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The commodity resin markets finished the month with a bang; transactional volumes were high and spot prices for both Polyethylene and Polypropylene slid a cent across the board. After seeing a reduced flow of material in the previous week, PE availability, both domestic railcars and Houston export, improved again. Although spot PP railcar offers are still few and far between, Houston availability is growing and pockets of supply are appearing around the country. Houston PE prices have bounced from the season's lows, but oil returning down to the mid-\$40/bbl region is inspiring negative sentiment, particularly as it relates to international resin markets. Traders are a bit leery to take on speculative positions at the moment, especially given persistent packaging delays. In the meantime, heavy volumes of PE are still being exported directly.

The major energy markets were mixed amid heightened volatility. WTI Crude Oil moved around in a 10% range - the December futures contract ultimately gained \$1.99/bbl to end the week at \$46.59/bbl. Dec Brent Oil futures recovered \$1.57/bbl to settle Friday at \$49.56/bbl. Natural Gas futures continued to erode and the Dec contract, which rolled to the front month, had chunked off another \$.172/mmBtu when it headed into the weekend at \$2.321/mmBtu. Spot Ethane fell more than a penny to \$.185/gal (\$.078/lb); Propane rebounded over 2-cents to \$.45/gal (\$.127/lb).

The spot Ethylene market saw only moderate activity; transactions were priced in a tight range and volumes were lower than in recent weeks. Ethylene for October delivery gained nearly a cent when it traded at \$.245/lb; trader focus then moved to November which changed hands at \$.2475/lb. A few Gulf crackers are still offline for maintenance; the lighter production and tighter supplies lifted Ethylene prices from an early Oct low of \$.1825/lb - which was a price not seen since Dec 2008. Ethylene's forward curve continued to flatten, the March 2016 peak is only about \$.02/lb above the current prompt price.

Polyethylene trading was active as the month drew to a close and spot prices eased \$.01/lb. PE railcars were relatively plentiful and decent discounts were given for offgrade; several resellers had generic prime railcars that still needed homes at month-end. Processors were active in the market too, some were simply taking advantage of well-priced material, while others required urgent shipments to keep plants running due to late railcars. Polyethylene contracts held steady in October and while producers are seeking a \$.05/lb price increase for November, chances of a successful implementation are fading fast.

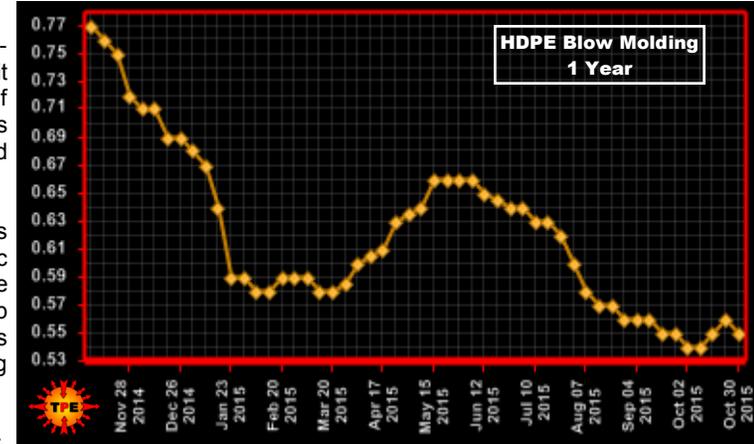
The Propylene market was pretty quiet, just a few transactions were seen with little price movement. PGP for October delivery changed hands at \$.29/lb, which was up a half-cent and November PGP ended the week quoted around this level. October contracts were priced at \$.305/lb, which was a half-cent gain. While nominations have yet to emerge for November, given spot levels and their typical discount to contracts, another small increase could reasonably be seen. The PGP forward curve is in a very slight contango, it peaks at \$.2975/lb in March 2016.

Spot Polypropylene trading activity improved, numerous transactions were completed and the market relinquished the penny that was gained in the previous week. While production complications continue to plague the industry, material availability seems to be growing. As processors begin to look towards year-end, some have begun to sell off unneeded material at facilities around the country. Several million pounds of prime and offgrade PP has been made available in different geographic locations, enhancing liquidity in this otherwise tightly supplied market. Well priced PP imports are also working their way beyond the coasts as some processors in need of material are begrudgingly willing to rip 25kg bags for supply. Oct Polypropylene contracts rose about \$.03/lb on average, producers are looking to expand margins again in Nov.

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 — October 30th, 2015

Total Offers 20,368,036 lbs		Spot		Contract	
Resin	Total lbs	Low	High	Bid	Offer
LDPE - Film	4,529,980	\$ 0.520	\$ 0.620	\$ 0.540	\$ 0.580
HDPE - Inj	3,735,268	\$ 0.500	\$ 0.580	\$ 0.510	\$ 0.550
LLDPE - Film	2,741,036	\$ 0.530	\$ 0.600	\$ 0.520	\$ 0.560
PP Copo - Inj	2,520,840	\$ 0.550	\$ 0.640	\$ 0.610	\$ 0.650
HDPE - Blow Mold	2,494,128	\$ 0.520	\$ 0.590	\$ 0.510	\$ 0.550
HMVPE - Film	1,600,944	\$ 0.530	\$ 0.600	\$ 0.520	\$ 0.560
LLDPE - Inj	1,099,104	\$ 0.520	\$ 0.620	\$ 0.560	\$ 0.600
PP Homo	1,028,368	\$ 0.550	\$ 0.670	\$ 0.590	\$ 0.630
LDPE - Inj	618,368	\$ 0.525	\$ 0.640	\$ 0.580	\$ 0.620



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