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Market Update — March 9th, 2018

The spot resin markets started slowly and became quite active; Polyethylene prices were steady to mostly higher, while Polypropylene prices fell. The week began with a surge of website traffic and resin inquiries, but frustratingly, neither buyers nor sellers were willing to budge much on price and very few transactions were actually brought to fruition. Thankfully, it all came together at the end of the week - practically every deal that crossed our trading desk was completed, and on Thursday and Friday alone, transacted volumes were high enough that the entire week ended well above average.

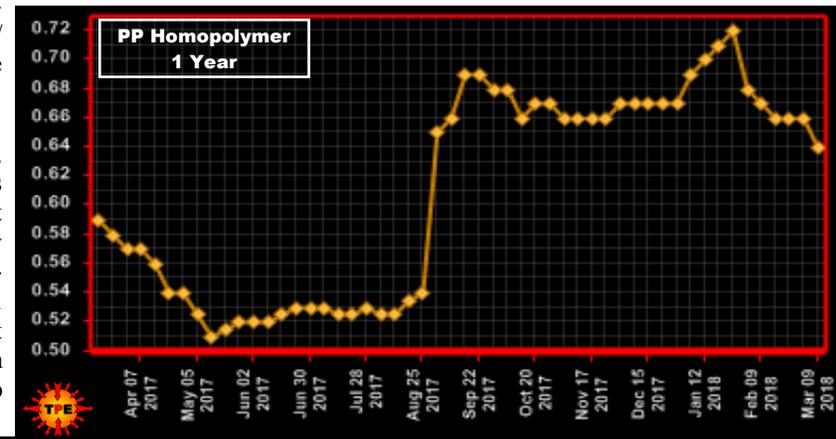
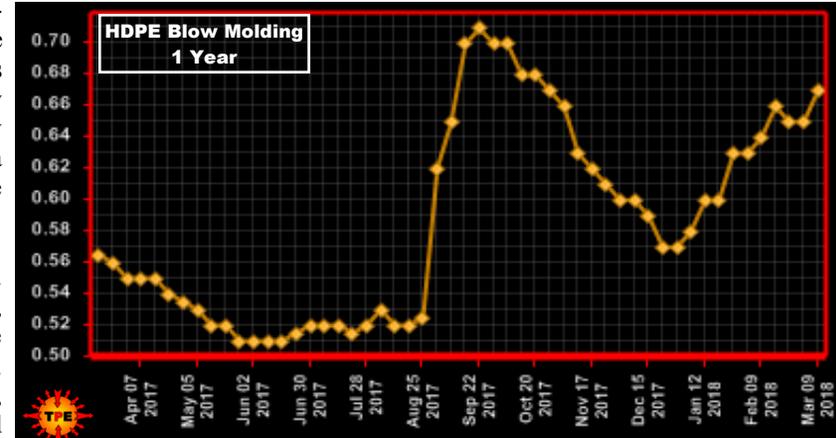
The major energy markets all ended slightly on the plus side. WTI Crude futures traded in a bit more than a 5% range and the April futures contract finished the week at \$62.04/bbl, up \$.79/bbl. Brent Oil futures were a little less volatile, but posted a stronger gain of \$1.12/bbl when the May contract finished Friday at \$64.37/bbl. April Natural Gas futures traded around in a \$.12/mmBtu range before heading into the weekend at \$2.732/mmBtu, up a net \$.037/mmBtu.

Once again, spot Ethane prices have basically held flat right around \$.24/gal (\$.101/lb); Propane prices stabilized this past week after a fierce fall - Jan began just shy of \$1/gal. Propane regained a cent to \$.76/gal (\$.215/lb). The monomer markets were relatively quiet, there was very little price change and again few visible spot transactions. Ethylene for March delivery remained pressured and ticked off a fractional loss to end the week just below \$.21/lb, a new low for this move. Spot PGP prices continued a slight and slow recovery, gaining about a penny to \$.46/lb, which is still much closer to the recent bottom of \$.43/lb, rather than the 2018 high of \$.68/lb.

Spot Polyethylene transactions were largely elusive during the first part of the week, then deal after deal finally fell into place. Although PE production has been robust so far during 2018, and upstream inventories have built, spot material availability has still been sometimes scarce by grade. HDPE exhibited strength, resin for blow molding jumped \$.02/lb amid scant supply, HMW for film inched up another cent and even injection grade, which has been the laggard, managed to eke out a half-cent gain. LDPE high clarity for film has continued to rally and prices in Houston again start with a 7. LLDPE resins only held flat amid more abundant supplies. Part of the PE market seems poised to add the March \$.03/lb increase on to the Feb \$.04/lb gain, but strength is lacking across all materials which can be problematic to the increase sticking. Let's see how the market develops over the next week or two.

Spot Polypropylene trading was very good, even though material was not necessarily plentiful, transactions indeed were – especially to regions south of the border. PP production remains restrained, keeping supplies tight and PGP monomer prices firmed a tad, so it's somewhat counter-intuitive for PP prices to slide another \$.02/lb this past week. Spot PP prices have now eroded \$.08/lb from the Jan high and are below the hurricane induced plateau. However, domestic processors are still bearish and buying at reduced levels as they believe prices will fall further. March PP contracts are set to decrease several more cents, based on PGP levels, but this downward trend could change in April as a price increase has emerged. We have seen various and inconsistent margin enhancing increases nominated that range between \$.03-.05/lb aside from any change that might happen in monomer, but April is still far away.

Resin for Sale 14,589,528 lbs		Spot Range		TPE Index	
Resin	Total lbs	Low	High	Bid	Offer
LLDPE - Film	3,086,440	\$ 0.600	\$ 0.680	\$ 0.590	\$ 0.630
HDPE - Inj	2,994,656	\$ 0.570	\$ 0.640	\$ 0.570	\$ 0.610
PP Homo - Inj	2,467,060	\$ 0.590	\$ 0.680	\$ 0.600	\$ 0.640
HDPE - Blow	1,436,828	\$ 0.660	\$ 0.710	\$ 0.630	\$ 0.670
LLDPE - Inj	1,435,840	\$ 0.650	\$ 0.750	\$ 0.680	\$ 0.720
LDPE - Film	1,322,760	\$ 0.660	\$ 0.740	\$ 0.660	\$ 0.700
PP Copo - Inj	1,008,196	\$ 0.600	\$ 0.730	\$ 0.640	\$ 0.680
LDPE - Inj	529,104	\$ 0.650	\$ 0.700	\$ 0.640	\$ 0.680
HMWPE - Film	308,644	\$ 0.690	\$ 0.730	\$ 0.660	\$ 0.700



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