

bvse market report: on plastics, November 2022

1 General economy and reference to the plastics industry

Economic experts are seeing the first signs of subsiding price pressure. Manufacturers' prices fell markedly in October. The Federal Statistical Office DESTATIS calculated the fall at 4.2 per cent, which is the steepest fall in costs of raw materials and industrial products since 1949. The fall was a surprise; economists had expected prices to continue to rise. The background is probably an easing on the energy market, and the weakening economy may also have made itself felt. Since May 2020, producer prices had only risen. Experts expect that the current fall will be passed on to consumers, which could also indicate a weakening in inflation, see BR (Bavarian Radio) report of 21.11.2022, 12 noon.

2 Primary markets - standard plastics

The looming recession is paralysing. In addition, it is difficult for plastics processors to correctly estimate the higher costs for energy (electricity, natural gas), CO₂ pricing and staff in advance and consequently then act against them. A very high supply of standard plastics is countered by extremely subdued demand. The producers' and processors' warehouses are replete with stocks, which is another reason why there are only few orders. The flow of plastics from manufacture is stagnating. The plastics processors can achieve more favourable prices in negotiations than those stated in the reports. Spot markets are becoming more important. Plastic markets are determined by demand.

In November, crude oil prices are falling sharply and, as a consequence, precursors are becoming cheaper. Are the prices for new plastics stabilising, then? In October 2022 the EUWID average price of 1,694 €/t was only 23 €/t lower than in the previous month (1,717 €/t), see Table 1. This indicates price stability. In a year-on-year comparison, it can be seen that the average quotes from October 2022 (1,694 €/t) were 140 €/t lower than those of the previous year (1,834 €/t), see EUWID. www.euwid-recycling.de. The quotes for LDPE, LLDPE, PP and PVC each fell in price by an average 50 €/t. The quote for PS rose by an average 13 €/t and that for HDPE by as much as 38 €/t.

PET: The PET market is very well supplied with European goods and imports. Large supply of PET is countered by only low demand. The move into processing is stalling because demand for goods from private and commercial consumers is falling due to the recession. Hopes for improvement now lie with Christmas business. Packaging PET was quoted at an average price of 1,530 €/t in October 2022, and thus 80 €/t lower than in the previous month, see <https://www.pieweb.plasteurope.com/>.

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

Prices in €/t	October 2022	Sept. 2022	Aug. 2022	July 2022	June 2022
LDPE film grade	1550- 1650	1600- 1700	1650- 1800	1750- 1900	1850- 2000
LLDPE film grade	1450- 1650	1550- 1700	1600- 1750	1700- 1850	1800- 1950
HDPE injection moulding	1450- 1550	1400- 1550	1450- 1650	1550- 1700	1700- 1900
HDPE blow moulding	1400- 1550	1350- 1500	1400- 1600	1500- 1700	1650- 1850
PS crystal clear	1850- 1950	1850- 1950	2050- 2150	2450- 2550	2450- 2550
PS high impact	1900- 2050	1900- 2000	2100- 2200	2500- 2600	2500- 2600
PP homopolymer	1630- 1780	1680- 1830	1880- 2030	2030- 2180	2150- 2350
PP copolymer	1680- 1830	1730- 1880	1930- 2080	2080- 2230	2200- 2500
PVC tube grade	1630- 1730	1680- 1780	1730- 1830	1790- 1890	1860- 1950
PVC film/cables	1750- 1850	1800- 1900	1840- 1940	1890- 1990	1950- 2050
Average Price	1694 ± 177	1717 ± 181	1833 ± 230	1992 ± 332	2091 ± 294

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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 November 2022; they will not become definitive until early December 2022. The two quotes stated for November 2022 below therefore indicate only an interim situation, see the left-hand column in Table 2 and Table 3.

3.1 plasticker: Standard plastics

Following the brief halt to the price falls in September, the price corrections continued in October. In October, the standard plastics were quoted at an average 783 €/t and were thus 21 €/t higher than the average quote for September of 804 €/t, see Tab. 2. The average price for October 2022 (783 €/t) was 234 €/t above that of the previous year (549 €/t). The October price index is characterised by subdued demand for plastic.

There were significant price changes of greater than ±40 €/t for: HDPE regranulates +80 €/t, LDPE bale goods -120 €/t, PP bale goods -70 €/t, PP regrind +110 €/t, PP regranulates -170 €/t, PS regrind -70 €/t, PS regranulates -240 €/t and PET bale goods -50 €/t.

The probable average price in November 2022 (734 €/t) is quoted 49 €/t lower than in the previous month (783 €/t) see Table 2. The price index of 11.11.2022, shows adequate demand for plastic to date.

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

	November ⁶ 22	October 22	Sept. 22	August 22	July 22	Oct. 21
HDPE regrind ¹	710	760	770	780	1020	570
HDPE regranulates ⁵	940	1060	980	1080	1250	880
LDPE bale goods ²	260	150*	270	290	330*	170*
LDPE regrind ¹	520*	600*	560*	500*	610*	340
LDPE regranulates ⁵	930	990	990	910	1120	740
PP bale goods ³	340*	400*	470*	230*	160*	570*
PP regrind ¹	850	900	790	750	830*	650
PP regranulates ⁵	1060	1130	1300	1480	1520	970
PS regrind ⁴	960*	1030*	1100*	750*	1110*	700
PS regranulates ⁵	1190	1230	1470*	1640	2130	920
PVC_P regrind ¹	860*	1010*	900*	620*	880*	360*
PVC_U regrind ¹	760*	810*	720*	700*	750*	0*
PET bale goods	350	400	450*	360*	90*	290*
PET regrind mixed colours	520	490	480	560	720	520
Average Price	(734)	783	804	761	894	549

*: 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

For October 2022, there was an average price of 1,904 €/t, which was 28 €/t lower than that of the previous month (1,932 €/t), see Table 3. This indicates price stability for technical plastics: The average price for October 2022 (1,904 €/t) was 351 €/t above that of the previous year (1,553 €/t).

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There were significant price changes of greater than ± 70 €/t for: ABS regranulates -180 €/t, PC regrind +70 €/t, PC regranulates +150 €/t, PBT regrind -100 €/t, PBT regranulates -220 €/t, PA 6.6 regrind -120 €/t and POM regranulates +90 €/t. The price index for October 2022 is characterised by subdued demand for plastic.

The probable average price in November 2022 (1,910 €/t) is thus almost identical to that of the previous month (1,904 €/t). The price index of 11.11.2022 shows subdued demand for plastic.

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

	November ⁶ 22	October 22	Sept. 22	August 22	July 22	Oct. 21
ABS regrind	850	1010	1040	960	1270	680
ABS regranulates ⁵	1880	1810	1990	2390	2340	1810
PC regrind	1300*	1340	1270	1210	1190*	950
PC regranulates ⁵	2800	2670	2520	2700	2660	2230
PBT regrind	680*	720*	820	690	830*	540
PBT regranulates	2390	2040	2260	2510	2330	2210
PA 6 regrind	1140	1130	1110	1060	920*	890
PA 6 regranulates ⁵	3040	3050	3050	3100	2990	2360
PA 6.6 regrind	1180*	1290	1410	1410	1200*	930
PA 6.6 regranulates ⁵	3790	3500	3520	3570	3940	2980
POM regrind	850	900*	890	830	810*	730
POM regranulates ⁵	3020	3390	3300	3470	3480	2330
Average Price	(1910)	1904	1932	1992	1997	1553

*: Supply figure too low to attain statistical significance; ⁵: equivalent to the grade "regranulates, black";
⁶: preview (may be amended by additional quotes)

4 Secondary plastics markets

The price indices from PIE – Plastics Information Europe, EUWID and plasticker are currently proving their worth with the price trends that they reveal. But, with their demand, the plastics processors are also determining the prices actually paid. Only the best grades find buyers. Low purchasing prices for the processing input can cushion the tremendous price pressure to which the recyclers are exposed. We register greatly fluctuating prices, both in the waste markets and for recyclates. These volatilities are very difficult for plastics recyclers to keep up with. As a result, there is a risk of plant downtime or sales and takeovers.

In a comparison of EUWID and plasticker for standard plastics in October, EUWID identified only minor price changes, thus indicating price stability, whereas plasticker showed much more marked price falls. Technical plastics are quoted as stable in plasticker. Plastic demand is subdued in both EUWID and in plasticker.

4.1 Plastic wastes - processing input

Plastics recyclers are well supplied with processing input. The quotes in EUWID and plasticker for bale goods, in this case PE and PP, remain roughly the same. Surprisingly, EUWID actually quotes higher prices for bale goods of PE post user. In imports and exports, we can see that European markets are gaining in importance. Exports from countries outside the EU are increasingly losing importance.

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4.2 Recyclates

Virgin grade prices are falling and, therefore, recyclate prices are also falling. The demand for recyclates is subdued. Since there is good availability of virgin grade, and prices are falling sharply, plastics processors are increasingly using it again. PE regrinds have fallen by an average of 13 €/t, PP regrinds by 20 €/t, PS regrinds by 17 €/t and PVC regrinds by 14 €/t, see EUWID price index.

4.3 PET Recycling

There are plentiful quantities of both PET virgin grade and used PET bottles in the markets. And foreign goods are also flooding onto the German markets. Processors are storing large quantities of PET bottles because sales of manufacturing grades (flakes and regranulates) are sluggish. And recyclates are still quoted as more expensive than virgin grades.

After the steep rise in prices for used PET single-use bottles up to June 2022, since August the trend has been towards falling prices. In October, too, the prices for used PET single-use bottles have fallen significantly: PET transparent -180 €/t, PET mixed -170 €/t and PET coloured -90 €/t. Detailed monthly reports on the PET prices for virgin grade and used bottles can be found in EUWID and PIE 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-recycling.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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