bvse market report: plastics, May 2024

1 General economy and reference to the plastics industry

ifo business climate index Germany: The mood among companies in Germany has not changed in comparison to the previous month. The ifo business climate index in May stayed put at 89.3 points. Companies were less satisfied with their current business situation. However, expectations have brightened. Industry, commerce and construction are recovering, whereas service providers have suffered a setback. The German economy is gradually working its way out of the crisis.

In the manufacturing sector, the business climate has improved for the third time in succession. Companies were markedly more satisfied with current business. And the outlook to the months ahead was less pessimistic than in the previous month. However, incoming orders overall were still falling.

2 Primary markets - standard plastics

The upwards trend in standard plastics has come to a halt. The quotes are inconsistent with price rises, unchanged quotes and price falls. The supply of plastics has improved, but demand has failed to materialise. And the German economy is still weak. Germany is characterised by high costs, in this case for energy, wages and raw materials, as well as by a great deal of excessive bureaucracy.

In April 2024, the EUWID average price of 1,514 €/t was therefore 14 €/t higher than in the previous month (1,500 €/t), see Tab. 2. In a year-on-year comparison, it can be seen that the average quotes from April 2024 (1,514 €/t) were only 27 €/t lower than those of the previous year (1,541 €/t).

The plastic quotes changed on average as follows: LDPE by -10 €/t, HDPE by -10 €/t, PP by +35 €/t, PS by +30 €/t and PVC by +20 €/t. The current market situation for standard plastics is portrayed well in EUWID, see www.euwid-recycling.de, and PIE – Plastic Information Europe, see https://pieweb.plasteurope.com/.

Table 2: Standard plastics prices according to EUWID over the past five months, listed in €/t.

Prices in €/t	April 2024	March 2024	Feb. 2024	Jan. 2024	Dec. 2023
LDPE film grade	1360- 1420	1340- 1440	1310- 1390	1210- 1240	1200- 1220
LLDPE film grade	1330- 1420	1330- 1420	1300- 1370	1200- 1250	1190- 1230
HDPE injection moulding	1340- 1400	1350- 1410	1300- 1360	1200- 1240	1190- 1240
HDPE blow moulding	1330- 1410	1340- 1420	1290- 1370	1190- 1250	1180- 1250
PS crystal clear	1980- 2050	1950- 2030	1750- 1830	1600- 1680	1600- 1680
PS high impact	2120- 2150	2080- 2130	1880- 1930	1730- 1780	1730- 1780
PP homopolymer	1450- 1580	1430- 1530	1380- 1460	1330- 1410	1330- 1390
PP copolymer	1500- 1630	1480- 1580	1430- 1510	1380- 1460	1380- 1440
PVC tube grade	1090- 1190	1070- 1170	1060- 1160	1060- 1160	1080- 1180
PVC film/cables	1220- 1320	1200- 1300	1190- 1290	1190- 1290	1210- 1310
Average Price	**1514 ± 315**	**1500 ± 306**	**1428 ± 240**	**1343 ± 205**	**1341 ± 204**

PET: markets are consolidating. European markets are manufacturing at an adequate level. And the European markets are also supplied with Asian goods, which are mainly transported on the long sea route around Africa.

Demand from processors has slightly improved. Hopes that demand from private consumers with rise are based on the Football European Championships and the start of the holidays. However, the drastic price rises for soft drinks mean that larger containers are being bought instead of lots of small bottles. There are also behavioural shifts, away from expensive sodas to cheaper alternatives, such as mineral water. The high mark-up on branded products also means that the consumer is greatly restricting his consumption of drinks.

The trend towards PET as a packaging material is continuing. In the food sector in particular, PET trays are being increasingly used. The trend towards PET bottles can also be seen in the non-food sector. However, these positive effects for PET as a packaging material are lessened by the trend towards alternatives such as paper compounds or, even worse, fibre compounds.

In April 2024 packaging PET was quoted on average at 1,260 €/t. And the price of PET has therefore fallen by 25 €/t in comparison with the previous month, see PIE – Plastic Information Europe https://pieweb.plasteurope.com/. An excellent analysis of the European PET market can be found in Plastic Information Europe, 2718, 2024, p. 1-2.

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 2024 here; they will not become definitive until early June 2024. The two quotes stated for May 2024 below indicate only an interim situation, see the left-hand column in Table 3 and Table 4.

3.1 plasticker: Standard plastics

Standard plastics were quoted at an average 609 €/t in April 2024 and were thus almost identical to the average quote for the previous month of 618 €/t, see Tab. 3. The average price for April 2024 (609 €/t) was 68 €/t below that of the previous year (677 €/t). The April price index showed worse demand in comparison to the previous month.

Overall, there is a great deal of movement in the individual plastic prices. There were significant price changes of greater than ±40 €/t for: LDPE bale goods at -110 €/t, LDPE regrinds at -160 €/t, LDPE regranulates at +50 €/t, PP bale goods at -100 €/t, PS regrind at +50 €/t, PS regranulates at +70 €/t and PET regrind at -180 €/t. Those price changes for which supply figures were too low (*) for statistical significance are not included here.

The probable average price in May 2024 (614 €/t) is thus roughly the same as the previous month (609 €/t), see Tab. 3. The price index of 13.05.2024, shows continued subdued demand for plastic.

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

	May[6] 24	April 24	March 24	Feb. 24	Jan. 24	April 23
HDPE regrind[1]	650	620	620	570	580	660
HDPE regranulates[5]	990	980	960	860	840	990
LDPE bale goods[2]	240*	280*	390	260*	230*	190*
LDPE regrind[1]	420*	410	570*	550*	560*	410*
LDPE regranulates[5]	820	860	810	730	810	870
PP bale goods[3]	200*	210	310	210	230	280
PP regrind[1]	610	630	660	620	600	750
PP regranulates[5]	940	920	900	840	830	1000
PS regrind[4]	750	760	710	770	740	810*
PS regranulates[5]	850	820	890	900	830	1250
PVC_P regrind[1]	860*	870*	420*	630	610	760*
PVC_U regrind[1]	580*	480*	480	620	610	730*

PET bale goods	300*	320*	380*	260	260*	230*
PET regrind mixed colours	380*	370	550	420	380	550
Average Price	**(614)**	**609**	**618**	**589**	**579**	**677**

*: 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 April 2024, there was an average price of 1,564 €/t, which was 62 €/t lower than that of the previous month (1,626 €/t), see Table 4. The average price for April 2024 (1,564 €/t) was 319 €/t below that of the previous year (1,883 €/t).

There were significant price changes of greater than ±70 €/t for: PC regrind -110 €/t, PBT regranulates -290 €/t and PA 6 regrind -230 €/t. The April price index is characterised by subdued demand for plastic.

The probable average price in May 2024 (1,608 €/t) is thus 44 €/t higher than in the previous month (1,564 €/t). The price index of 13.05.2024 shows subdued demand for plastic.

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

	May[6] 24	**April 24**	**March 24**	**Feb. 24**	**Jan. 24**	**April 23**
ABS regrind	670	710	750	750	800	930
ABS regranulates[5]	1400	1390	1460	1340	1230	1640
PC regrind	1140	1140	1250	1220	1250	1410
PC regranulates[5]	2180	2110	2170	1980	2220	2620
PBT regrind	790	840	790	670	660*	760
PBT regranulates	1950	2020	2310	2270	2330	2620
PA 6 regrind	780	700	930	910	940	1080*
PA 6 regranulates[5]	2420	2320	2380	2360	2340	2860
PA 6.6 regrind	960*	1010	1030	880	980	1310
PA 6.6 regranulates[5]	3100	2920	2900	3080	3160	3620
POM regrind	850	870*	860	680*	680*	1020*
POM regranulates[5]	3060	2740	2680	2720	2820	2720
Average Price	**(1608)**	**1564**	**1626**	**1572**	**1618**	**1883**

*: 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 mood in recycling standard plastics is still subdued. There are still no real market impulses. In April and May, recyclers are not manufacturing at full capacity. Plastic recyclers are using niches. Some demand for recyclates has resulted from the transport by ship from Asia to Europe by means of the diversion around South Africa, which is still necessary. The transport of goods through the Panama Canal has also been much more difficult because of low water. However, since the end of May, cheap virgin grade from Asia has been entering the market again.

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4.1 Recycling standard plastics

Waste plastics: To date, the price rises for virgin grades have hardly had any impact on the prices for secondary plastics. The April price index for waste plastics in Germany in EUWID is showing slight price rises for selected quotes of PE and PP, especially film, see www.euwid-recycling.de. PVC and PS were quoted at unchanged prices. The markets are constantly being changed by switching packagings from PE to PP and vice versa.

EUWID, bale goods – film: The price rises for film are due to the structural shortage. Or, to put it another way, there is a film shortage because private and commercial demand for goods is sluggish. The PE film bale goods from post user waste recorded price rises, which were between 10 €/t and 15 €/t on average.

EUWID, regrinds: in April and May, there was demand for regranulates to compensate for the transport delays mentioned above. This special effect petered out in June. In the quotes for PE and PP production wastes, only a few selected grades were quoted slightly higher. The price rises are on average 5 €/t to i5 €/t.

plasticker: The quotes for standard plastics indicate price stability for April. Bale goods are quoted much lower, whereas granulates are slightly higher. The April price index showed worse demand in comparison to the previous month.

PIE – Plastic Information Europe, regranulates: In PIE – Plastic Information Europe, too, the regranulates were quoted higher in April 2024. The premium grades of regranulates quoted here recorded average price rises of 10 €/t to 30 €/t, see https://pieweb.plasteurope.com/.

4.2 Recycling technical plastics

The markets for technical plastic recyclates can be described as inconsistent or fragmented. Whereas demand for recyclates is good in some segments, other segments are very weak. Nevertheless, there are increasing signs that the technical plastics sector is consolidating.

plasticker: in April, the technical plastics recyclates were quoted an average 62 €/t lower than in the previous month. The April price index is characterised by subdued demand for plastic.

PIE – Plastic Information Europe, regranulates: In PIE – Plastic Information Europe, too, the regranulates were quoted much higher in April 2024, see . The premium grades of regranulates quoted here recorded average price rises of 10 €/t to 85 €/t, see https://pieweb.plasteurope.com/.

4.3 PET recycling

There is once again a great deal of movement in the markets for PET recyclates. Positive impulses can still be seen for recyclates. The demand for rPET is strong among processors. There is particular demand for clear flakes. Clear flakes (1210 €/t to 1250 €/t) are slightly cheaper than virgin grade. In beverage bottle manufacture, the preform manufacturers are optimising their facilities for the use of recyclates. The statutory requirements arising from the SUPD for 2025, with an average recycling rate use of 25 % are taking effect here.

PET recyclers are expecting a marked rise in demand for beverage bottles. The rise in demand is due to the Football European Championships; the PET beverage bottles are used at fan zones and celebrations in parks. Moreover, the start of the holidays together with higher temperatures should increase the use of drinks outdoors.

For PET recyclers, there is sufficient input of beverage bottles. Nevertheless, rising demand leads to price increases for used bottles. In April 2024, the relevant price changes for used PET single-use deposit bottles are: PET transparent +40 €/t, PET mixed +30 €/t and PET coloured +15 €/t, see EUWID. 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. EUWID: No guarantee for any of the prices here; 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

A detailed discussion with information of price indices for virgin grades and waste plastics as well as precursor products can be found in PIE – Plastics Information Europe, see www.kiweb.de. For virgin grades, the indices for standard plastics (Plastixx ST) and technical plastics (Plastixx TT) provide a good overview of the price trends. Pieweb quotes the monthly regranulates prices for standard plastics and technical plastics in the secondary markets. For secondary plastics, there are also details on PET, in this case flakes (flakes transparent, flakes mixed colours) as well as transparent regranulates.

Bonn, Friday, 28. June 2024 Dr. Thomas Probst, bvse