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Spot resin trading was solid; there was a good flow of both bids and offers generating an above average volume of transactions at The Plastics Exchange. Spot Polyethylene prices were mostly higher, with the best gains seen in film grades. Spot PE supplies continued to thin out, but plenty was accessible if one was willing to simply pay the \$.05/lb increase slated for May. Spot Polypropylene availability has been improving, but prices now held steady, halting a several week slide that erased a nickel. Although Houston PE prices have steadily risen, export demand remains healthy yet is still hampered by logistics limitations.

The major US energy markets were higher. WTI Crude Oil had a hefty \$4.44/bbl range and reached above \$62/bbl mid-week for the first time in 5 months; the June futures contract then eased to end the week at \$59.39/bbl, for a small \$.24/bbl net gain. June Brent Oil gave back most of the previous week's addition, settling Friday at \$65.39/bbl, down \$1.07/bbl. June Natural Gas pressed higher again, adding just more than a dime to close Friday at \$2.88/mmBtu. Spot Ethane recovered more, jumping \$.0015/gal to \$.1975/gal (\$.083/lb); Propane ceded a whole nickel, retracing back down to \$.4925/gal (\$.139/lb).

Ethylene trading picked up dramatically, a high volume of material changed hands for both prompt and deferred delivery. Most Gulf crackers are now back online and fully operational. Ethylene for May delivery transacted heavily on both sides of \$.36/lb and most recently smack on, it was fractionally lower for the week. The forward curve remains essentially flat, Ethylene for delivery anytime over the next 18 months is currently priced within a penny of prompt levels.

Polyethylene trading was swift, railcar offers were made available, but reflected the full nickel price increase nominated for May. Processors were actively snapping up well priced offers from traders and resellers with older inventory. As offers were cleared, resellers generally raised their asking prices for their other lots. Spot PE prices have been strong and after eliminating the discount previously held to contracts, have begun working into the price increase. Polyethylene contracts dropped \$.16/lb from Nov-Feb, then held steady during Mar/Apr. While it is still too early to gauge how much of the current \$.05/lb increase will stick, at least \$.02-.03/lb can reasonably take hold.

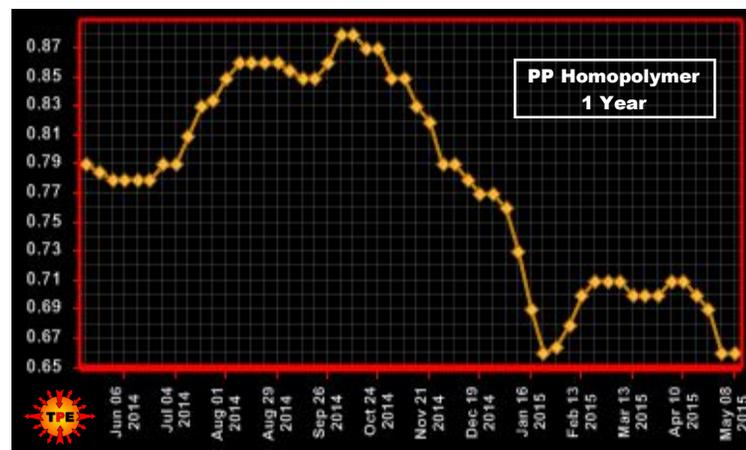
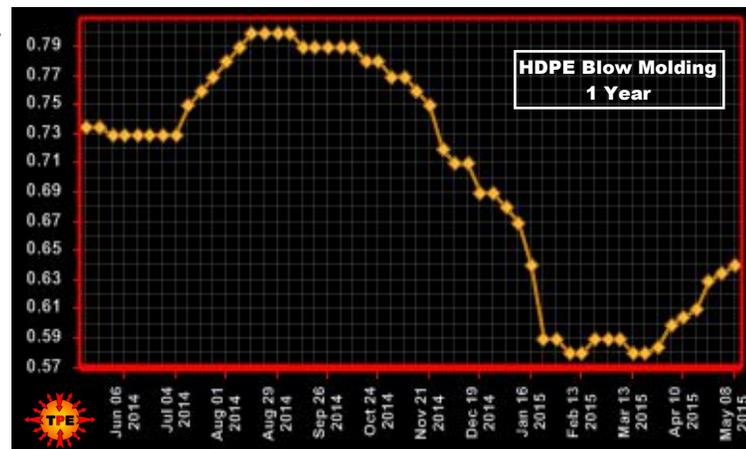
The Propylene market also saw heightened activity as prices rose. PGP for May delivery ticked higher along a series of transactions, making its way up to \$.40/lb. While the week's gain was just less than a penny and PGP is only \$.015/lb off this cycle low (and 6 year lows), reaching the psychological level is fairly significant at this time. PGP contracts had fallen a massive \$.335/lb since October with just a scant penny pop along the way. May PGP contracts were nominated to decrease a half-cent to \$.425/lb and it seemed that once again even a larger decrease was poised to come through, but the market firming the past couple weeks will now likely serve to stem this slide. PGP deliveries over the next few months are all priced around \$.40/lb and then ease softly into December. The market however, takes on a steep contango in 2016, with prices posting as high as \$.53/lb by the end of next year. RGP saw few trades and changed hands in the low \$.30s/lb.

Polypropylene trading was only sporadic; previously delayed railcars seem to be shipping and spot liquidity has been improving. Those processors caught without specifically required material will still pay a pretty penny for spot supply, but otherwise commodity grades have dropped at least \$.05/lb during the past several weeks. The imbalanced supply/demand dynamic over the past 6 months have helped PP producers expand margins by lowering contract prices, but by something less than the drop in PGP monomer costs. While there are certainly unique cases, margins have expanded by about \$.04-.05/lb; additional reactors are scheduled for upcoming maintenance and producers are also seeking more margin gains.

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 — May 8th, 2015

Total Offers 16,301,360 lbs		Spot		Contract	
Resin	Total lbs	Low	High	Bid	Offer
HDPE - Inj	2,822,796	\$ 0.610	\$ 0.690	\$ 0.610	\$ 0.650
HDPE - Blow Mold	2,364,140	\$ 0.620	\$ 0.670	\$ 0.600	\$ 0.640
LDPE - Film	2,072,324	\$ 0.660	\$ 0.730	\$ 0.640	\$ 0.680
LLDPE - Film	1,931,680	\$ 0.640	\$ 0.710	\$ 0.620	\$ 0.660
PP Homo - Inj	1,795,220	\$ 0.590	\$ 0.720	\$ 0.620	\$ 0.660
LDPE - Inj	1,455,036	\$ 0.610	\$ 0.730	\$ 0.650	\$ 0.690
PP Copo - Inj	1,349,012	\$ 0.650	\$ 0.750	\$ 0.640	\$ 0.680
LLDPE - Inj	1,276,576	\$ 0.610	\$ 0.700	\$ 0.630	\$ 0.670
HMMWPE - Film	1,234,576	\$ 0.605	\$ 0.680	\$ 0.630	\$ 0.670



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