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It was a good trading week; activity was heightened, demand was good and spot supplies were available, but thin. It took consistent effort to fill the heavy order flow. Polyethylene prices were mostly higher and saw plenty of movement between grades. Polypropylene slid a cent amid ample supply and soft spot demand.

Crude Oil prices rallied further, WTI recovered more than \$2/bbl to nearly \$46/bbl, almost \$20/bbl above the Jan low and back to a level not seen in 5 months. Ethylene was fractionally higher and Propylene was flat; production for both products has been reduced by mostly scheduled maintenance. Participants in both monomer markets are eyeing the return of offline capacity as well as the new facilities which are progressing, albeit slowly.

Polyethylene producers secured their \$.04/lb price increase in April, bringing the 2-month contract advancement to \$.09/lb, which incidentally fully regained the previous 3 price declines. Those decreases were \$.05/lb in Jan/Feb and \$.04/lb back in September. There is not a cohesive increase effort for May. Despite the increase, domestic Polyethylene demand was very solid – having had held off ordering material, resisting higher prices, some processors needed to come to the market.

Contrary to the final week in each of the previous two months, which saw a large purge of material, spot Polyethylene supplies were relatively limited at April's month-end, which created a challenging trading environment.

LDPE film grades continue to be tight and prices jumped another \$.02/lb. LDPE High Clarity, which amazingly transacted at par to LLDPE Butene in Feb, has regained a wide \$.06 - .08/lb premium. HDPE was a little soft as traders and exporters eye fresh production from Braskem's new reactor in Mexico, which has begun production. We are seeing good buying from Europe, which has countered waning interest from the Asian region. We expect a fairly firm spot market for the first part of May, which would support flat contracts and we will see from there.

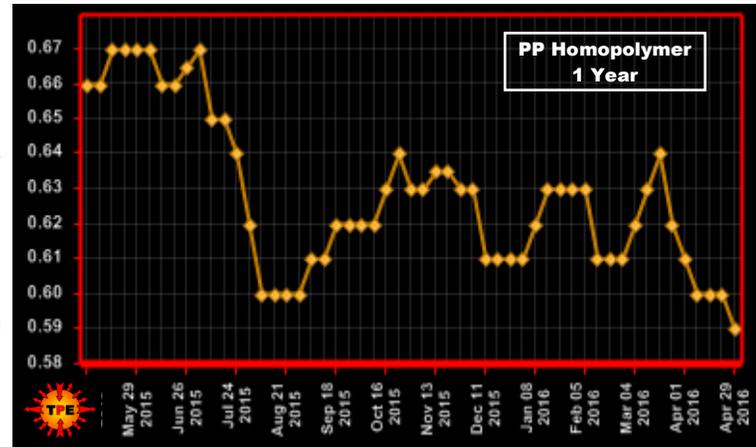
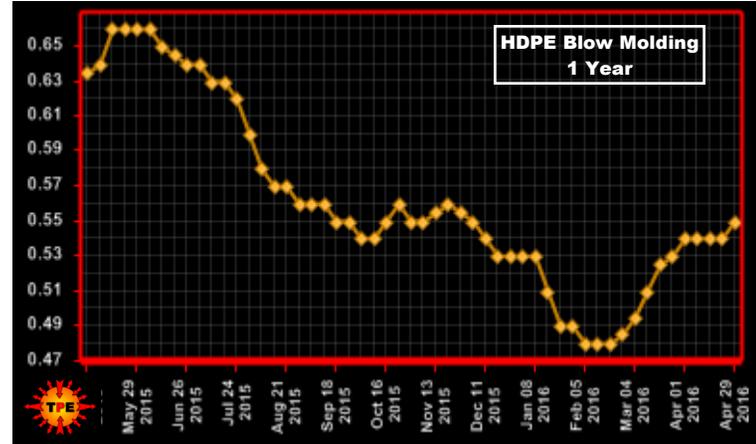
Spot **Polypropylene** trading was somewhat uninspired. Supplies are much improved, led by several waves of imports. Prices remained pressured and peeled off another penny. We are seeing some surplus spot supply, which has mostly been Homopolymer, both Prime railcars for domestic delivery and Offgrade in Houston. The majority of Copolymer availability is imported.

Processors are looking for additional relief aside from the \$.03 - .05/lb decrease in April. Monomer has been mostly steady, so perhaps producers will share back a little more of their wide margin.

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 29th, 2016

Resin For Sale 17,365,300 lbs		Spot Range		TPE Index	
Resin	Total lbs	Low	High	Bid	Offer
LDPE - Film	3,955,176	\$ 0.560	\$ 0.680	\$ 0.600	\$ 0.640
LLDPE - Film	3,452,232	\$ 0.550	\$ 0.610	\$ 0.530	\$ 0.570
HDPE - Inj	2,198,048	\$ 0.540	\$ 0.590	\$ 0.510	\$ 0.550
PP Homo - Inj	2,025,588	\$ 0.570	\$ 0.680	\$ 0.550	\$ 0.590
HDPE - Blow Mold	1,839,312	\$ 0.545	\$ 0.590	\$ 0.505	\$ 0.545
LLDPE - Inj	1,420,116	\$ 0.570	\$ 0.660	\$ 0.580	\$ 0.620
PP Copo - Inj	1,024,000	\$ 0.640	\$ 0.680	\$ 0.570	\$ 0.610
HMWPE - Film	776,828	\$ 0.550	\$ 0.590	\$ 0.520	\$ 0.560
LDPE - Inj	674,000	\$ 0.570	\$ 0.660	\$ 0.590	\$ 0.630



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MARKET UPDATE
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