bvse market report: plastics, February 2023

1 The general economy

The ifo business climate index for Germany for January 2023 has been published, see www.ifo.de/fakten/2023-01-25/ifo-geschaeftsklimaindex-gestiegen-januar-2023. The mood in German board rooms has brightened. The ifo business climate index rose to 90.2 points in January, following on from 88.6 points in December. This is due to much less pessimistic expectations. However, companies were much more dissatisfied with current business. The German economy is starting the new year with confidence.

In the manufacturing sector, the index continued its upward movement. Companies assess their current business situation as better. Furthermore, expectations for the first half of the year brightened noticeably. Order volumes are falling, but are still at a high level. Production should rise in the months ahead.

2 Primary markets - standard plastics

In January, the demand for primary plastics is subdued; the market reports from EUWID and PIE - Plastics Information Europe agree on this. The winter break is often continuing. Supply is assessed as sufficient to meet the subdued demand. Production is steady. However, processors' warehouses are slowly emptying.

It is positive that there are initial indications of higher demand for plastic in February. There should be strong demand for technical plastics then. But the market situation should also improve for standard plastics. Overall, there is no new impetus for the plastics processing industry.

Since April 2022 (2,255 €/t) the prices of standard plastics have been falling continuously. In January 2023 the EUWID average price of 1,569 €/t was 45 €/t lower than in the previous month (1,624 €/t), see Table 1. In a year-on-year comparison, it can be seen that the average quotes from January 2023 (1,569 €/t) were as much as 402 €/t lower than those of the previous year (1,971 €/t), see EUWID, www.euwid-recycling.de. The quotes for PE plastics fell by an average 100 €/t, PP by 100 €/t, and PVC by 75 €/t. PS was traded by an average 100 €/t more.

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

Prices in €/t	January 2023	Dec. 2022	Nov. 2022	Oct. 2022	Sept. 2022
LDPE film grade	1440- 1540	1540- 1640	1570- 1670	1550- 1650	1600- 1700
LLDPE film grade	1300- 1520	1400- 1620	1450- 1650	1450- 1650	1550- 1700
HDPE injection moulding	1320- 1420	1420- 1520	1450- 1550	1450- 1550	1400- 1550
HDPE blow moulding	1280- 1430	1380- 1530	1400- 1550	1400- 1550	1350- 1500
PS crystal clear	1850- 1900	1750- 1800	1850- 1900	1850- 1950	1850- 1950
PS high impact	1900- 2000	1800- 1900	1900- 2000	1900- 2050	1900- 2000
PP homopolymer	1500- 1600	1600- 1700	1630- 1760	1630- 1780	1680- 1830
PP copolymer	1550- 1650	1650- 1750	1680- 1810	1680- 1830	1730- 1880
PVC tube grade	1460- 1510	1510- 1610	1580- 1680	1630- 1730	1680- 1780
PVC film/cables	1580- 1630	1630- 1730	1700- 1800	1750- 1850	1800- 1900
Average Price	**1569 ± 205**	**1624 ± 141**	**1679 ± 164**	**1694 ± 177**	**1717 ± 181**

PET: Demand for packaging PET is still low and supply high. Demand for PET is low, both due to the recession and for seasonal reasons. Packaging PET was quoted at an average price of 1,380 €/t in January 2023, and thus 80 €/t lower than in the previous month. The current PET quotes refer to the information from EUWID www.euwid-recycling.de and from PIE – Plastics Information Europehttps://www.pieweb.plasteurope.com/.

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 February 2023; they will not become definitive until early March 2023. The two quotes stated for February 2023 below therefore indicate only an interim situation, see the left-hand column in Table 2 and Table 3.

3.1 plasticker: Standard plastics

Are we seeing price stability or even the first signs of a reversal of the trend in the quotes for January 2023? The standard plastics were quoted at an average 729 €/t in January 2023 and were thus 13 €/t higher than the average quote for December 2022 of 716 €/t, see Tab. 2. The average price for January 2023 (729 €/t) was 12 €/t above that of the previous year (717 €/t). The price index for January is characterised by low demand for plastic. The low demand is also due to the extended Christmas break.

There were significant price changes of greater than ±40 €/t for: HDPE regrind +110 €/t, PP regranulates -120 €/t and PET regrind mixed colours -90 €/t. Considerations of price changes with supply figures that are too low are not included here.

The probable average price in February 2023 (747 €/t) is thus 18 €/t higher than in the previous month (729 €/t), see Tab. 2. The price index of 15.02.2023, shows subdued demand for plastic.

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

	February[6] 23	**January 23**	**Dec. 22**	**Nov. 22**	**Oct. 22**	**January 22**
HDPE regrind[1]	770	760	650	720	760	750
HDPE regranulates[5]	1030	1020	1020	960	1060	1050
LDPE bale goods[2]	420*	270*	440*	310	150*	470*
LDPE regrind[1]	510*	480*	490*	520*	600*	480*
LDPE regranulates[5]	880	850	890	940	990	1020
PP bale goods[3]	400*	510*	480	380	400*	-
PP regrind[1]	760	780	770	840	900	650*
PP regranulates[5]	1210	1070	1190	1090	1130	1590
PS regrind[4]	780*	690*	800*	870*	1030*	720*
PS regranulates[5]	1200	1210*	1230	1220	1230	1270
PVC_P regrind[1]	730*	850*	440*	860*	1010*	690*
PVC_U regrind[1]	660*	640*	520*	730*	810*	630*
PET bale goods	430	470*	410*	400	400	0*
PET regrind mixed colours	680	610	700	550	490	720
Average Price	**(747)**	**729**	**716**	**742**	**783**	**717**

*: 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

A reversal in the trend in technical plastics is emerging. The previous price fall could have come to an end now. For January 2023, there was an average price of 2,060 €/t, which was 251 €/t higher than that of the previous month (1,809 €/t), see Table 3. The average price for January 2023 (2,060 €/t) was 82 €/t above that of the previous year (1,978 €/t).

Marked price changes can be seen in the individual commodities. There were significant price changes of greater than ±70 €/t for: ABS regrind +170 €/t, ABS regranulates +80 €/t, PC regrind +90 €/t, PC regranulates +200 €/t, PBT regrind +220 €/t, PBT regranulates +1270 €/t, POM regrind +250 €/t and POM regranulates +640 €/t. NB! The marked price rise for PBT regranulates. The price rise for POM regranulates almost completely balances out the losses of the two previous months. The January 2023 price index is characterised by still subdued demand for plastic, with a marked upward trend.

The probable average price in February 2023 (2,217 €/t) is thus 157 €/t higher than in the previous month (2,060 €/t). The price index of 15.02.2023 shows good demand for plastic.

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

	February[6] 23	January 23	Dec. 22	Nov. 22	Oct. 22	January 22
ABS regrind	1100	1020	850	840	1010	1060
ABS regranulates[5]	2130	1810	1730	1820	1810	2330
PC regrind	1480	1450	1360*	1310*	1340	1240
PC regranulates[5]	3370	2710	2510	2820	2670	3180
PBT regrind	1000*	900*	680*	700*	720*	760*
PBT regranulates	3730	3560	2290*	2310	2040	2690
PA 6 regrind	1010	1120*	1050*	1070	1130	960*
PA 6 regranulates[5]	3160	3090	3070	3020	3050	2600
PA 6.6 regrind	1370	1370*	1350*	1180*	1290	1110*
PA 6.6 regranulates[5]	3960	3770	3790	3760	3500	3320
POM regrind	990*	990*	740*	860	900*	1060*
POM regranulates[5]	3300	2930	2290	2790	3390	3430
Average Price	**(2217)**	**2060**	**1809**	**1873**	**1904**	**1978**

*: 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 situation on the secondary markets is still very calm. Plastics recyclers are slowly returning from the Christmas break. Facilities are often only running on part load. This is another reason why there is little movement in the plastics markets.

In EUWID, the used plastics market is quoted broadly stable. Overall, EUWID indicates only small price changes, of around 10 €/t to 20 €/t. Often, the price adjustments are only one-sided.

For January, plasticker shows a trend reversal in demand for technical plastics, whereas the upswing for standard plastics can be called subdued. For February, plasticker reports much higher demand for technical plastics – and prices are rising as a consequence. In February, standard plastics will probably be quoted somewhat higher.

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4.1 Plastic wastes

Plastics recyclers are starting their facilities up again. As a result, the demand for selected plastic wastes is livening up a little. However, large supply of plastic waste is faced by only low demand from the recyclers. Only good grades of plastic wastes made of PP and PS are being sold. The price of PE film wastes is falling by around 10 €/t. There is adequate demand for good film, whereas thin film is selling poorly. PS production wastes show average price rises of around 12 €/t. PVC wastes are proving to be stable; only selected PVC production wastes are traded slightly higher.

4.2 Recyclates

The recyclers have been back in production since late January. Recyclates are now increasingly appearing of the markets again. PIE - Plastics Information Europe reports on low demand from plastics processes for regranulates of standard plastics in January and February - and this causes further falling recyclate prices. Or, to put it another way, the falling recyclate prices are caused by large supply, low demand and low prices for new goods.

In January, the regrinds of PE and PP are valued by 10 €/t to 20 €/t lower than in the previous month in the EUWID price index. Regranulates of PP and PS are finding a market; there is sufficient demand for these recyclates. In the case of PS, regrinds are being traded at up to 20 /t more than in the previous month.

4.3 PET Recycling

There has been good availability of PET virgin grade for several months. And virgin grade prices are also falling. As a consequence, plastics processors are once again discontinuing recyclates and switching to low-cost virgin grade. And once again recyclate are being equated with inadequate quality that would not meet the requirements of the processors - recyclates as the poor relations.

In January, the PET recyclers are still on their winter break. Due to the strong demand for processing material, there is good availability of beverage bottles. In January, the prices for used PET single-use bottles have therefore fallen further. The relative price changes are: PET transparent -50 €/t, PET mixed -60 €/t and PET coloured -70 €/t.

The falling prices for virgin grade and the good supply of processing grades are putting pressure on recyclate prices, in this case flakes and regranulates. There is no change to the current situation in sight. Detailed monthly reports on the PET prices for virgin grade and used beverage 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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