bvse market report: plastics, March 2019

1 General economy with reference to the plastics industry

The Ifo business climate index rose in March 2019, surprisingly, see www.cesifo-group.de. The mood in German board rooms brightened in March for the first time in six months. The Ifo business climate index shows this - it rose by 0.9 points to 99.6. Before this, there were six falls in succession. Companies were slightly more satisfied with their current business situation. They were also a lot more optimistic about the next six months than previously. The German economy is countering the downturn.

The business climate has fallen again in the manufacturing sector. Industrial companies are less satisfied with their current situation. And the prospect also deteriorated. The expectations component of the index fell to the lowest value since November 2012. In view of slower demand, the companies are planning hardly any increases in production. The business climate is considered the most important barometer of the mood of the German economy. It results from a survey among around 9000 companies.

In this year's GKV Ash Wednesday press conference, see www.gkv.de/de/service/presse/, it was reported that plastics processing in Germany has increased again. In its annual economic press conference on Ash Wednesday, 6 March 2019, the plastics processing industry association (Gesamtverband Kunststoffverarbeitende Industrie e. V. (GKV)) took stock of plastics processing in Germany in 2018. Turnover in the sector rose by 3.1 per cent over the year, to a new record value of 65.7 billion euros. In total, approx. 14.8 million tonnes of plastic were processed in Germany last year. And the number of employees has also risen to a new high! At the end of 2018 the plastics processing industry in Germany employed around 335,000 people.

2 The primary plastics market

2.1 Standard plastics

The standard plastics price index, February 2019, has average quotes of 1,212 €/t. And the average quote has therefore remained roughly the same as in the previous month, see. Table 1. In a year-on-year comparison, it can be seen that the average quotes from February 2019 (1212 €/t) were 139 €/t lower than those of the previous year (1351 €/t). Supply and demand are largely balanced; there is nothing pushing up prices. However, there is also no impetus from the market, so we can only report on quiet business. There are only two price changes to report, for PS crystal clear and PS high impact, each at +25 €/t. Packaging PET was quoted at an average price of 1280 €/t in February 2019, thus 5 €/t lower than in the previous month. Experts are expecting rising prices for PS and PET in the next month.

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

Prices in €/t	Feb. 2019	Jan. 2019	Dec. 2018	Nov. 2018	Ovt. 2018
LDPE film grade	1120- 1220	1120- 1220	1150- 1260	1220- 1330	1240- 1350
LLDPE film grade	1110- 1220	1110- 1220	1140- 1260	1200- 1320	1220- 1340
HDPE injection moulding	1200- 1260	1200- 1260	1240- 1300	1300- 1360	1310- 1360
HDPE blow moulding	1230- 1290	1230- 1290	126- 1320	1320- 1380	1330- 1380
PS crystal clear	1290- 1350	1270- 1320	1270- 1330	1380- 1440	1500- 1580
PS high impact	1370- 1420	1370- 1420	1370- 1430	1480- 1540	1600- 1680
PP homopolymer	1330- 1390	1330- 1390	1350- 1410	1410- 1470	1420- 1470
PP copolymer	1380- 1440	1380- 1440	1400- 1460	1460- 1520	1470- 1520
PVC tube grade	840- 900	840- 900	860- 920	900- 960	910- 970
PVC film/cables	890- 940	890- 940	910- 960	950- 1000	960- 1010

Average Price	**1212 ± 189**	**1207 ± 185**	**1230 ± 183**	**1297 ± 198**	**1331 ± 222**

2.2 Technical plastics

In February 2019 technical plastics (2850 €/t) were 67 €/t lower than in December 2018 (2917 €/t), see. Table 2. The average price in February 2018 (2850 €/t) was 73 €/t lower than that of February in the previous year (2923 €/t).

Clearly falling prices were seen in February 2019. PMMA was quoted lower on average by 100 €/t, ABS by 20 €/t, PC by 125 €/t, POM by 25 €/t and PA 66 by 200 €/t. The demand for technical plastics weakened slightly in February.

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

Prices in €/t	February 2019	December 2018	October 2018	August 2018
PMMA crystal clear	3330 – 3500	3400 – 3600	3450 – 3650	3450 – 3650
ABS natural	1650 – 1700	1670 – 1720	1920 – 1970	1920 – 1970
ABS w/b	1750 – 1800	1770 – 1820	2020 – 2070	2020 – 2070
ABS coloured	2350 – 2500	2370 – 2520	2620 – 2770	2620 – 2770
PC crystal clear	3150 – 3350	3250 – 3500	3650 – 3900	3650 – 3850
PC GF-reinforced	3350 – 3550	3450 – 3700	3850 – 4100	3850 – 4050
POM natural	2050 – 2100	2050 – 2150	2050 – 2150	2100 – 2200
PA 6 natural/black	2350 – 2550	2400 – 2600	2500 – 2700	2500 – 2700
PA 6 GF-reinforced	2450 – 2500	2500 – 2550	2600 – 2650	2600 – 2650
PA 66 natural	4200 – 4400	4200 – 4400	4000 – 4200	4000 – 4200
PA 66 GF-reinforced	4050 – 4100	4250 – 4300	4050 – 4100	4050 – 4100
Average Price	**2850**	**2917**	**3044**	**3044**

3 Secondary plastics markets in the plasticker price index

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 March 2019; they will not become definitive until early February. The two quotes stated for March 2019 below only an interim situation, see the left-hand column in Table 3 and Table 4.

3.1 Standard plastics:

In February 2019 the standard plastics were quoted at 509 €/t and thus 22 €/t lower than in the previous month, see Table 3. The average price for February 2019 (509 €/t) was still 37 €/t below that of the previous year (546 €/t). The following price changes were more than ± 40 €/t: HDPE regranulate -600 €/t, LDPE regrind -50 €/t, PP regranulate +50 €/t, PVC_U -70 €/t and PVC_P -70 €/t. The February price index records weaker demand for plastic in comparison with the previous month.

At 530 €/t, the preview of the March quotes shows an average price that is 21 €/t higher than in the previous month (509 €/t). The March price index, 18.03.2019, shows weak demand for plastic to date.

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

	March[6] 19	Feb. 19	January 19	Dec. 18	Nov. 18	Feb. 18
HDPE regrind[1]	570	540	550	590	570	530

HDPE regranu-lates[5]	830	840	900	800	840	850
LDPE bale goods[2]	260*	180	150	230*	230	230
LDPE regrind[1]	530*	560*	610	590	600	610
LDPE regranu-lates[5]	710	690	690	700	750	830
PP bale goods[3]	220	220	200	200	170	190*
PP regrind[1]	550	560	540	550	550	570
PP regranulates[5]	920	830	780	960	890	960
PS regrind[4]	610	600	620	660	640	620
PS regranulates[5]	980	900	910	1090*	990	1020
PVC_P regrind[1]	250*	250*	320*	400*	330*	270
PVC_U regrind[1]	350*	390*	460*	390*	450*	490*
PET bale goods	270*	190	180	200*	240*	150
PET regrind mixed colours	370	380	380	400	370	330
Average Price	**(530)**	**509**	**521**	**554**	**544**	**546**

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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 February 2019 the average price for technical plastics in plasticker is 1339 €/t and thus 12 €/t higher than in the previous month (1327 €/t), see. Table 4. Within the price fluctuations, the average price for technical plastics thus remains the same. A comparison of the average prices from February 2019 (1339 €/t) with those of the previous year (1196 €/t) shows a current price that is 143 €/t higher. The February price index shows subdued demand for technical plastics. The following price changes were more than ± 70 €/t: ABS regranulates -80 €/t and PC regranulates +130 €/t.

At 1342 €/t, the preview of the March quotes of 18.03.2019 shows an average price that is more or less unchanged. The March price index to date records subdued demand for plastic.

Table 4: Technical plastics price according to plasticker; listed in €/t.

	March[6] 19	**Feb. 19**	**January 19**	**Dec. 18**	**Nov. 18**	**Feb. 18**
ABS regrind	660	630	630	700	670	650
ABS regranu-lates[5]	1140	1200	1280	1460	1350	1350
PC regrind	990	970	1000	960	930	830
PC regranulates[5]	1970	2000	1870	2100	2220	2060
PBT regrind	500	550	500	590	490	430
PBT regranulates	1780	1810	1860	1940	1840	1600
PA 6 regrind	860	900	860	880	920	810
PA 6 regranu-lates[5]	1930	2030	2030	2000	1970	1790
PA 6.6 regrind	1000	910	870	990	960	840
PA 6.6 regranu-lates[5]	2460	2260	2210	2420	2460	1860
POM regrind	730	690	690	660*	690	700
POM regranu-lates[5]	2080	2120	2120	2150	1880	1430
Average Price	**(1342)**	**1339**	**1327**	**1404**	**1365**	**1196**

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

4 Evaluation of the secondary plastic markets

In a comparison of the information for standard plastics from EUWID and plasticker, it can be seen that plasticker reported price falls of an average 22 €/t for February 2019. By contrast, EUWID reported a light price rise for PE post user film in the range of 5 €/t to 25 €/t. Demand for plastic wastes was assessed as satisfactory in EUWID, whereas plasticker viewed February demand as subdued.

Plastic wastes

In the February 2019 price index, EUWID reported price changes only for PE post user film. The film types concerned are thin film, LDPE agricultural film and commercial mixed film. All the other quotes are more or less unchanged.

In its edition RE 8.2019, p. 22, EUWID gives a detailed overview of the waste plastic exports from Germany in 2018. In total, Germany nevertheless exported 1.04 million tonnes of plastic waste. Only 13,000 tonnes of plastic waste were supplied directly to the People's Republic of China. The proportion of direct export from Germany to the various countries in the Far East was 38%.

The volume of PET bottles in February was lower than in the previous months, but the PET recyclers were still able to provide themselves with sufficient input. The prices in the February quotes for use PET returnable bottles remain unchanged in comparison to the previous month once again. There is still very strong demand for PET recyclates. In February, too, the prices for PET recyclates held their own. After the trend towards regrind, regranulates are gaining ground again. The regranulate prices are exceeding those of virgin grades

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, Monday, 1. April 2019 Dr Thomas Probst, bvse