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1 General economy with reference to the plastics industry

The concern in German board rooms is intensifying. In February, the ifo business climate index fell from 99.3 (seasonally adjusted) to 98.5 points, see www.cesifo-group.de. This is the worst score since December 2014. The companies once again assess their current business situation as slightly less good. And pessimism with a view to the coming six months has increased. These results and other indicators point to economic growth of 0.2% in the first quarter. The German economy remains weak. In the manufacturing sector, the index has fallen for the sixth time in succession. Companies have clearly adjusted their assessment of the current situation downwards. Nevertheless, a clear majority reported a good business situation. However, pessimism about expectations is running rampant.

In early March, PlasticsEurope published its IVth Quarterly Report 2018 for European plastics manufacturers (EU 28). The survey of plastics manufacturers and plastics processors reveals that marked economic slowdown is expected in the EU 28. In 2018, there was a slight increase in plastic processing of 0.2% in comparison to the previous year. The extrapolated overall course of the manufacturing index shows negative values for 2019. In 2018, plastics manufacture fell by 4.3% in comparison to the previous year. However, with growth of 4.6%, the prices of plastics manufacture held their own.

2 The primary plastics market - Standard plastics

The standard plastics price index, January 2019, has average quotes of 1,207 €/t. And the average quote has therefore fallen by 23 €/t in comparison to the previous month, see. Table 1. The winter break was still being felt in January: the price fall in standard plastics is due to falling quotes of monomers, on the one hand, and slow demand on the other. In a year-on-year comparison, it can be seen that the average quotes from January 2019 (1207 €/t) were as much as 106 €/t lower than those of the previous year (1313 €/t).

The price falls for the individual plastics are as follows: LDPE (-35 €/t), LLDPE (-35 €/t), HDPE (-35 €/t), PS (-10 €/t), PP (-20 €/t), and PVC (-20 €/t). The price decline for PS came to a standstill in January. Packaging PET was quoted at an average price of 1285 €/t in January 2019, thus 40 €/t lower than in the previous month.

Table 1: Standard plastics prices according to EUWID over the past five months, listed in €/t.

Prices in €/t	Jan. 2019	Dec. 2018	Nov. 2018	Oct. 2018	Sept. 2018
LDPE film grade	1120- 1220	1150- 1260	1220- 1330	1240- 1350	1260- 1370
LLDPE film grade	1110- 1220	1140- 1260	1200- 1320	1220- 1340	1240- 1360
HDPE injection moulding	1200- 1260	1240- 1300	1300- 1360	1310- 1360	1310- 1360
HDPE blow moulding	1230- 1290	126- 1320	1320- 1380	1330- 1380	1330- 1380
PS crystal clear	1270- 1320	1270- 1330	1380- 1440	1500- 1580	1570- 1650
PS high impact	1370- 1420	1370- 1430	1480- 1540	1600- 1680	1670- 1750
PP homopolymer	1330- 1390	1350- 1410	1410- 1470	1420- 1470	1420- 1470
PP copolymer	1380- 1440	1400- 1460	1460- 1520	1470- 1520	1470- 1520
PVC tube grade	840- 900	860- 920	900- 960	910- 970	910- 970
PVC film/cables	890- 940	910- 960	950- 1000	960- 1010	960- 1010
Average Price	**1207 ± 185**	**1230 ± 183**	**1297 ± 198**	**1331 ± 222**	**1349 ± 240**

3 Secondary plastics markets in the plasticker price index

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The plasticker internet platform, see 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 2019; they will not become definitive until early March. The two quotes stated for February 2019 below only an interim situation, see the left-hand column in Table 2 and Table 3.

3.1 Standard plastics:

In January 2019, the standard plastics were quoted at 521 €/t and thus 33 €/t lower than in the previous month, see Table 2. The average price for January 2018 (521 €/t) was close to the average price of the previous year (516 €/t). The following price changes were more than ± 40 €/t: HDPE regranulate +100 €/t, LDPE bale goods -80 €/t, PP regranulate -180 €/t, PVC_U -80 €/t and PVC_P +70 €/t. The January price index records satisfactory demand for plastic in comparison with the previous month.

At 504 €/t, the preview of the February quotes shows an average price that is 17 €/t lower than in the previous month (521 €/t). The regranulate prices fell markedly in February, with the exception of PP. The February price index, 15.02.2019, shows weakening demand for plastic to date.

Table 2: Standard plastics price according to plasticker; listed in €/t.

	Feb.[6] 19	**January 19**	**Dec. 18**	**Nov. 18**	**Oct. 18**	**January 18**
HDPE regrind[1]	520	550	590	570	570	540
HDPE regranulates[5]	660	900	800	840	890	750
LDPE bale goods[2]	180	150	230*	230	240	240
LDPE regrind[1]	570*	610	590	600	580	550
LDPE regranulates[5]	710	690	700	750	770	790
PP bale goods[3]	220	200	200	170	150	220
PP regrind[1]	560	540	550	550	540	570
PP regranulates[5]	870	780	960	890	810	880
PS regrind[4]	610	620	660	640	670	600
PS regranulates[5]	790	910	1090*	990	980	900
PVC_P regrind[1]	250*	320*	400*	330*	390	280
PVC_U regrind[1]	390*	460*	390*	450*	450	450*
PET bale goods	160	180	200*	240*	180*	110
PET regrind mixed colours	360	380	400	370	410	340
Average Price	**(504)**	**521**	**554**	**544**	**545**	**516**

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*: 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 January 2019 the average price for technical plastics in plasticker is 1327 €/t and thus 77 €/t lower than in the previous month (1404 €/t), see. Table 3. A comparison of the average prices from January 2019 (1327 €/t) with those of the previous year (1193 €/t) shows a current price that is 134 €/t higher.

The January price index shows satisfactory demand for technical plastics. The following price changes were more than ± 70 €/t: ABS regranulates -180 €/t, PC regranulates -130 €/t, PBT regrind -90 €/t, PBT regranulates -80 €/t, PA 6.6 regrind -120 €/t and PA 6.6 regranulates -210 €/t.

At 1331 €/t, the preview of the February quotes shows an average price that is more or less unchanged. The February price index to date records subdued demand for plastic.

Table 3: Technical plastics price according to plasticker; listed in €/t.

	Feb.[6] 19	January 19	Dec. 18	Nov. 18	Oct. 18	January 18
ABS regrind	630	630	700	670	620	650
ABS regranulates[5]	1290	1280	1460	1350	1440	1360
PC regrind	990	1000	960	930	840	900
PC regranulates[5]	2010	1870	2100	2220	2370	2120
PBT regrind	550	500	590	490	460	460
PBT regranulates	1800	1860	1940	1840	1790	1670
PA 6 regrind	880	860	880	920	880	820
PA 6 regranulates[5]	1890	2030	2000	1970	1920	1740
PA 6.6 regrind	940	870	990	960	870	850
PA 6.6 regranulates[5]	2170	2210	2420	2460	1980	1700
POM regrind	660	690	660*	690	650	670
POM regranulates[5]	2160	2120	2150	1880	1790	1380
Average Price	**(1331)**	**1327**	**1404**	**1364**	**1301**	**1193**

[5]: equivalent to the grade “regranulates, black”; [6]: preview (may be amended by additional quotes)

4 Evaluation of the secondary plastic markets

When comparing the information from EUWID and plasticker, it can be seen for January 2019 that plasticker identifies average price falls of 33 €/t. Low price falls, which can also be seen as price stabilisation, were recorded at EUWID. Surprisingly, EUWID reports slight price rises for some films in the PE post-user field. plasticker categorises demand for plastic waste in January as thoroughly satisfactory. EUWID assesses the January demand for plastic waste as rather subdued.

Plastic wastes

Markets in Germany and the Netherlands are full of plastic waste. There is a large-scale surplus of film waste. Plastic recyclers carefully select the processing input suitable for themselves from the plastic waste. Generally, only clean plastic waste that has been stored in dry conditions is processed. The offers to process dirty, wet plastic waste, sorting residues or plastic mixtures in return for supplementary payments are not very attractive to the plastic recyclers.

All efforts to divert plastic waste to the Far East are failing. Plastic waste is still being imported to the Far East only on a very limited scale. Bans on imports are now also being reported in India, Indonesia and Malaysia. A good alternative for shipping better goods would be for the plastic waste to be made into regranulates in Europe or Asia, and then exported to the People’s Republic of China.

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In the price index for waste plastics, January 2019, EUWID records average prices falls of 5 €/t to 20 €/t, with very few quotes. For some film grades from the PE post-user sector, EUWID reports slight price rises of an average 10 €/t. In the practice of plastic recycling, however, it can be seen that post-user film waste can only be sold with supplementary payments. The prices invoked for plastic waste are only valid if recyclers offer adequate quantities and good grades.

The PET recyclers can still ensure an adequate supply of input. The volume of PET bottles is still high in January and February. The prices in the January quotes for use PET returnable bottles remain unchanged in comparison to the previous month. There is still very strong demand for PET recyclates. In January, the prices for PET recyclates held their own, even though the prices for virgin grades fell by an average 40 €/t. In PET recycling, the use of recyclates for bottle-to-bottle recycling is becoming increasingly important.

5 Explanation on the price quotes

A detailed discussion with information of price indices for virgin grades and waste plastics as well as precursor products can be found in EUWID Recycling and Disposal see www.euwid.de, or in EUWID Plastics www.euwid-kunststoff.de. EUWID: No guarantee for any of the prices.; prices ex station. As a rule, the prices quoted refer to quantities in excess of 20 tons.

The quotes for secondary prices, 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, see 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. Plasticker offers the quality grades regrind and regranulates both as virgin materials and as secondary goods. 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, Tuesday, 19. March 2019 Dr Thomas Probst, bvse