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After a very high volume and (mostly) busy month, the spot resin markets ended October with a whimper - activity dried up, offers accumulated and prices slid. The markets were ominously quiet, so we were pleasantly surprised mid-week to see November begin with a bang. Demand re-awakened and suppliers, some feeling a level of anxiety, were willing to deal on price to unload remaining inventory positions. As the effects of Hurricane Harvey subside, resin prices have been giving back some of the sharp storm premium that quickly developed. Most PE and PP grades slid back at least another penny this week, with larger losses finally seen in HDPE Injection grades which had earned the largest of premiums.

The major energy markets all moved higher, led by the Crude complex. WTI Crude Oil futures began on its lows and ended the week right near its highs. The Dec contract added a total of \$1.74/bbl, to settle Friday at \$55.64/bbl, the highest price for front month WTI since July 2015. Brent Oil gained nearly \$2/bbl to end the week at \$62.07/bbl. Natural Gas spent most of the week in the red, but a Friday rally brought the Dec contract to \$2.984/mmBtu, up a net \$.02/mmBtu. Spot Ethane added more than a cent to \$.2725/gal (\$.115/lb); Nov Propane, which was already several cents higher than expiring Oct, continued to rise and reached nearly \$.98/gal (\$.278/lb).

The spot monomer markets saw a fair amount of interest and prices moved around a bit, but relatively few completed transactions were seen. Ethylene for Nov delivery began under pressure and moved lower as the week wore on. It began below the previous week's value of \$.28+/lb, and ended down around \$.26/lb for at least a 2-cent loss. Spot Propylene was quiet at the end of Oct and gained a little strength as the calendar turned to Nov; PGP ended the week up a penny to \$.455/lb. October PGP contracts settled at the end of the month at \$.48/lb, a \$.015/lb increase, leveraging the higher prices during the first part of the month. This brought the 2 month PGP contract pop to \$.085/lb.

The spot Polyethylene market was quiet to begin the week, but perked up and became quite busy, though all commodity PE pricing was softer. While market participants talked prices lower due to the onslaught of fresh supplies from new production and the imminent return of the last major PE plant downed by Hurricane Harvey, reality also set in when seeking certain grades that remained snug for immediate shipment. We began to see a bifurcated market develop, with distinctly different pricing for prompt availability versus cheaper levels for shipments 2-3 weeks out. It will be interesting to see if the extra 3-cent contract increase, beyond the \$.07/lb that is firmly in place, will fully take hold market wide.

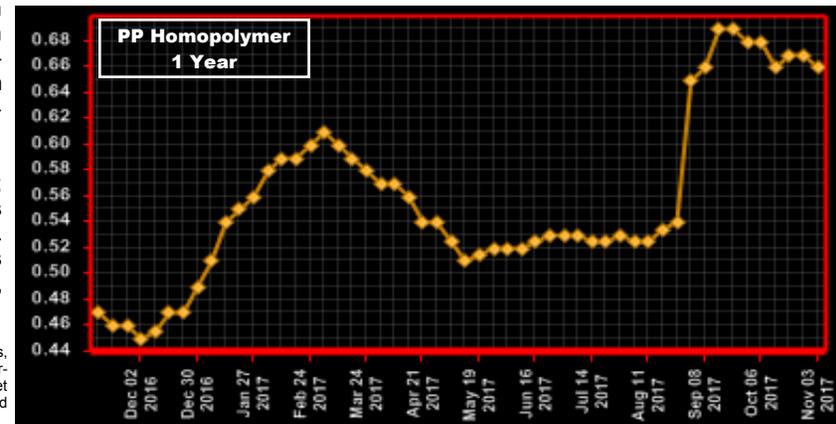
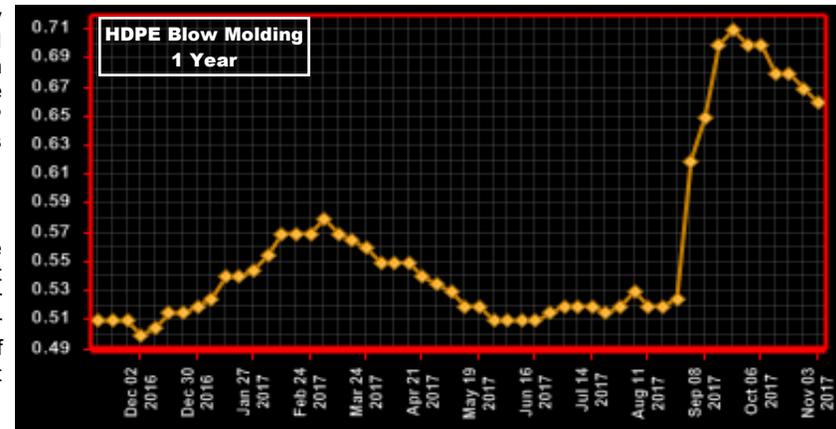
With peak pricing behind us, the continued flow of PE import offers seemed out of place. Even though asking prices had dropped to seemingly enticing levels, overseas transit times now present too much risk to procure and import. On the other hand, Houston export prices are still too high to garner demand for large incremental orders, so the import/export markets are in flux. We anticipate Houston prices to drop as upstream supplies build and the target export markets are tapped as originally intended to soak up much of the new Polyethylene production.

The Polypropylene market saw several good surges of activity, though trade was often inconsistent; prices remain elevated, but overall gave back the penny gained in the previous week. PP contracts were up in October, averaging a 2-3 cent gain, including the \$.015/lb cost-push bump from monomer. Prime supplies generally remained tight and prices were mostly firm, while offgrade availability was better which led to those prices wavering. We are seeing some sharp discounts for low-end offgrade, cheap enough to be sent offshore; it seems to be keeping the market in good balance, at a minimum.

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Market Update — November 3rd, 2017

Resin for Sale 12,482,948 lbs		Spot Range		TPE Index	
Resin	Total lbs	Low	High	Bid	Offer
HDPE - Inj	1,976,852	\$ 0.590	\$ 0.750	\$ 0.660	\$ 0.700
PP Homo - Inj	1,657,564	\$ 0.600	\$ 0.695	\$ 0.620	\$ 0.660
LLDPE - Film	1,599,564	\$ 0.590	\$ 0.680	\$ 0.580	\$ 0.620
PP Copo - Inj	1,459,656	\$ 0.600	\$ 0.740	\$ 0.650	\$ 0.690
HDPE - Blow	1,435,472	\$ 0.610	\$ 0.685	\$ 0.620	\$ 0.660
HMMWPE - Film	1,218,644	\$ 0.630	\$ 0.690	\$ 0.620	\$ 0.660
LDPE - Inj	1,114,736	\$ 0.625	\$ 0.720	\$ 0.660	\$ 0.700
LDPE - Film	1,076,368	\$ 0.600	\$ 0.700	\$ 0.610	\$ 0.650
LLDPE - Inj	944,092	\$ 0.680	\$ 0.700	\$ 0.660	\$ 0.700



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