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Spot resin trading slowed from its fervent pace, but there were still some good spurts of activity which generated average volumes. Polyethylene and Polypropylene prices were steady across the board, although some film grades were notably tight. Fresh railcar availability was generally limited, which was equally matched by dull buyer interest. Crude Oil jumped \$2/bbl to \$43.73/bbl; Natural Gas surged 12.5% to \$2.14/mmBtu; Both Ethane and Propane posted modest gains; Ethylene and PGP monomers each added about a half-cent.

The **Polyethylene** market was a bit quieter, there was a lull in buying after several weeks of solid action. Prime railcars offered to the spot market included the full \$.04/lb increase, which was not compelling to contract buyers. There was better interest in offgrade material which was still available at a discount. Producers are holding firm with their intent to fully implement the April \$.04/lb price increase; buyers are trying to resist, but it's late in the month and looking ever more likely that the increase will stick.

PE prices in Houston have been inching up too; good demand from Europe and Latin America are aiding export sales. HDPE blow molding and LLDPE film grades have tightened up amid production constraints due to scheduled resin plant maintenance. Traders have been apprehensive about procuring speculative inventories, so supplies are thinning as material is sold. LDPE film grades remain very snug and are challenging to source, particularly High Clarity and Fractional melt.

If the April increase holds, the 2 month gain in Polyethylene will be \$.09/lb, bringing contracts back up to levels not seen since August, 2015. One producer announced a \$.05/lb increase for May, but we have not seen any others follow. The sharp jump caught some by surprise, while processors seek to minimize high cost purchases, they still need resin to run. For some resellers the increase is a boon to help liquidate slow moving material.

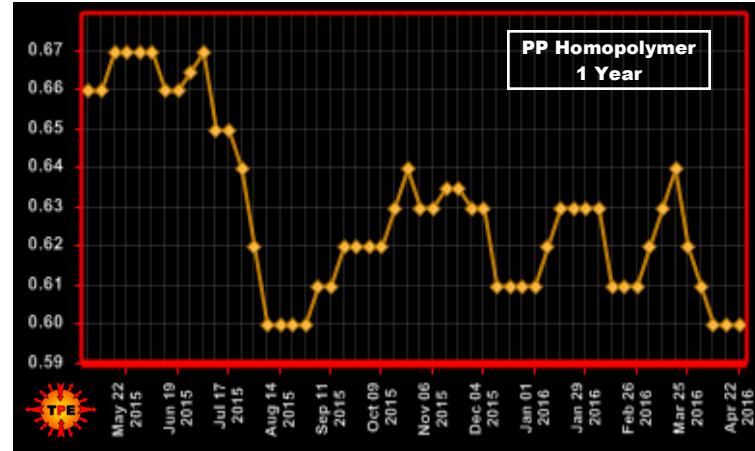
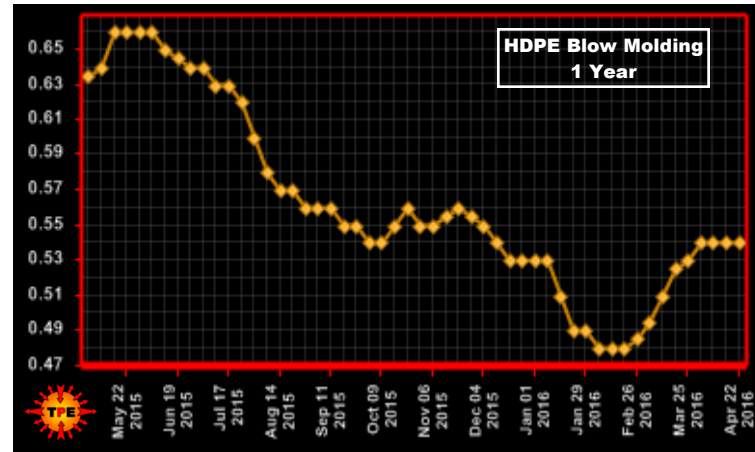
Polypropylene trading was slow, the market is fairly balanced and even perhaps well-supplied at the moment. Overall pricing was flat, although widespec pricing was weak. The significant flow of imported resin appears to have satisfied the shortage that developed during 2015 due to production issues and strong demand. Domestic production is also expected to improve in the near term as a couple reactors are brought back online from scheduled maintenance.

April Polypropylene contracts are mostly decreasing \$.03-.05/lb, not including the offsetting \$.01/lb increase in PGP monomer. North American Polypropylene prices have been far above PP in most other international regions and the wide arbitrage encouraged imports. Producers seem to be reacting to competitive imports by lowering prices to protect their share of the domestic market. As the landed resins sell, national resellers and traders will be more cautious with speculative imports as their margins have shrunk. This could potentially again lead to a more tightly supplied market ahead.

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 22nd, 2016

Resin For Sale 15,905,404 lbs		Spot Range		TPE Index	
Resin	Total lbs	Low	High	Bid	Offer
LDPE - Film	2,944,164	\$ 0.575	\$ 0.660	\$ 0.580	\$ 0.620
LLDPE - Film	2,674,416	\$ 0.540	\$ 0.610	\$ 0.520	\$ 0.560
HDPE - Blow Mold	2,579,428	\$ 0.520	\$ 0.570	\$ 0.500	\$ 0.540
HDPE - Inj	2,019,864	\$ 0.520	\$ 0.575	\$ 0.505	\$ 0.545
PP Copo - Inj	1,534,828	\$ 0.530	\$ 0.650	\$ 0.580	\$ 0.620
PP Homo - Inj	1,275,116	\$ 0.510	\$ 0.630	\$ 0.560	\$ 0.600
LLDPE - Inj	1,067,656	\$ 0.550	\$ 0.640	\$ 0.570	\$ 0.610
LDPE - Inj	1,046,736	\$ 0.535	\$ 0.630	\$ 0.580	\$ 0.620
HMVPE - Film	763,196	\$ 0.540	\$ 0.590	\$ 0.510	\$ 0.550



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