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The spot resin markets were busy, offerings were plentiful and prices were pressured. Completed transactions were numerous and more than made up for the slow beginning to August. Most Polyethylene producers have lowered August contracts by \$.03/lb, some processors feel the decrease should be a nickel - perhaps additional relief will be provided later this month or for September. Polypropylene producers are firm in their intent to further expand their margins by raising PP contracts around \$.05/lb more than the change in PGP monomer costs. PGP contracts are poised to decrease, so a flat to even modest net PP increase is possible. PE Producers remain proactive with their export prices, staying competitive to maintain open channels to international markets.

The major energy markets were again mixed. WTI Crude Oil prices continued to fall; the September futures contract made new lows, pressing down to \$41.35/bbl before recovering a bit to \$42.50/bbl, still recording a loss of \$1.37/bbl. Sept Brent Oil futures bounced around and held on to a small \$.44/bbl gain, ending the week at \$49.03/bbl. Natural Gas futures eeked out a negligible gain of \$.003/mmBtu; it headed into the weekend at \$2.803/mmBtu. Spot Ethane edged a tad higher and ended the week just shy of \$.20/gal (\$.084/lb); Propane recouped a little, rising back to around \$.38/gal (\$.108/lb).

Once again, a very high volume of Ethylene changed hands, pausing occasionally amid its virtual free-fall. Ethylene prices shed chunks at a time and ultimately wiped away an astounding 25% of its value, just in this week alone. The market has eroded more than 70% since peaking at \$.765/lb in Sept 2014. Material for August delivery most recently transacted at \$.22/lb, a level not seen since August 2009. Indeed, even considering the rout, crackers are still fairly profitable. While Ethylene for future delivery also dropped significantly, a small monthly premium begins to develop in 2016 and the market then levels out at \$.245/lb.

Polyethylene trading improved substantially while most commodity grades slipped another cent. A \$.03/lb decrease for August contracts was issued by almost all producers, but there is likely more room to the downside. Spot availability swelled in both the domestic and export market and a full range of commodity grade resin is available for immediate shipment. According to preliminary reports which will likely see revisions, domestic Polyethylene sales in July were 2.725 billion lbs, 70 million below the previous 3 month average, but still slightly ahead of last July. Export shipments were 689 million lbs, similar to recent months. Polyethylene reactors ran at nearly 99%, producing 3.549 billion lbs, the most since we began keeping records more than 10 years ago. By the beginning of August, collective producer inventories had swelled 134 million lbs to 3.736 billion lbs, about 100 million more than the trailing 12 month average.

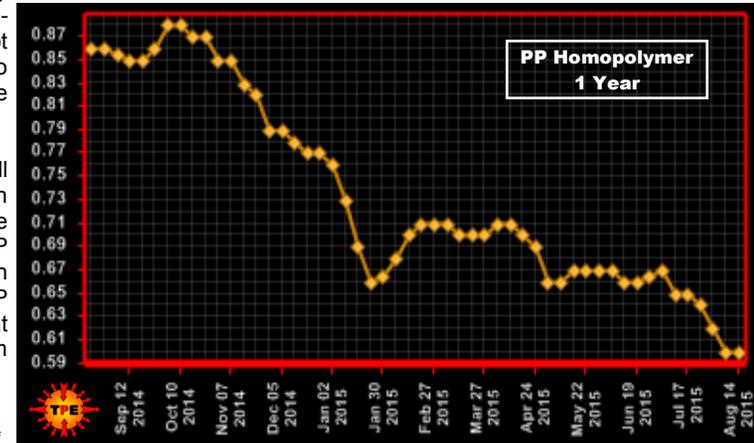
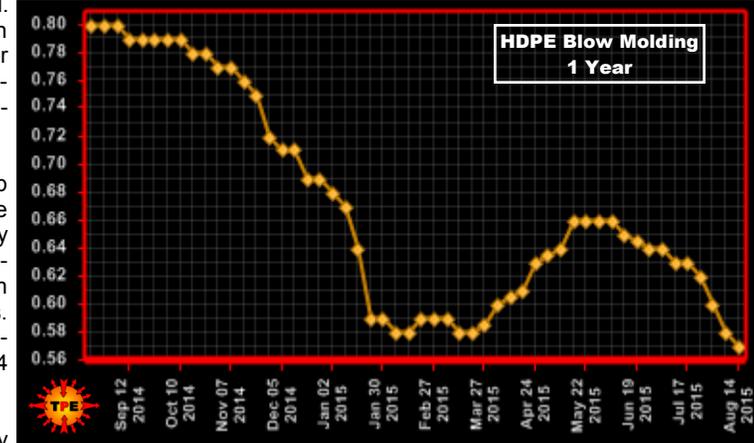
Propylene trading activity was relatively limited and prices only eased somewhat. PGP for August delivery transacted fractionally lower at \$.2925/lb, which was a new 6+ year low. At mid-month, August PGP contracts had still not settled though they were initially nominated to roll flat at \$.365/lb; however, based on spot levels, a decrease near \$.04/lb would be more appropriate. The 2016 PGP curve held its gentle contango shape, premiums totaling about \$.03/lb accumulate by next December. RGP was mostly steady to a little firmer holding just above \$.20/lb.

The Polypropylene market saw better action; while some production issues are resolving, late railcars still brought buyers to the market looking for material. However, spot availability remains thin and only through an intense search of our trading network was an adequate supply found to fill the orders. Leveraging the tight supply situation, PP producers are looking for another increase of as much as \$.05/lb relative to PGP costs; the level of success is still to be determined. According to preliminary reports, domestic PP sales in July were 1.45 billion lbs, 90 million more than the trailing 12 month average and the most in 25 months. PP exports were below average at 36 million lbs, just 2.44% of total sales. Polypropylene reactors ran strong at 96%, producing 1.494 billion lbs, allowing for a small inventory gain of 7 million lbs. Collective upstream Polypropylene inventories entered August at 1.422 billion lbs, 64 million lbs below the 12 month average.

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 — August 14th, 2015

| Total Offers 18,357,232 lbs | | Spot | | Contract | |
|------------------------------------|-----------|----------|----------|----------|----------|
| Resin | Total lbs | Low | High | Bid | Offer |
| LLDPE - Film | 4,050,072 | \$ 0.545 | \$ 0.640 | \$ 0.540 | \$ 0.580 |
| HDPE - Blow Mold | 3,073,244 | \$ 0.520 | \$ 0.610 | \$ 0.530 | \$ 0.570 |
| HDPE - Inj | 3,017,152 | \$ 0.520 | \$ 0.640 | \$ 0.540 | \$ 0.580 |
| LDPE - Film | 2,620,324 | \$ 0.590 | \$ 0.650 | \$ 0.570 | \$ 0.610 |
| HMMWPE - Film | 1,587,312 | \$ 0.560 | \$ 0.620 | \$ 0.560 | \$ 0.600 |
| PP Homo - Inj | 1,287,472 | \$ 0.570 | \$ 0.640 | \$ 0.560 | \$ 0.600 |
| PP Copo - Inj | 1,078,000 | \$ 0.590 | \$ 0.650 | \$ 0.580 | \$ 0.620 |
| LLDPE - Inj | 953,196 | \$ 0.590 | \$ 0.640 | \$ 0.560 | \$ 0.600 |
| LDPE - Inj | 690,460 | \$ 0.600 | \$ 0.670 | \$ 0.580 | \$ 0.620 |



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MARKET UPDATE
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