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The spot resin markets remained busy, although activity slowed somewhat from the feverish pace seen the past few weeks. The flow of resin offers was also reduced; however all commodity grades of Polyethylene are still easily accessible. Prices were mixed again, Polyethylene was about steady on average, some grades continued weaker, while others firmed. Polypropylene supplies are still fairly snug and spot prices made meaningful gains. Export markets are showing stronger signs of life, inspired by the rise in crude oil and international feedstock costs.

The major energy markets all moved higher, each transacting in wide trading ranges of more than 10%. April rolled to the front month for WTI Crude Oil, the futures contract settled the week up \$1.17/bbl to \$53.67/bbl. April Brent Crude Oil rallied \$2.84/bbl to settle Friday at \$61.52/bbl. Natural Gas posted an 8% gain, rising \$.21/mmBtu to \$2.812/mmBtu. Spot Ethane regained the prior week's cent loss, returning to \$.18/gal (\$.076/lb). Spot Propane jumped nearly a nickel, ending the week just shy of \$.60/gal (\$.17/lb).

The spot Ethylene market was busy, high volumes changed hands and prices moved lower. Although 3 crackers are currently offline for planned and unexpected maintenance, Williams' much awaited cracker has returned to production with expanded capacity. Ethylene for February delivery slid nearly \$.03/lb almost breaking down to \$.34/lb, before recovering a penny to trade back above \$.35/lb. The forward curve is essentially flat with similar prices offered for Ethylene delivered anytime during 2015 and even mid-2016.

The spot Polyethylene market continued to trade actively, while there were fewer transactions than the past few weeks, volumes were still above average. Prices were mixed; LDPE Clarity firmed a penny, as the material rebuilds typical premiums vs other film grades such as LLDPE Butene and HMWPE, which remained a little soft. Offgrade resin in general continues to sell at very sharp discounts to Prime. February Polyethylene contracts should settle lower, but most major producers have yet to follow the initial \$.05/lb decrease nomination. The export market is improving as international resin prices, which are highly correlated to Crude Oil, begin to recover.

The spot Propylene market saw limited action and just a couple transactions were seen. PGP for February delivery initially traded steady and then changed hands at \$.485/lb, a half-cent lower before being bid up a tad into the weekend. Current spot levels support a modest increase, around \$.02/lb, for February PGP contracts. The uptick would be the first increase since October, more recently PGP contracts declined \$.27/lb from Nov-Jan. The forward curve is slightly backwarddated, small decreases are offered each month until a \$.02/lb discount to prompt is seen by the end of 2015. RGP remained in the low \$.40s/lb.

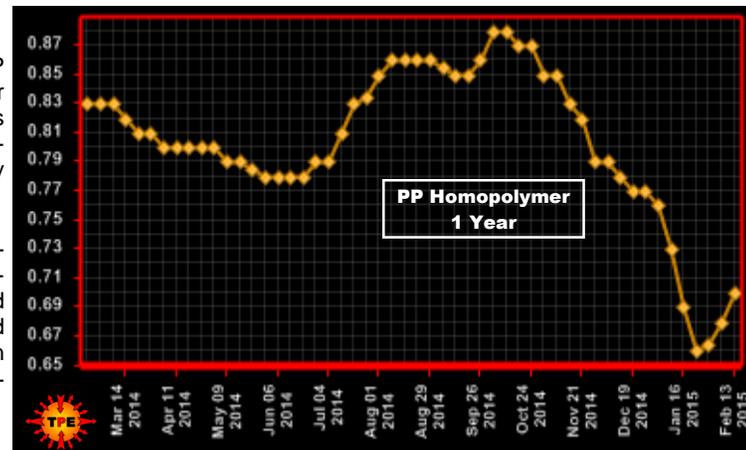
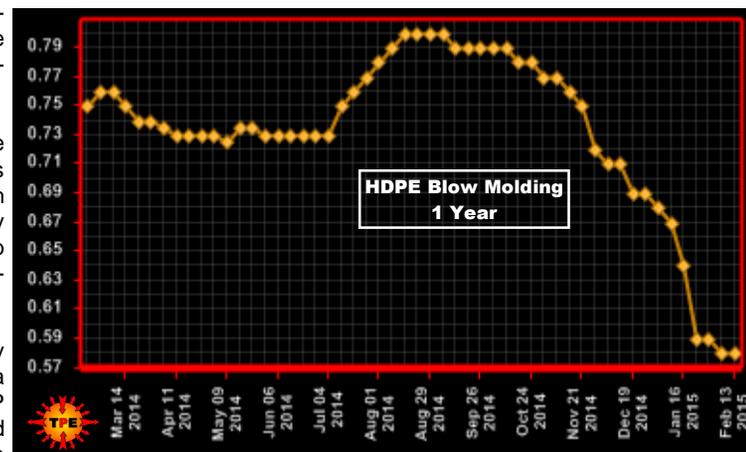
Spot Polypropylene trading continued to improve, buyers were more aggressive than sellers, pushing PP prices up at least \$.02/lb. Supplies are still constrained, particularly CoPP material and its premium over HoPP has expanded about a penny in the spot market. PP contracts are poised to increase in February as monomer contracts are pointing higher. Producers are also finding a level of success in their effort to expand margins by increasing PP by more than the change in PGP monomer. About \$.02-.03/lb has already been accepted in the market, additional margin increases are nominated over the next couple months.

The spot resin market continued to transact actively, although the volume of offers was a little lighter. Polyethylene prices were mixed as they consolidate after the recent sharp break; levels also seem to be readjusting amongst resins to better reflect typical pricing relationships between grades. PE contracts should decrease in February; the \$.05/lb initially nominated seems appropriate, but has not yet been supported by all producers. PP contracts should rise in February; an increase between \$.02-.05/lb could be seen based on PGP and the producers' continued ability to expand margins. Spot PP prices are already reflecting some margin expansion.

Disclaimer: The information and data in this report is gathered from exchange observations as well as interactions with producers, distributors, brokers and processors. These are considered reliable. The accuracy and completeness of this information is not guaranteed. Any decision to purchase or sell as a result of the opinions expressed in this report will be the full responsibility of the person authorizing such a transaction. Our market updates are compiled with integrity and we hope that you find them of value. Chart values reflect our asking prices of generic prime railcars delivered in USA.

Market Update — February 13 2015

Total Offers 18,91,796 lbs		Spot		Contract	
Resin	Total lbs	Low	High	Bid	Offer
HDPE - Blow Mold	3,805,072	\$ 0.535	\$ 0.650	\$ 0.540	\$ 0.580
LDPE - Film	3,641,796	\$ 0.620	\$ 0.700	\$ 0.585	\$ 0.625
LLDPE - Film	2,851,404	\$ 0.610	\$ 0.695	\$ 0.560	\$ 0.600
HMWPE - Film	2,794,600	\$ 0.560	\$ 0.640	\$ 0.585	\$ 0.625
PP Homo - Inj	1,935,864	\$ 0.670	\$ 0.740	\$ 0.660	\$ 0.700
HDPE - Inj	1,146,392	\$ 0.520	\$ 0.670	\$ 0.580	\$ 0.620
LLDPE - Inj	1,099,104	\$ 0.520	\$ 0.690	\$ 0.610	\$ 0.650
LDPE - Inj	520,736	\$ 0.705	\$ 0.735	\$ 0.630	\$ 0.670
PP Copo - Inj	396,828	\$ 0.730	\$ 0.750	\$ 0.680	\$ 0.720



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MARKET UPDATE
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