

bvse market report: plastics, May 2019

1 General economy with reference to the plastics industry

The monthly ifo business climate index gives a detailed picture of the current economic situation, cf. www.ifo.de/ifo-geschaeftsklimaindex. The ifo business climate index for May 2019 is falling. The mood among company bosses is deteriorating further. In May, the ifo business climate index fell from 99.2 to 97.9 points. This was due to a much worse assessment of the current situation. By contrast, the outlook for the months ahead remained unchanged. The German economy is still short of momentum.

The business climate index has fallen slightly in the manufacturing sector. Once again, companies were not very satisfied with their current situation. However, their expectations brightened for the first time since September 2018. At this time, the chemical industry is a ray of hope. After the recent pessimistic prospects, optimism has returned there.

2 The primary plastics market

2.1 Standard plastics

The standard plastics price index, April 2019, has average quotes of 1,276 €/t. And the average quote has therefore risen by 36 €/t in comparison to the previous month, see. Table 1. The PS prices rose by 100 €/t, whereas the other standard plastics were quoted at 10 €/t to 30 €/t higher. In a year-on-year comparison, it can be seen that the average quotes from April 2019 (1276 €/t) were 38 €/t lower than those of the previous year (1314 €/t). Packaging PET was quoted at an average price of 1270 €/t in April 2019, thus 15 €/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	April 2019	March 2019	Feb. 2019	Jan. 2019	Dec. 2018
LDPE film grade	1170- 1270	1150- 1250	1120- 1220	1120- 1220	1150- 1260
LLDPE film grade	1160- 1270	1140- 1250	1110- 1220	1110- 1220	1140- 1260
HDPE injection moulding	1260- 1320	1230- 1290	1200- 1260	1200- 1260	1240- 1300
HDPE blow moulding	1260- 1320	1230- 1290	1230- 1290	1230- 1290	126- 1320
PS crystal clear	1450- 1510	1350- 1410	1290- 1350	1270- 1320	1270- 1330
PS high impact	1550- 1610	1450- 1510	1370- 1420	1370- 1420	1370- 1430
PP homopolymer	1370- 1440	1350- 1420	1330- 1390	1330- 1390	1350- 1410
PP copolymer	1420- 1490	1400- 1470	1380- 1440	1380- 1440	1400- 1460
PVC tube grade	860- 920	850- 910	840- 900	840- 900	860- 920
PVC film/cables	910- 960	900- 950	890- 940	890- 940	910- 960
Average Price	1276 ± 222	1240 ± 201	1212 ± 189	1207 ± 185	1230 ± 183

2.2 Technical plastics

In April 2019 technical plastics (2736 €/t) were 114 €/t lower than in February 2019 (2850 €/t), see. Table 2. The average price in April 2019 (2736 €/t) was 223 €/t lower than that of April in the previous year (2959 €/t). Clearly falling prices were seen in April 2019. PMMA was quoted lower than the previous month on average by 115 €/t, PC by 150 €/t, POM by 25 €/t, PA 6 by 100 €/t and PA 66 by 150 €/t.

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

Prices in €/t	April 2019	February 2019	December 2018	October 2018
PMMA crystal clear	3200 – 3400	3330 – 3500	3400 – 3600	3450 – 3650
ABS natural	1670 – 1720	1650 – 1700	1670 – 1720	1920 – 1970
ABS w/b	1770 – 1820	1750 – 1800	1770 – 1820	2020 – 2070
ABS coloured	2370 – 2520	2350 – 2500	2370 – 2520	2620 – 2770
PC crystal clear	3000 – 3200	3150 – 3350	3250 – 3500	3650 – 3900
PC GF-reinforced	3200 – 3400	3350 – 3550	3450 – 3700	3850 – 4100
POM natural	2000 – 2100	2050 – 2100	2050 – 2150	2050 – 2150
PA 6 natural/black	2250 – 2450	2350 – 2550	2400 – 2600	2500 – 2700
PA 6 GF-reinforced	2350 – 2400	2450 – 2500	2500 – 2550	2600 – 2650
PA 66 natural	4050 – 4250	4200 – 4400	4200 – 4400	4000 – 4200
PA 66 GF-reinforced	3900 – 3950	4050 – 4100	4250 – 4300	4050 – 4100
Average Price	2736	2850	2917	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 May 2019; they will not become definitive until early June. The two quotes stated for May 2019 below indicate only an interim situation, see the left-hand column in Table 3 and Table 4.

3.1 Standard plastics:

In April 2019 the standard plastics were quoted at 544 €/t and thus 13 €/t higher than in the previous month, see Table 3. The average price for April 2019 (544 €/t) was more or less the same as that of the previous year (541 €/t). The following price changes were more than ± 40 €/t: PS regranulates and PVC were both quoted 100 €/t higher. The April price index records subdued demand for plastic in comparison with the previous month.

At 552 €/t, the preview of the May quotes shows an average price that is 8 €/t higher than in the previous month (544 €/t). The May price index, 17.05.2019, shows a slightly better demand for plastic than in the previous month.

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

	May ⁶ 19	April 19	March 19	Feb. 19	January 19	April 18
HDPE regrind ¹	580	570	550	540	550	590
HDPE regranulates ⁵	920	870	890	840	900	840
LDPE bale goods ²	240	210*	220	180	150	270
LDPE regrind ¹	620	550*	530*	560*	610	580
LDPE regranulates ⁵	700	720	750	690	690	760
PP bale goods ³	230*	160*	230	220	200	250
PP regrind ¹	600	590	580	560	540	530
PP regranulates ⁵	800	870	830	830	780	900
PS regrind ⁴	600	620	610	600	620	540
PS regranulates ⁵	1030	1080	980	900	910	990
PVC_P regrind ¹	350*	370*	270*	250*	320*	300*
PVC_U regrind ¹	490	480*	390*	390*	460*	490*

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PET bale goods	200*	170*	240	190	180	200
PET regrind mixed colours	370	360	370	380	380	330
Average Price	(552)	544	531	509	521	541

*: 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 April 2019 the average price for technical plastics in plasticker is 1265 €/t and thus 46 €/t lower than in the previous month (1311 €/t), see. Table 4. A comparison of the average prices from April 2019 (1265 €/t) with those of the previous year (1229€/t) shows a current price that is 36 €/t higher. The April price index shows a continued subdued demand for plastic. The following price changes were more than ± 70 €/t: PC regranulates -250 €/t and PA 6.6 regranulates -80 €/t. PC regranulates underwent greater price volatility; PC granulates is rushing further downwards on a rollercoaster ride.

At 1229 €/t, the preview of the May quotes shows an average price that is 36 €/t lower. The general downwards trend in the quotes for technical plastics is clear. In the trend from December 2018 (1401 €/t) to May 2019 (1229 €/t), the average quotes nevertheless fell by 175 €/t. The May price index is also showing subdued demand for plastic.

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

	May⁶ 19	April 19	March 19	Feb. 19	Jan. 19	April 18
ABS regrind	700	680	660	630	630	680
ABS regranulates ⁵	1150	1230	1190	1200	1280	1400
PC regrind	770	790	850	970	1000	800
PC regranulates ⁵	1840	1700	1950	2000	1870	2060
PBT regrind	490	460	450	550	500	480
PBT regranulates	1610	1700	1750	1810	1860	1590
PA 6 regrind	830	840	880	900	860	820
PA 6 regranulates ⁵	1850	1830	1890	2030	2030	1790
PA 6.6 regrind	880	950	910	910	870	900
PA 6.6 regranulates ⁵	2260	2470	2550	2260	2210	1810
POM regrind	630	630	680	690	690	620
POM regranulates ⁵	1740	1900	1970	2120	2120	1800
Average Price	(1229)	1265	1311	1339	1327	1229

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

4 Evaluation of the secondary plastic markets

EUWID assessed demand for plastic waste as subdued. plasticker also categorised April demand as subdued. In a comparison of the information for standard plastics from EUWID and plasticker, it can be seen that plasticker reported only slight price rises for April 2019. EUWID also reported only slight price rises for PE post user films and PP films; the prices of all other plastics were unchanged.

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Plastic wastes

In the April 2019 price index for waste plastics, EUWID reported slight price rises for some post user films. Although a surplus of plastic waste is building up due to the export ban on waste to the People's Republic of China, there was a short-term shortage of high-quality waste film. Therefore, price rises of an average 5 €/t to 25 €/t were achieved for good films. But it is increasingly difficult for disposers to send plastic wastes for thermal use, whether in a waste incineration plant or as waste-derived fuels (WDF). However, the majority of films on the market are of poor quality. There are hardly any buyers for these grades. Poorer film grades are hardly accepted even if higher supplementary payments are offered. The quotes for PE, PP, PS and PVC production waste are unchanged.

Although the volume of PET bottles fell in the first quarter, but it was still much higher than in the comparable period of the previous years. Or, to put it another way: the trend towards drinks in PET bottles is continuing. The demand for flakes and regranulates is still good, but has diminished slightly at a high level. The prices achieved for regranulates are stable, The transparent and coloured flakes also had stable quotes in April and May. The prices in the April quotes for used PET returnable bottles are unchanged in comparison to the previous month.

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

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