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Spot resin trading continued to hum along at a healthy pace and our completed volumes were again better than average. There was a fairly steady flow of offers and commodity pricing was mostly steady to lower. Still, processor spot buying continued to improve, which seemed to be in effort to only sustain adequate inventories, which have been depleting. Spot Polyethylene supplies are generally characterized as snug, with some grades outright difficult to source. Polypropylene slid another cent as sentiment becomes more negative – most participants tend to agree that this cycle’s peak pricing for PP (and possibly PE) is already in place. Export asking levels have slipped as sellers seek a level to clear incremental volumes of material.

The major energy markets were mixed amid reduced volatility ahead of the long holiday weekend. WTI Crude Oil continued to recover from its brief visit below \$50/bbl. The May futures contract added another \$0.94/bbl to \$53.18/bbl. June Brent Oil futures closed the week at \$55.89/bbl, up \$.65/bbl. May Natural Gas futures bounced almost a dime from its mid-week low, but still ended the week down \$.034/mmBtu at \$3.227/mmBtu.

Ethane was quiet and prices were essentially unchanged at \$.25/gal (\$.105/lb). Propane added about \$.03/gal to \$.67/gal (\$.19/lb). Spot Ethylene garnered a fractional gain to \$.295/lb. Spot PGP continued to unwind, generating its 4<sup>th</sup> consecutive week of losses. Spot levels have peeled back another \$.035/lb to \$.425/lb - levels off about \$.11/lb in the past month, but are still up around \$.09/lb since the beginning of the year. March PGP contracts were priced at \$.52/lb, reflecting \$.205/lb of first quarter gains. Based on current spot pricing, contracts are poised to chunk off a sizable single-digit portion in April.

Spot Polyethylene activity was very good and a large percentage of our viable transactions were brought to fruition. Producers implemented half of their \$.06/lb increase in March and so far, midway through the month, have been challenged to press spot PE prices any higher. While enforcing the second \$.03/lb is certainly still a possibility in April, some buyers believe that there is more downside risk than upside potential in pricing. Resellers have been shedding their inventories and are reverting more towards back-to-back transactions rather than procuring excess material now with plans to comfortably sell it in the future.

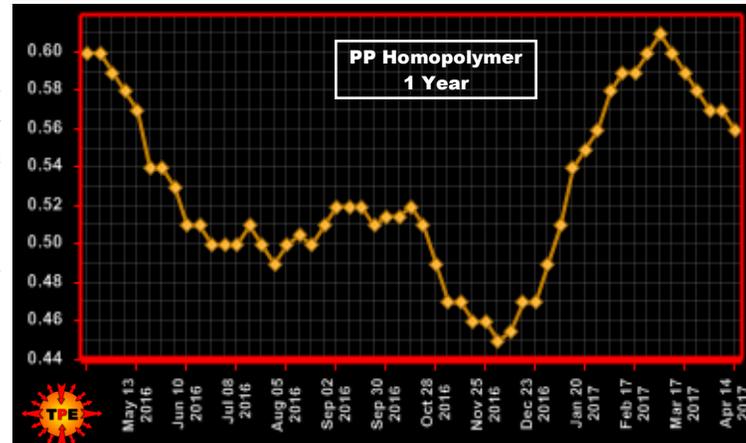
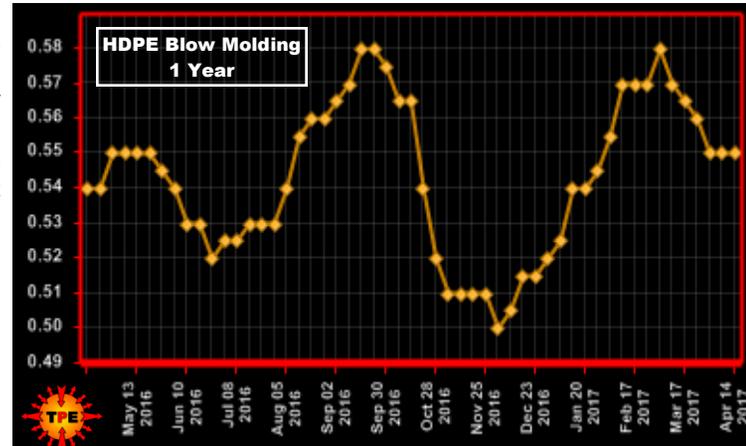
Polypropylene trading was sporadic, demand remained unenthusiastic against ample, but not excessive, supplies and overall prices slid another cent. Homopolymer availability has been significantly more than Copolymer. Prime PP railcars have been quietly offered into the domestic market at softer levels, while lower-end offgrade resin has been heavily discounted to sell offshore. Demand, both domestic and export, was damaged by 3 consecutive months of cost-push price increases which totaled \$.205/lb.

April PGP contracts have yet to settle, but as spot continues to weaken, contracts could potentially see a larger decline of \$.05 -.08/lb. Now that the monomer bubble has burst, PP processors are expecting a healthy share of producers’ costs savings. However, while lower prices are almost always welcomed by processors, a decrease in April will pose problems for some who are still trying to pass prior increases downstream to their customers.

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 — April 14th, 2017

Resin for Sale <b>13,654,236 lbs</b>		Spot Range		TPE Index	
Resin	Total lbs	Low	High	Bid	Offer
PP Homo - Inj	3,310,668	\$ 0.490	\$ 0.620	\$ 0.520	\$ 0.560
HDPE - Blow	2,373,232	\$ 0.530	\$ 0.600	\$ 0.510	\$ 0.550
PP Copo - Inj	2,122,748	\$ 0.530	\$ 0.650	\$ 0.545	\$ 0.585
LLDPE - Film	1,512,024	\$ 0.570	\$ 0.630	\$ 0.550	\$ 0.590
LLDPE - Inj	1,048,000	\$ 0.590	\$ 0.640	\$ 0.580	\$ 0.620
HMWPE - Film	856,368	\$ 0.570	\$ 0.600	\$ 0.540	\$ 0.580
LDPE - Inj	844,368	\$ 0.580	\$ 0.650	\$ 0.590	\$ 0.630
HDPE - Inj	808,644	\$ 0.580	\$ 0.650	\$ 0.550	\$ 0.590
LDPE - Film	778,184	\$ 0.580	\$ 0.660	\$ 0.610	\$ 0.650



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MARKET UPDATE