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Spot resin sales were swift, there was a healthy flow of both bids and offers which generated an above average number of completed transactions. Volumes were skewed towards Polyethylene and particularly film grades, where spot pricing was considered favorable, especially for higher end materials which have seen their wide premiums erode. Several commodity grades of PE continued lower, while PP prices were steady to firm along with monomer. Despite the weakening value of the US dollar and falling resin prices, we have seen an extended lull in incremental exports.

The major energy markets were mixed. WTI Crude Oil prices continued to unwind, the July futures contract dropped another \$1.83/bbl to end the week at \$45.83/bbl – within shouting distance of the July contract's low which was made last summer. August Brent Oil futures saw a similar loss of \$1.80/bbl to settle Friday at \$48.15/bbl. July Natural Gas futures recovered slightly, bouncing back \$.04/mmBtu to \$3.039/mmBtu.

Prompt NGL markets were moderately mixed. June Ethane regained about \$.01/gal, to end the week near \$.25/gal (\$.105/lb). Propane fell further, dropping more than a cent to \$.595/gal (\$.169/lb). The spot Ethylene market was busier and prices were pressured. Material for June delivery shed the previous week's gain and then some, peeling back to about \$.025/lb to \$.245/lb. Spot Propylene prices were mostly steady with a tinge of underlying support, the market was at minimum firm at \$.37+/lb.

Polyethylene trading was very good even as market sentiment shifted a bit more negative. LDPE and LLDPE resins all dropped another penny, while HDPE fractional melt resins, which have already been pummeled, held steady. HDPE injection gained yet another cent amid unprecedented scarcity, which is starting to show early signs of improved supply. Most other Polyethylene grades have been amply available, and even though producers collectively built over 500 Million lbs of inventory these past 3 months, the market does not feel overly flooded with resin.

PE buyers are looking to ride the market's bearish momentum by leveraging the May \$.03/lb contract decrease for further price relief in June. In the meantime, contracts are still up a net nickel during 2017. Considering the most upstream inventory since Feb 2016, a large delta between Houston & domestic PE levels, and the lack of upward pricing pressure or even cohesive support, further price declines are indeed possible.

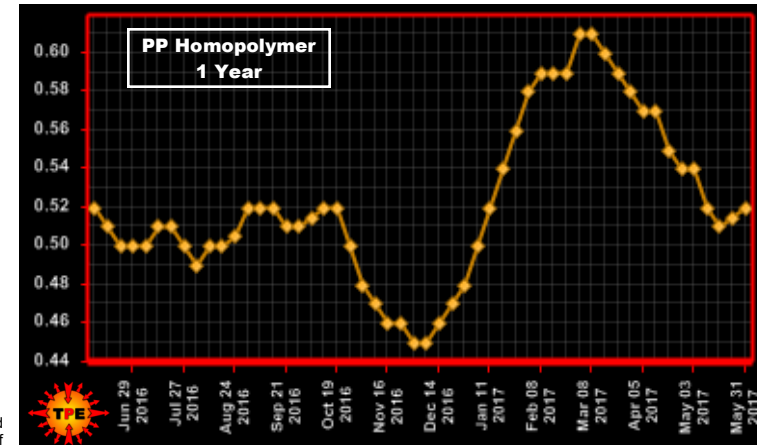
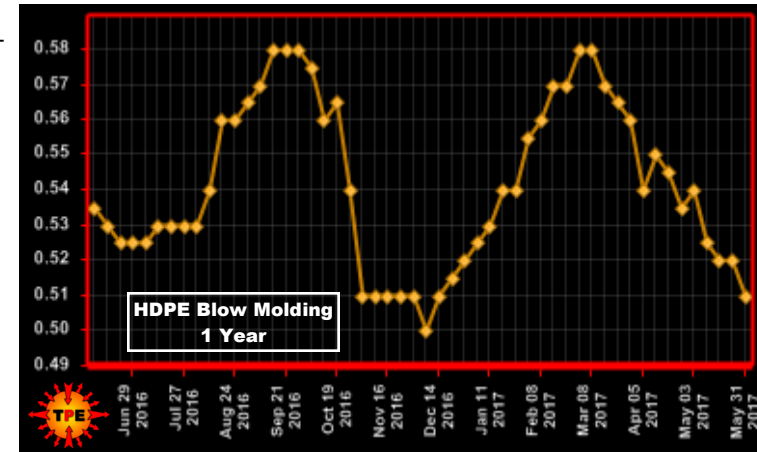
Spot Polypropylene trading was considered fair, fine or okay, but certainly not active, great or robust! We saw minimal offerings of prime domestic railcars and limited prime warehoused stocks from the reseller community, which together provided support to prime pricing. However, offgrade levels remain relatively soft due to the steady-to- strong stream of widespec material targeting both the domestic and export markets.

Renewed domestic demand and some restocking in May bumped PP sales 6.5% higher than the trailing 12 month average. This contributed to the second consecutive upstream inventory draw, tightening producers' collective resin supplies to just below average. Tightening supplies and firming monomer levels helped stem the slide in spot PP prices and even generate a few upticks. However, volatile feedstocks have simply been pushed along to resin contracts, which have reverted to a very close correlation to monomer, and will likely just follow their lead again in June. Based on current PGP levels we expect PP contracts to add a penny or so in June.

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 — June 9th, 2017

Resin for Sale 14,280,860 lbs		Spot Range		TPE Index	
Resin	Total lbs	Low	High	Bid	Offer
PP Homo - Inj	2,501,312	\$ 0.490	\$ 0.540	\$ 0.480	\$ 0.520
HDPE - Blow	2,469,128	\$ 0.490	\$ 0.550	\$ 0.470	\$ 0.510
HMWPE - Film	1,984,140	\$ 0.510	\$ 0.560	\$ 0.490	\$ 0.530
LDPE - Film	1,841,404	\$ 0.560	\$ 0.630	\$ 0.570	\$ 0.610
LLDPE - Film	1,790,944	\$ 0.510	\$ 0.590	\$ 0.500	\$ 0.540
LLDPE - Inj	1,104,368	\$ 0.530	\$ 0.620	\$ 0.540	\$ 0.580
PP Copo - Inj	1,050,552	\$ 0.500	\$ 0.600	\$ 0.510	\$ 0.550
HDPE - Inj	790,460	\$ 0.610	\$ 0.660	\$ 0.590	\$ 0.630
LDPE - Inj	748,552	\$ 0.590	\$ 0.625	\$ 0.550	\$ 0.590



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MARKET UPDATE