bvse market report on plastics, March 2018

1 The primary plastics market

PlasticsEurope, www.plasticseurope.org/de, has submitted its fourth quarterly report on the European Union’s (EU 28’s) plastics recyclers. And thus, the Annual Report for 2017 is now also available.

The Report primarily represents the economic data for the global Gross Domestic Product (GDP): in the fourth quarter, the GDP rose by 0.7 % compared to the third quarter, thus exceeding the level reached in the fourth quarter of 2016 by 3.2 %. Europe’s GDP increased by 0.5 % in the fourth quarter relative to the third quarter, meaning that it exceeded the figures attained in the fourth quarter of 2016 by 2.6 %. In 2017 Europe’s economic growth rose by a total of 2.5 %, which is the highest annual growth in 10 years.

For Europe’s plastics processing industry, this means that the GDP in the fourth quarter increased by 1.4 % compared to the third quarter. Hence, it was as much as 4.5 % higher than in the fourth quarter of 2016. The GDP for Europe’s plastics manufacturing sector even increased by 3.7 % compared to the third quarter, thus exceeding the figure attained in the fourth quarter of 2016 by as much as 3.8 %. The economic growth reached by the European plastics industry in 2017 was thus equivalent to a respectable 2.9 %. The developments in Europe’s prices are also very favourable for plastics production. In the fourth quarter, prices reached a 0.9 % increase compared to the third quarter and were thus 5.5 % higher than in the fourth quarter of 2016.

1.1 Standard plastics

In February 2018, the average standard plastics price was listed at 1351 €/t and thus, 38 €/t higher than in the previous month, when it had reached 1313 €/t, cf. Table 1. Polyolefins were listed 20 €/t higher, while the PS price increased by 100 €/t. The listing for PP rose by 40 €/t and that for PVC by 10 €/t. The average quotes for February 2018, which attained 1351 €/t, were 33 €/t lower than those for February 2017, reaching 1384 €/t. In February, packaging PET was listed at an average 1190 €/t and thus, only 5 €/t higher than in the previous month, when it was quoted at 1185 €/t. In February and March, demand for standard plastics has depended on the developments in each commodity. For example, polyolefins are reported to be short of supply. Supply and demand are balanced in respect of PS and PVC. Considerable fluctuations in demand have also been reported in February and March. These fluctuations are due to current and prospective price rises, the storage capacities available, additional short- and medium-term customer orders and changes in material requirements.

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

Prices in €/t	Feb. 2018	Jan. 2018	Dec. 2017	Nov. 2017	Oct. 2017
LDPE film grade	1320- 1430	1300- 1410	1300- 1410	1300- 1410	1350- 1460
LLDPE film grade	1300- 1410	1280- 1390	1280- 1390	1280- 1390	1330- 1440
HDPE injection moulding	1280- 1330	1260- 1310	1260- 1310	1260- 1310	1320- 1370
HDPE blow moulding	1300- 1350	1280- 1330	1280- 1330	1280- 1330	1340- 1390
PS crystal clear	1630- 1690	1530- 1590	1520- 1580	1430- 1500	1530- 1600
PS high impact	1730- 1790	1630- 1690	1620- 1680	1530- 1600	1630- 1700
PP homopolymer	1370- 1420	1330- 1380	1320- 1380	1310- 1370	1330- 1390
PP copolymer	1420- 1470	1380- 1430	1370- 1430	1360- 1420	1380- 1440
PVC tube grade	890- 950	880- 940	880- 940	880- 940	880- 940
PVC film/cables	940- 990	930- 980	930- 980	930- 980	930- 980
Average Price	**1351 ± 256**	**1313 ± 229**	**1310 ± 226**	**1293 ± 200**	**1337 ± 233**

1.2 Technical plastics:

In February 2018, technical plastics were listed at an average 2923 €/t and thus, 137 €/t higher than in December 2017, when they reached 2786 €/t, cf. Table 2. Thus, the average prices for February 2018, which amounted to 2923 €/t, were as much as 464 €/t higher than those in February 2017, when they were listed at 2459 €/t. Hence, technical plastics prices have attained their highest level in several years. In February, technical plastics were in great demand.

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

Prices in €/t	February 2018	December 2017	October 2017	August 2017
PMMA crystal clear	3450 – 3650	3400 – 3600	3400 – 3600	3400 – 3600
ABS natural	1950 – 2000	1800 – 1850	1750 – 1850	1750 – 1850
ABS white/black	2050 – 2100	1900 – 1950	1850 – 1900	1850 – 1900
ABS mixed colours	2650 – 2800	2500 – 2650	2450 – 2650	2450 – 2650
PC crystal clear	3650 – 3850	3500 – 3650	3400 – 3600	3300 – 3550
PC GF reinforced	3850 – 4050	3700 – 3850	3600 – 3800	3500 – 3750
POM natural	2000 – 2100	1900 – 2000	1900 – 2000	1900 – 2000
PA 6 natural/black	2500 – 2700	2400 – 2650	2290 – 2540	2350 – 2600
PA 6 GF reinforced	2600 – 2650	2500 – 2600	2390 – 2490	2450 – 2550
PA 66 natural	3300 – 3500	3100 – 3300	2950 – 3150	2950 – 3150
PA 66 GF reinforced	3350 – 3550	3150 – 3350	3000 – 3250	3000 – 3250
Average Price	**2923**	**2786**	**2719**	**2716**

2 The secondary plastics market according to the Placticker 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 March 2018. These listings thus merely reflect an interim situation that will not become definitive until the beginning of April 2018, cf. Tables 3 and 4.

2.1 Standard plastics:

The February prices, reaching 546 €/t, were listed 30 €/t higher than those in January, which attained 516 €/t, cf. Table 3. A comparison of the average prices for February 2018 (546 €/t) with those for the previous year (536 €/t) shows the current price to be 10 €/t higher. In February 2018, the individual listings changed considerably, with the following prices varying by more than ± 40 €/t: HDPE regranulates +100 €/t, LDPE regrind +60 €/t, PP regranulates +80 €/t and PS regranulates +120 €/t. The February price index reveals restrained demand for plastics.

In March, standard plastics have more or less held their own. Thus, the preview of the March listings shows the average price, reaching 538 €/t, to be markedly lower than in the previous month, when it attained 546 €/t. As per 14 March 2018, the price index showed demand for plastics to be markedly higher than in the previous month.

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

	March 18[6]	Feb. 18	Jan. 18	Dec. 17	Nov. 17	Feb. 17
HDPE regrind[1]	570	530	540	550	550	610
HDPE regranulates[5]	930	850	750	840	840	950
LDPE bale goods[2]	210	230	240	250	230	250
LDPE regrind[1]	670	610*	550	570	550	510
LDPE regranulates[5]	780	830	790	800	690	730
PP bale goods[3]	210*	190*	220	180	190	330
PP regrind[1]	550	570	570	530	510	530
PP regranulates[5]	830	960	880	820	830	740
PS regrind[4]	590	620	600	560	590	600
PS regranulates[5]	950	1020	900	790	830	880
PVC_P regrind[1]	290	270	280	450	340*	400
PVC_U regrind	470*	490*	450*	450	510*	450
PET bale goods	170	150	110	150	170	160
PET regrind coloured	310	330	340	390	340	360
Average Price	**(538)**	**546**	**516**	**524**	**512**	**536**

*: 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

2.2 Technical plastics:

In February 2018, the average technical plastics price in plasticker, reaching 1194 €/t, remained unchanged compared to the preceding month, when it was listed at 1193 €/t, cf. Table 4. A comparison of the average prices for February (1194 €/t) with those for the previous year (1185 €/t) shows the current price to be 9 €/t higher. The February price index showed demand for plastics to be restrained. In February 2018, only the price of PA 6.6, which reached a 160 €/t increase, changed by more than ± 70 €/t.

As per 14 March 2018, the preview of the March listings shows prices to be continually stable. The average price fell by 2 €/t. The March price index shows demand for plastics to be restrained.

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

	March [6] 18	Feb. 18	Jan. 18	Dec. 17	Nov. 17	Feb. 17
ABS regrind	650	650	650	620	590	650
ABS regranulates[5]	1280	1350	1360	1380	1520	1340
PC regrind	890	830	900	950	880	830
PC regranulates[5]	2110	2060	2120	2010	2030	2020
PBT regrind	450	430	460	480	470	530
PBT regranulates	1570	1600	1670	1560	1630	1540
PA 6 regrind	790	810	820	820	820	850
PA 6 regranulates[5]	1760	1790	1740	1510	1820	1600
PA 6.6 regrind	810	840	850	840	830	940
PA 6.6 regranulates[5]	1920	1860	1700	1640	1820	1690
POM regrind	660	700	670	690	760	620
POM regranulates[5]	1440	1430	1380	1470	2110	1610
Average Price	**(1194)**	**1196**	**1193**	**1164**	**1273**	**1185**

[5]: equivalent to the quality grade ‘regranulates, black; [6]: preview that may be amended by additional quotes.

3 Evaluation of the secondary plastics markets

A comparison of the information provided by EUWID and plasticker for February shows that the post-user PE prices listed in the EUWID Price Watch have almost held their own. Only the price of LDPE film grade natural (K40) fell by an average 10 €/t, while the peak levels reached by mixed-coloured HDPE hollow bodies (C29) were 20 €/t higher. All other listings remained unchanged. However, the average standard plastics prices listed by plasticker were an average 30 €/t higher than in the previous month. This difference is due to virgin materials falling into the ‘regranulates’ category in plasticker. According to both plasticker and EUWID, demand for used plastics was restrained in February.

Waste plastics supply continues to be high in Germany. Plastics recyclers are no longer attaching too much importance to purchasing the processing materials offered by the dual systems. During the first few months of the new year, sorted waste plastics used to contain a lot of water resulting from storage. The high water content is considerably reducing plant throughput. If the materials were of higher quality, plastic recyclers would be able increase their plant throughput considerably. The non-plastics are unnecessarily hampering plastics recycling, while binding processing capacity that is urgently needed by the recyclers. Plastics recyclers are only accepting film waste so long as it is of very good quality. As a rule, they raise the price of film waste. These additional charges are continually increasing.

Exports: The German Federal Bureau of Statistics, Destatis, has published the export figures for 2017. And EUWID is conducting an in-depth evaluation of these export figures, cf. EUWID Recycling und Entsorgung 10, 2018, p. 21. The foreign trade statistics for waste plastics show both imports and exports of used plastics to be falling. There is a decline in direct exports from Germany to China in particular, reaching a total of approximately 436,000 tonnes in 2017. In 2016, exports to China amounted to approximately 840,000 tonnes. This figure does not include exports from Germany to Belgium and the Netherlands, some of which are forwarded to third countries. In 2017, German exports to India (42,000 tonnes), Malaysia (75,000 tonnes) and Vietnam (69,000 tonnes) did not make up for the loss resulting from the quantities that had previously been delivered to China.

4 Explanatory information on the price listings

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

The monthly quotes for **secondary plastics**, which are updated on an hourly basis, can be calculated using the price lists derived from the quotations published in the raw material exchange **plasticker** (www.plasticker.de). The prices listed in this index are quoted with reservation - as the majority of the quotes submitted are not necessarily equivalent to the sales prices. 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. 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, Monday 26 March 2018 Dr Thomas Probst, bvse