bvse market report: plastics, September 2021

0 Reorganisation of EEC state aid

The responses of the Federal Government, the Federal Environment Ministry and the Federal Ministry of Economics and Technolgy to the joint association letter from GKV, PlasticsEurope, VDMA and bvse e.V. were extremely positive for plastics recycling, in that a decision has been taken at the German level to reject the deletion of recyclers from the list of industrial sectors eligible for assistance. EUWID reported on this in its 33/2021and 34/2021 editions.

The Federal Government's letter responded to the reservations expressed in the joint statement. It makes it clear that, due to the more ambitious EU climate objectives, more and not less carbon leakage protection is needed in the energy-intensive sectors. The Federal Government stresses that it is important to it for the existing relief rules to be continued. It goes on to say that the European Green Deal can only be successful if the competitiveness of European industry is maintained. Strengthening the criteria for an exemption is explicitly rejected. The Federal Government even proposes further expanding the exemptions. The rejection is justified with "early mover costs" and the large industrial sector in Germany. The existing exemptions, according to the Federal Government, are "a very central aspect of the acceptance of the Green Deal".

1 General economy with reference to the plastics industry

ifo business climate index: The mood in German board rooms has been dampened further, see www.ifo.de/ifo-geschaeftsklimaindex. The ifo business climate index fell to 98.8 points in September, following on from 99.6 points in August. This is the third fall in a row. Companies were less satisfied with their current business situation. They are also more sceptical looking to the months ahead. The problems with procurement of raw materials and precursor products are slowing the German economy down. Industry is experiencing a bottleneck recession.

The business climate index has fallen markedly in the manufacturing sector. The companies again assessed their current situation as noticeably worse. The last time we saw a higher fall was May 2020. And the great optimism about expectations from the spring has almost vanished. Order books are still full, but new orders are flattening off.

2 Primary markets – virgin grades

2.1 Standard plastics

The prices for standard plastics are moving in a sideways direction. Plastics are being traded at very high prices. The demand for standard plastics is high among processors. Some orders can only be processed with delays because there is no feed material. And freight capacities are in short-supply and therefore expensive.

In August 2021 the average price of 1,826 €/t was an average 34 €/t lower than in the previous month (1,860 €/t), see Table 1. In a year-on-year comparison, it can be seen that the average quotes from August 2021 (1,826 €/t) were 865 €/t higher than those of the previous year (961 €/t), see EUWID. www.euwid-recycling.de.

Plastics made of PE mostly recorded falling prices, whereas PS and PP were quoted unchanged, and PVC experienced a small price rise. Specifically, the average price changes are as follows: LDPE film at -100 €/t, LLDPE film at -100 €/t, HDPE injection moulding at -100 €/t, HDPE blow moulding -100 €/t, and PVC at +30 €/t.

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PET: PET is the trendsetting in the food sector, suitable for flexibles and rigids. The PET boom is continuing. Packaging PET was quoted at an average price of 1,370 €/t in August 2021, and thus 40 €/t lower than in the previous month, see https://www.kiweb.de/.

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

Prices in €/t	August 2021	July 2021	June 2021	May 2021	April 2021
LDPE film grade	1800- 1950	1900- 2050	2000- 2150	2050- 2250	1950- 2100
LLDPE film grade	1750- 1900	1850- 2000	2000- 2150	2050- 2250	1950- 2100
HDPE injection moulding	1600- 1800	1700- 1900	1900- 2050	1950- 2100	1920- 2050
HDPE blow moulding	1550- 1750	1650- 1850	1900- 2050	1950- 2100	1910- 2040
PS crystal clear	1750- 1850	1750- 1850	1950- 2100	2250- 2350	2150- 2250
PS high impact	1850- 1950	1850- 1950	2050- 2200	2350- 2450	2250- 2350
PP homopolymer	2050- 2250	2050- 2250	2050- 2250	2000- 2200	1900- 2100
PP copolymer	2100- 2300	2100- 2300	2100- 2300	2050- 2250	1950- 2150
PVC tube grade	1480- 1580	1450- 1550	1400- 1500	1350- 1450	1300- 1400
PVC film/cables	1580- 1680	1550- 1650	1500- 1600	1450- 1550	1400- 1500
Average Price	**1826 ± 227**	**1860 ± 229**	**1960 ± 259**	**2020 ± 324**	**1936 ± 302**

2.2 The technical plastics market

The strong demand for technical plastics is countered with shortages - and this leads to price rises. The order books of the plastics processing industry are full; but not all of the work can be completed due to a shortage of materials.

In August 2021, the technical plastics were quoted in EUWID, see www.euwid-recycling.de, at an average 3,475 €/t and thus 64 €/t higher than in June 2021 (3,411 €/t), see Table 2. The average price in August 2021 (3,475 €/t) was 1,381 €/t higher than that of August in the previous year (2,094 €/t). The above-mentioned price changes are due to an average increase for PMMA of 300 €/t and for PA 66 of 200 €/t.

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

Prices in €/t	August 2021	June 2021	April 2021	Feb. 2021
PMMA crystal clear	3350 – 3600	3050 – 3300	3050 – 3300	2800 – 3000
ABS natural	2800 – 3000	2800 – 3000	2800 – 3000	2150 – 2250
ABS w/b	2900 – 3100	2900 – 3100	2900 – 3100	2250 – 2350
ABS coloured	3550 – 3750	3550 – 3750	3550 – 3750	2850 – 3050
PC crystal clear	3950 – 4150	3950 – 4150	3450 – 3650	2950 – 3150
PC GF-reinforced	4350 – 4550	4350 – 4550	3850 – 4050	3050 – 3250
POM natural	2150 – 2350	2150 – 2350	2150 – 2350	1850 – 2050
PA 6 natural/black	2700 – 2800	2700 – 2800	2500 – 2600	2000 – 2100
PA 6 GF-reinforced	3050 – 3150	3050 – 3150	2850 – 2950	2050 – 2100
PA 66 natural	4050 – 4400	3850 – 4200	3700 – 4000	3400 – 3500
PA 66 GF-reinforced	4200 – 4550	4000 – 4350	3850 – 4150	3400 – 3500
Average Price	**3475**	**3411**	**3252**	**2684**

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 the month of the report, in this case September 2021; they will not become definitive until early October. The two quotes stated for September 2021 below indicate only an interim situation, see the left-hand column in Table 3 and Table 4.

3.1 plasticker: Standard plastics

A sideways movement could be seen in the change of the average price. For August 2021, there was an average price of 531 €/t and this price is 20 €/t lower than that of the previous month (551 €/t), see Table 3. The average price for August 2021 (531 €/t) was 100 €/t above that of the previous year (431 €/t). There were significant price changes (±40 €/t) for: PS regrinds +50 €/t, PP regranulates -110 €/t and PVC_P +50 €/t. Overall, there was surprisingly great deal of movement in the individual quotes for commodities, even if only in the price range of ±10 €/t to ±40 €/t. At 420 €/t, LDPE regrind was at a 5-year low. The price index is characterised by adequate demand for plastic. The quote of 0 €/t for PP bale goods is once again surprising or, rather, annoying.

The preview of the September quotes indicates an average price of only 483 €/t, see Table 3. And that would be a large fall in quotes! The price index of 13.09.2021, shows satisfactory demand for plastic to date.

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

	September[6] 21	August 21	July 21	June 21	May 21	August 20
HDPE regrind[1]	610	630	600	640	620	490
HDPE regranulates[5]	820	920	930	1040	1040	690
LDPE bale goods[2]	280*	270*	240	270*	280*	170*
LDPE regrind[1]	400*	420	450	470	490*	430
LDPE regranulates[5]	680	700	720	980	780	580
PP bale goods[3]	0*	0*	200*	260*	210*	240*
PP regrind[1]	590	570	560	620	600	450
PP regranulates[5]	900	880	910	1130	1120	670
PS regrind[4]	740*	650*	600	700*	680	570
PS regranulates[5]	820*	850*	960	1470	1480	810
PVC_P regrind[1]	270*	400*	350*	290*	350*	250*
PVC_U regrind[1]	50*	540*	520*	570*	570*	230*
PET bale goods	170*	160*	200	70*	70*	160*
PET regrind mixed colours	430	440	480	430	390	290
Average Price	**(483)**	**531**	**551**	**639**	**620**	**431**

*: 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 plasticker: Technical plastics

In August 2021, the quotes for technical plastics stabilised. There was an average price of 1,569 €/t, which was 36 €/t higher than that of the previous month (1,533 €/t), see Table 4. The average price for August 2021 (1,569 €/t) was as much as 426 €/t higher than that of the previous year (1,143 €/t).

These plastics show price changes of more than ± 70 €/t: ABS regranulates +100 €/t, PC regrind +140 €/t, PC regranulates +150 €/t, PBT regranulates +360 €/t, PA 6 regranulates -110 €/t, PA 6.6 regrind +110 €/t, PA 6.6 regranulates -330 €/t and POM regranulates -90 €/t.

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Overall, there is a great deal of movement in the individual quotes. The price index shows adequate demand for plastic.

The probable average price in September 2021 (1,618 €/t) is quoted much higher than in the previous month (1,569 €/t). The boom in technical plastics is continuing. The September price index of 13.09.2021 shows satisfactory demand for plastic.

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

	September[6] 21	**August 21**	**July 21**	**June 21**	**May 21**	**August 20**
ABS regrind	670	630	630	640	590	550
ABS regranulates[5]	1980	2390	2280	2410	2310	1100
PC regrind	900	1000	860	1030	1000	840
PC regranulates[5]	2300	2130	1980	1910	2200	1560
PBT regrind	710	560	540	610	620*	420
PBT regranulates	2300	2440	2080	2140	2020	1630
PA 6 regrind	1060	970	900	950	950	830
PA 6 regranulates[5]	2430	2310	2420	2320	2430	1820
PA 6.6 regrind	1070	1040	930	1010	1050	890
PA 6.6 regranulates[5]	2540	2550	2830	2910	2770	2050
POM regrind	680	650	690	600*	660*	580
POM regranulates[5]	2780	2160	2250	2480	2500	1440
Average Price	**(1618)**	**1569**	**1533**	**1584**	**1592**	**1143**

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

4 Secondary Plastics Markets

4.1 Plastic wastes

The EUWID price index for August shows hardly any changes in comparison to the previous month. Quotes for production waste from PP, PVC and PS were unchanged. Regrinds from PE production waste were also stable. Only a few film grades, i.e. LDPE film natural at 450 €/t, LDPE shrink hood natural 480 €/t, LDPE shrink hood mixed colours 175 €/t, PE film transparent natural <70 µm 325 €/t and PE film transparent coloured <70 µm 65 €/t, were quoted unchanged. There is still little movement in the summer break. The summer break gives the plastics recyclers time to consolidate before the boom in demand for recyclates starts in the 4th quarter.

4.2 Recyclates

The demand for plastics recyclates made of standard plastics and technical plastics continues to be high. Recyclate prices still exceed the prices of virgin grades. And there is still a shortage of virgin grades in processing. Plastics processors are still issuing “force majeure” reports.

4.3 PET Recycling

The run on PET returnable bottles is showing new dimensions. Discounters are trying to secure the quantities of recyclates that they will need for the years ahead. First of all, access to bottle grades shows the sustainability of this packaging plastic. Furthermore, this leads to competitive advantages over those who do not have direct access to PET single-use bottles.

There is clear excessive demand for PET recyclates, i.e. PET regrinds and PET regranulates, see https://www.kiweb.de/. Or in other words: in the packagings sector, the demand for PET flakes and PET regranulates is very high. The prices for used PET single-use bottles remained unchanged in August in comparison to the previous month. The average prices for r-PET were quoted above those of the virgin grades, by around 50 €/t for flakes or around 360 €/t for regranulates. Detailed monthly reports on the PET prices for virgin grade and used bottles can be found in EUWID and Plastics Information Europe.

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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