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The spot resin market was surprisingly busy this past holiday shortened week and by Wednesday, a tremendous volume of material had already changed hands. The flow of producer railcars was strong ahead of month-end and resellers were also aggressive, seeking to liquidate their uncommitted warehoused material. Prices for both Polyethylene and Polypropylene were decisively lower, even before the world energy markets got rocked on Friday. Resin processors received pricing relief in November; PP contracts shed \$.05/lb, while PE contracts dropped \$.03/lb. There is a strong likelihood to see further declines in December.

The major energy markets were crushed in active and volatile trading. Crude Oil Futures had already lost nearly \$3/bbl by midweek and then really fell apart after OPEC, notwithstanding over-supplied conditions, agreed to maintain oil output levels. By the end of the week, the January Crude contract lost an astounding \$10.36/bbl, 13.5%, to settle at \$66.15/bbl - the lowest in 5 years. January Brent Oil futures also fell more than \$10/bbl to just above \$70/bbl. Natural Gas futures continued its see-saw action, this time ending the week sharply lower, sliding \$.329mmBtu, 7.5% to end the week at \$4.075/mmBtu. The Crude Oil : Natural Gas ratio contracted to just 16.2:1. Spot Ethane reversed the prior week's \$.02/gal loss returning to \$.2225/gal (\$.094/lb). Spot Propane prices made new lows, ending the week just above \$.68/gal (\$.192/lb).

The spot Ethylene market grinded lower in moderate trading activity. Ethylene for prompt delivery lost a couple cents; material slated for December delivery dropped to \$.515/lb by Wednesday. The market then fell silent as market participants enjoyed the Thanksgiving holiday. Given the energy market's dismal results on Friday, it would not be surprising to see Ethylene follow through with additional weakness when trading resumes on Monday. The Ethylene forward curve is still backwarddated, but flattened about \$.01/lb, now providing just a \$.04/lb discount by December 2015. With world Naphtha costs collapsing, European and Asian Ethylene prices are now essentially on par with the US - and even lower in some regional markets.

The spot Polyethylene market was very busy and prices fell sharply enabling a high number of transactions. Additional producers joined in lowering November contract prices by \$.03/lb; it was the first market-wide decrease in 2 full years. Spot offers were plentiful this past week and most commodity grades were well-represented. Average spot PE prices fell about \$.03/lb as resellers tried to unload railcars, while traders, anticipating another price decline in December, looked to sell-off their uncommitted inventory. Export prices plunged as producers dropped asking prices trying to become competitive with international levels.

The spot Propylene market ended lower in light trading. PGP for prompt delivery began the week with a fractional uptick, nearing \$.65/lb, but then the market gave up the gains and then some. PGP for December delivery ended the holiday shortened week a shade below \$.63/lb and could continue lower next week. November PGP contracts settled at \$.715/lb, which was off a nickel from October. Based on current spot prices, we expect a December decrease of at least another nickel and perhaps a couple cents more. The PGP forward curve is backwarddated, prices slope lower each month of 2015 until December is marked a tick under \$.60/lb. RGP slid a few cents into the high \$.40s/lb.

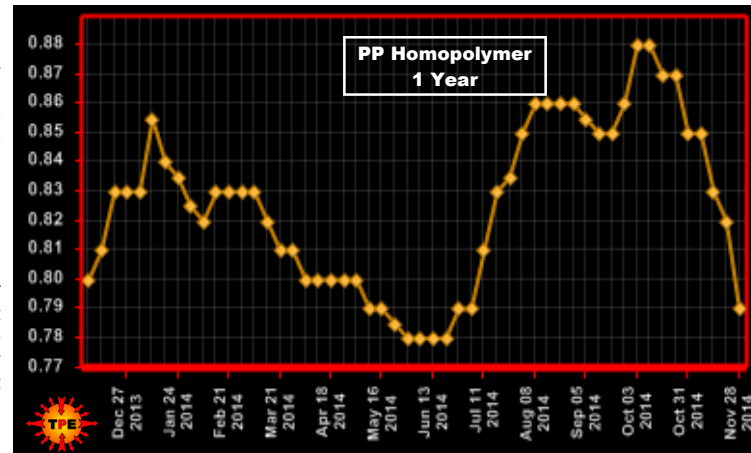
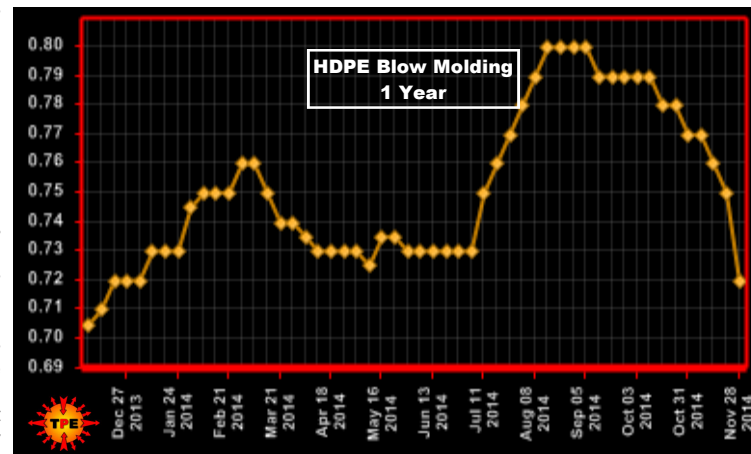
Spot Polypropylene trading was more active, but just to levels slightly above average. Spot material availability increased, but would still be considered on the tight side; however spot demand is also light as buyers anticipate lower prices ahead. Resellers that committed to railcars earlier in the month reduced their asking prices in search of orders. On average, the PP market dropped \$.02-.03/lb as falling energy and monomer costs indicate another contract decrease in December - somewhere along the magnitude of the \$.05/lb drop in November. Several producers are seeking to temper the decrease by expanding the premium between PP and PGP prices; there have been several unsuccessful attempts thus far this year.

Negative sentiment has tightened its grip on the spot resin market. Falling energy and feedstock costs in the US and abroad are pressuring plastics prices lower. Resin market participants typically balance their desire for light year-end inventory versus the chance of 1st quarter price increases, but at the moment, there seems to be little risk of higher prices come January. Therefore, buyers have generally been limiting their resin orders, opting to work off current stocks in favor of cheaper prices ahead. Given the current environment, we expect to see excellent opportunities to procure discounted resin in the spot market during December. Simply give our trading desk a call or shoot an email or click on our website or send some smoke signals - you get it. Don't be a turkey, Gobble Gobble, just let us know what resin you need and we will arrange some deals for you!

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 — November 28, 2014

Total Offers 19,055,048 lbs		Spot		Contract	
Resin	Total lbs	Low	High	Bid	Offer
HDPE - Blow Mold	3,775,520	\$ 0.695	\$ 0.760	\$ 0.720	\$ 0.760
LDPE - Film	3,669,600	\$ 0.725	\$ 0.820	\$ 0.780	\$ 0.820
LLDPE - Film	2,333,680	\$ 0.710	\$ 0.800	\$ 0.760	\$ 0.800
HDPE - Inj	2,285,404	\$ 0.700	\$ 0.780	\$ 0.740	\$ 0.780
PP Homo - Inj	2,067,036	\$ 0.730	\$ 0.830	\$ 0.790	\$ 0.830
HMWPE - Film	1,940,048	\$ 0.730	\$ 0.790	\$ 0.750	\$ 0.790
PP Copo - Inj	1,504,736	\$ 0.750	\$ 0.840	\$ 0.760	\$ 0.800
LDPE - Inj	894,288	\$ 0.720	\$ 0.800	\$ 0.760	\$ 0.800
LLDPE - Inj	584,736	\$ 0.740	\$ 0.800	\$ 0.760	\$ 0.800



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