stocks with which they can supply the markets. According to EUWID reports, PE post-user prices show consistent price rises in bale goods, ranging from an average 5 €/t to 50 €/t depending on the type of plastic. In addition, EUWID points to increased demand from the Far East.

Irrespective of the above price indices, plastics recyclers are reporting that there is excess supply of processing materials, which is why only high-quality materials continue to be accepted. According to the plastics recyclers, the price rises indicated for processing input can thus hardly be implemented in the market. Furthermore, plastics traders are reporting demand from the Far East to be relatively restrained – in particular, if the Chinese New Year's celebrations are taken into account.

PET markets are proving to be stable in respect of supply and demand. Recyclates are still selling well. The increased virgin material prices are stabilising the PET markets for regrind and regranulates. It has been possible to achieve higher prices for used PET beverage bottles in the market.

## 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 February 2017. These listings thus merely reflect an interim situation that does not become definitive until the beginning of March 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 January 2017, the average price in plasticker changed only slightly compared to the previous month, cf. Table 2. Average prices rose by 4 €/t. The listings for January 2017, which were at 527 €/t, were 52 €/t lower than those in January 2016, which reached 579 €/t. Due to the holidays, turnover was low in January 2017. The following prices changed by more than +/- 40 €/t: HDPE regranulates + 100 €/t, LDPE regranulates -60 €/t, PVC\_P regrind +80 €/t and PET bale goods -50 €/t.

The first preview of the February listings, which cannot be definitively reported until the beginning of March 2017, shows the average price to be 9 €/t higher. In mid-February, on 20 February 2017, plastics markets resurged. HDPE regranulates have been listed markedly higher in February than in January and December. LDPE regrind, LDPE regranulates, PP regranulates and PS regrind reached very low levels.

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

	February 17 <sup>6</sup>	Jan. 17	Dec. 16	Nov. 16	Oct. 16	Sep. 16	Jan. 16
HDPE regrind <sup>1</sup>	610	620	590	570	590	600	630
HDPE regranulates <sup>5</sup>	950	920	820	840	860	840	920
LDPE bale goods <sup>2</sup>	230	200*	220	240	210	200	290
LDPE regrind <sup>1</sup>	520	550	570	620	580	580	(790*)
LDPE regranulates <sup>5</sup>	730	720	780	800	870	850	780
PP bale goods <sup>3</sup>	330	290*	290	260	250	230	190
PP regrind <sup>1</sup>	530	530	500	520	540	520	630
PP regranulates <sup>5</sup>	730	730	760	750	750	800	860
PS regrind <sup>4</sup>	590	630	650	650	600	640	650
PS regranulates <sup>5</sup>	900	880	880	880	900	980	1060
PVC_P regrind <sup>1</sup>	400	440	360	380	360	360	430
PVC_U regrind <sup>1</sup>	460	440	410	430	410	420	430
PET bale goods	170	130*	180	190	110*	230	230
PET regrind mixed colours	350	300	310	310	350	370	430
<b>Average Price</b>	<b>(536)</b>	<b>527</b>	<b>523</b>	<b>531</b>	<b>527</b>	<b>544</b>	<b>579</b>

\*: Supply figure too low to attain statistical significance; <sup>1</sup>: equivalent to the grade 'post-industrial, mixed colours'; <sup>2</sup>: equivalent to K49; <sup>3</sup>: equivalent to K59; <sup>4</sup>: equivalent to 'standard, mixed colours'; <sup>5</sup>: equivalent to the grade 'regranulates, black'; <sup>6</sup>: preview that may be amended by additional quotes

**3.2 Technical plastics:** In January 2017, the average technical plastics price in plasticker was listed 15 €/t higher than in the previous month, cf. Table 3. A comparison of the average prices for January 2017 (1183 €/t) with those for January 2016 (1244 €/t) shows the current price to be 61 €/t lower. Among the quality grades listed at this point, PBT regranulates, whose price increased by +110 €/t, were the only ones to show a more considerable price change in January 2017. Due to the holidays, demand in January was lower than in the preceding months. Nevertheless, there is considerable demand for regranulates.

The first preview of the February listings, which cannot be definitively reported until the beginning of March 2017, shows the average price to be 24 €/t higher than in the previous month. Or to put it another way, the average listings for technical plastics have climbed by 25 €/t in increments. Up until 13 January 2017 the plasticker internet platform showed demand for technical plastics to be satisfactory. The listing for PC regranulates reached the highest level in two years.

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

	Feb. 17 <sup>6</sup>	Jan. 16	Dec. 16	Nov. 16	Oct. 16	Sept. 16	Jan. 16
ABS regrind	660	640	640	650	670	680	720
ABS regranulates <sup>5</sup>	1360	1290	1260	1280	1160	1110	1470
PC regrind	870	860	900	830	860	890	1020
PC regranulates <sup>5</sup>	2040	1990	1980	1790	1790	1770	1810
PBT regrind	520	480	460	430	470	470	510
PBT regranulates	1620	1620	1510	1470	1350	1450	1850
PA 6 regrind	850	870	870	870	860	890	990
PA 6 regranulates <sup>5</sup>	1660	1680	1610	1600	1390	1410	1790
PA 6.6 regrind	920	880	910	860	850	890	1060
PA 6.6 regranulates <sup>5</sup>	1740	1730	1730	1720	1560	1550	1820
POM regrind	630	620	610	560	580	570	550
POM regranulates <sup>5</sup>	1610	1540	1530	1650	1690	1460	1340
<b>Average Price</b>	<b>(1207)</b>	<b>1183</b>	<b>1168</b>	<b>1143</b>	<b>1103</b>	<b>1095</b>	<b>1244</b>

<sup>5</sup>: Equivalent to the quality grade 'Regranulates, black'; <sup>6</sup>: 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](http://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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