bvse market report: plastics, August 2024

1 General economy and reference to the plastics industry

The ifo business climate index Germany published the results of the ifo economic survey in July 2024, see https://www.ifo.de/fakten/2024-07-25/ifo-geschaeftsklimaindex-gefallen-juli-2024. The ifo business climate index has fallen. The mood among companies in Germany has deteriorated noticeably. It fell to 87.0 points in July, following on from 88.6 points in June. Companies were less satisfied with current business. And scepticism has also increased markedly with regard to the months ahead. The German economy is firmly stuck in a crisis.

The business index has fallen sharply in the manufacturing sector. Assessments of the current situation, in particular, were much worse. And expectations were negative. Incoming orders were falling again. Capacity utilisation has fallen to 77.5 % and is therefore 6 % below the long-term average value.

2 Primary markets - standard plastics

In July and August, increased demand for standard plastics were reported, which mainly had strategic reasons. For example, it was a matter of plastics processors building up their stocks to ensure that they could produce. There are still uncertainties and delays in plastic imports from the Far East. Transport has become more expensive; there is a shortage of containers. The European plastic supply, which has been regulated by shortages, is causing the processors to worry about the ability to deliver. And there is also uncertainty about political developments in the Middle East.

In July 2024, the EUWID average price of 1,423 €/t was therefore 21 €/t lower than in the previous month (1,444 €/t), see Tab. 2. In a year-on-year comparison, it can be seen that the average quotes from July 2024 (1,423 €/t) were 86 €/t higher than those of the previous year (1,337 €/t).

The quotes for PS plastics fell by an average -85 €/t and PVC rose by +10 €/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	July 2024	June 2024	May 2024	April 2024	March 2024
LDPE film grade	1250- 1350	1250- 1350	1320- 1390	1340- 1420	1340- 1440
LLDPE film grade	1260- 1330	1260- 1330	1310- 1370	1330- 1420	1330- 1420
HDPE injection moulding	1290- 1320	1290- 1320	1320- 1360	1340- 1400	1350- 1410
HDPE blow moulding	1280- 1330	1280- 1330	1310- 1370	1330- 1410	1340- 1420
PS crystal clear	1750- 1880	1850- 1910	1880- 1940	1990- 2050	1950- 2030
PS high impact	1880- 1900	1980- 2010	2010- 2040	2120- 2150	2080- 2130
PP homopolymer	1390- 1510	1390- 1510	1430- 1550	1450- 1580	1430- 1530
PP copolymer	1440- 1560	1440- 1560	1480- 1600	1500- 1630	1480- 1580
PVC tube grade	1070- 1170	1060- 1160	1080- 1180	1090- 1190	1070- 1170
PVC film/cables	1200- 1300	1190- 1290	1210- 1310	1220- 1320	1200- 1300
Average Price	**1423 ± 247**	**1444 ± 281**	**1473 ± 280**	**1514 ± 315**	**1500 ± 306**

PET: The PET manufacturers are complaining about sluggish regranulates sales in Europe. And the PET processors expected much higher bottle sales. Although beverage sales are rising because of the warmer summer temperatures, evasive action is clear here, too. Public water fountains are supplying the public in the long term. Larger containers are preferred over expensive smaller ones. The supply of European PET is sufficient, even though imports from the Far East are still slow because the sea route through the Red Sea continues to be uncertain.

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In July 2024 packaging PET was quoted on average at 1,300 €/t. And thus 15 €/t higher than in the previous month, see PIE – Plastic Information Europe https://pieweb.plasteurope.com/. The July quotes in EUWID are stable with May 2024; quoted on average 1,150 €/t for European films and bottle grade (A-PET and C-PET), see www.euwid-recycling.de.

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

3.1 plasticker: Standard plastics

Price stability for secondary plastics. In July 2024, standard plastics were quoted at an average price of 605 €/t and thus 23 €/t lower than in the previous month (628 €/t), see Tab. 3. The average price for July 2024 (605 €/t) was 30 €/t below that of the previous year (635 €/t). The price index for July shows a much lower demand than that of the previous month. We are in the middle of the summer break.

There were significant price changes of greater than ±40 €/t for: PP regranulates +90 €/t, PS regrind -110 €/t, PS regranulates +80 €/t and PVC_U regrind -80 €/t. Those price changes for which supply figures were too low (*) for statistical significance are not included here.

The probable average price in August 2024 (589 €/t) is therefore 16 €/t lower than the previous month (605 €/t), see Tab. 3. The price index of 12.08.2024 shows worse demand in comparison to the previous month, which is due to the summer break.

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

	August[6] 24	July 24	June 24	May 24	April 24	July 23
HDPE regrind[1]	560	560	570	640	620	630
HDPE regranulates[5]	950	950	960	960	980	940
LDPE bale goods[2]	500*	410*	480*	570*	280*	320
LDPE regrind[1]	390*	520*	500	430*	410	290*
LDPE regranulates[5]	820	780	820	790	860	890
PP bale goods[3]	200	190	210	180	210	280
PP regrind[1]	560	540	580	580	630	700
PP regranulates[5]	970	970	880	890	920	1060
PS regrind[4]	640*	650	760	760	760	790
PS regranulates[5]	960*	970	890	850	820	1070
PVC_P regrind[1]	-	730*	740*	860*	870*	500*
PVC_U regrind[1]	540*	580	660	480*	480*	660*
PET bale goods	110*	190*	240*	320*	320*	310
PET regrind mixed colours	410*	430*	500	390	370	450
Average Price	**(589)**	**605**	**628**	**621**	**609**	**635**

*: 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 July 2024, there was an average price of 1,578 €/t, which was 51 €/t lower than that of the previous month (1,629 €/t), see Table 4. The average price for July 2024 (1,578 €/t) was 234 €/t below that of the previous year (1,812 €/t).

There were significant price changes of greater than ±70 €/t for: PC regranulates +90 €/t, PA 6 regrind +100 €/t, PA 6.6 regranulates -80 €/t and POM regranulates -530 €/. NB! This is the lowest level of POM regranulates since 12/2022! The price index for July 2024 is still characterised by just about adequate demand for plastic.

The probable average price in August 2024 (1,637 €/t) is thus 59 €/t higher than in the previous month (1,578 €/t). The price index of 12.08.2024 shows subdued demand for plastic.

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

	August[6] 24	July 24	June 24	May 24	April 24	July 23
ABS regrind	630	650	700	680	710	820
ABS regranulates[5]	1420	1360	1390	1420	1390	1510
PC regrind	1030	1010	1010	1110	1140	1260
PC regranulates[5]	2550	2570	2480	2110	2110	2480
PBT regrind	700*	730	740	770	840	770
PBT regranulates	2460	2110	2160	2000	2020	2540
PA 6 regrind	1020*	920	820	780	700	1180
PA 6 regranulates[5]	2480	2410	2480	2290	2320	2410
PA 6.6 regrind	1050	970	940	960*	1010	1330
PA 6.6 regranulates[5]	2980	2690	2770	3020	2920	3600
POM regrind	830*	730*	740*	850	870*	730
POM regranulates[5]	2490	2790	3320	3160	2740	3110
Average Price	**(1637)**	**1578**	**1629**	**1595**	**1564**	**1812**

*: 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

Summer break! A longer summer break should be expected. The school holidays in Germany, across all of the federal states, last from mid-June to mid-September. Sharp price falls were reported for standard plastics, in this case regrinds and recyclates. And the prices for plastic wastes are continuing to fall.

The complaints about the Traffic Light Coalition's failed economic policy cannot be ignored. And the economic downturn is having a drastic effect on demand for plastic and thus on plastic recycling. Press falls for regrinds and regranulates have mainly been seen in PE and PP.

4.1 Recycling standard plastics

EUWID plastic wastes, in this case bale goods: The July price index for waste plastics in Germany is showing unchanged prices in comparison to the previous month for some film wastes. But for PE post user in particular, the price falls are especially clear, see www.euwid-recycling.de. These PE film bale goods from post user waste recorded price falls, which were 13 €/t on average across all quoted films. In export demand for film is falling, in this case to Turkey and the Far East.

EUWID, regrinds: The price falls for regrinds are noticeable. The average price falls for PE post user regrinds were 20 €/t. As far as PE production waste is concerned, the average price falls were 14 €/t and 18 €/t for PP.

plasticker: The quotes for standard plastics fell in July. The summer break is having a seriously damping effect on plastic recycling. The average price of standard plastics is continuing to fall. In July 2024, standard plastics were quoted by 23 €/t lower than in the previous month.

PIE – Plastic Information Europe, regranulates: In PIE – Plastic Information Europe, regranulates were quoted lower in July 2024. The premium grades of regranulates quoted here show, averaged over all grades, some prices staying the same, a few rises of 5 €/t to 10 €/t and mainly price falls of 5 €/t to 15 €/t, see https://pieweb.plasteurope.com/.

4.2 Recycling technical plastics

plasticker: Recyclates, in this case regrinds and regranulates, were quoted 51 € lower in July. The July price index is characterised by low demand. In August, demand for regranulates may improve. Some processors have low stocks of regranulates.

PIE – Plastic Information Europe, regranulates: In PIE – Plastic Information Europe, regranulates were quoted lower in July 2024. The premium grades of regranulates quoted here recorded only slight average price falls in the range of 5 €/t to 10 €/t, see https://pieweb.plasteurope.com/. Plastics processors report very different order books. Depending on the sector, processors' capacities vary greatly. However, the order situation is described as calm across the sector as a whole.

4.3 PET recycling

The PET markets in July: stability in PET recycling. In July, the demand for PET regrinds and PET regranulates has developed positively. The volumes of used PET bottles has also improved. Bottle manufacturers are also securing consignments of recyclates for implementation of the SUP in 2025.

For virgin grade, in this case granulates, the average value in PIE – Plastic Information Europe is 1,300 €/t. And EUWID cites an average value of 1,150 €/t for European films and bottle grade. Regranulates are valued at 1,555 €/ in PIE – Plastic Information Europe. Clear flakes are priced at 1,265 €/t in PIE – Plastic Information Europe and 1,275 €/t in EUWID.

Due to the adequate supply in Germany and in the EU Single Market, bottle prices remain unchanged. For PET recyclers, there is sufficient input of beverage bottles. In July 2024, the relevant price changes for used PET single-use deposit bottles were: PET transparent ±0 €/t, PET mixed -5 €/t and PET coloured -10 €/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.

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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, 6. September 2024 Dr. Thomas Probst, bvse