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Market Update — June 19th, 2015

Total Offers 17,238,920 lbs		Spot		Contract	
Resin	Total lbs	Low	High	Bid	Offer
HDPE - Blow Mold	4,095,072	\$ 0.610	\$ 0.690	\$ 0.605	\$ 0.645
HDPE - Inj	3,305,244	\$ 0.635	\$ 0.700	\$ 0.615	\$ 0.655
LLDPE - Film	3,275,968	\$ 0.630	\$ 0.735	\$ 0.625	\$ 0.665
LDPE - Film	1,888,116	\$ 0.650	\$ 0.730	\$ 0.645	\$ 0.685
PP Homo - Inj	1,373,104	\$ 0.630	\$ 0.730	\$ 0.620	\$ 0.660
HMWPE - Film	1,261,840	\$ 0.640	\$ 0.720	\$ 0.635	\$ 0.675
LLDPE - Inj	881,840	\$ 0.650	\$ 0.720	\$ 0.625	\$ 0.665
PP Copo - Inj	601,368	\$ 0.650	\$ 0.750	\$ 0.640	\$ 0.680
LDPE - Inj	556,368	\$ 0.640	\$ 0.730	\$ 0.645	\$ 0.685

Spot resin sales remained strong this week despite some softness in prices. Amongst the drivers were logistical issues backing up railcars in Houston which prompted just in time demand. Lower resin prices, particularly in the Asian region are pressuring export markets, with competitive offers from other regions also complicating spot exports to Latin America. While the Houston gulf has avoided problematic hurricanes the past several years, the wicked weather system that ran through Houston early in the week was a reminder of the area's vulnerability.

The energy markets were mixed this past week and August rolled to the front month futures contract. WTI Crude Oil and Brent Oil traded in their smallest ranges in over 2 months with fluctuations of just \$2.62/bbl (4.34%) and \$3.11/bbl (4.83%), respectively. WTI Crude Oil made its low on Monday, topped out on Wednesday and settled in the lower half of the range at \$59.97/bbl, down \$.43/bbl. Brent Oil recorded a loss of \$1.62/bbl to finish the week at \$63.02/bbl. Natural Gas was positive this past week and settled at \$2.84/mmBtu, up \$.064/mmBtu. Ethane saw an uneventful week and finished flat at \$.185/gal. Propane eroded nearly 6% on Monday and slid further as the week progressed, ultimately losing more than 3 cents to \$.3725/gal.

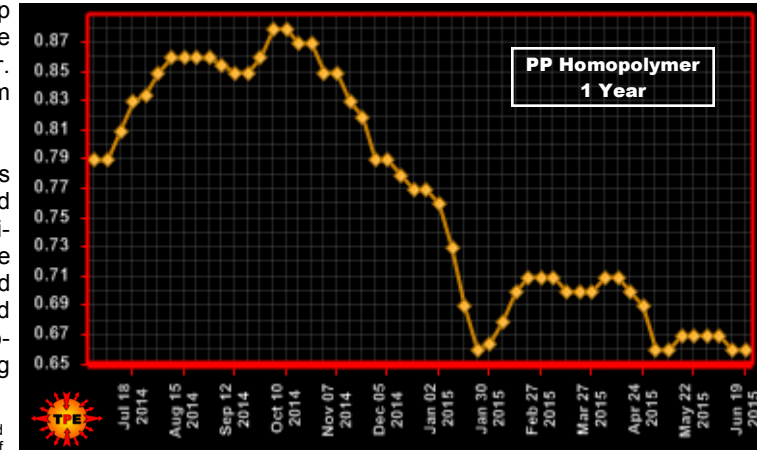
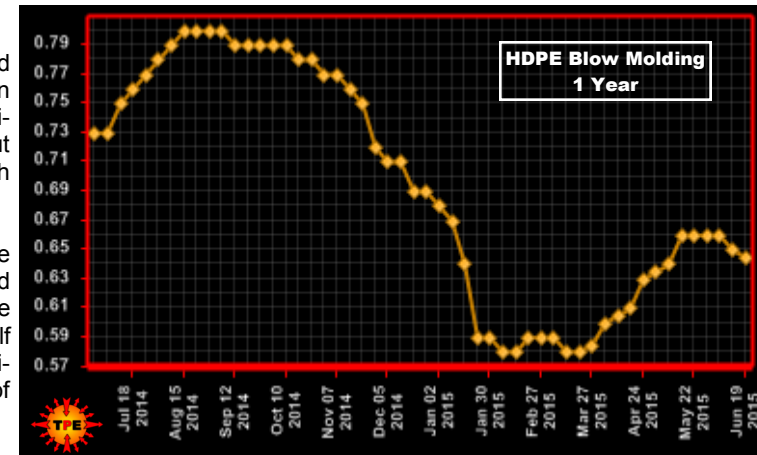
The spot Ethylene market saw moderate activity and prices edged higher. The cracker turnaround season has come to an end, all units have finally returned back online with expanded capacity in some cases. The Evangeline pipeline has reopened, feeding hungry reactors in Louisiana with plentiful Houston monomer. Ethylene for June delivery continued to trade within a tight range, closing out the week at \$.36125/lb, up just more than a half cent. Ethylene's forward curve remains fairly flat with prices through the end of 2016 still very close to prompt levels.

The Polyethylene markets remained active, although spot prices were mildly weaker. Generic Prime railcars were still quoted higher, but offgrade railcars and Prime packages dropped slightly. Low and Linear film grades were well sought after with transactions completed all throughout the week. June PE contracts will settle flat, with a 5 cent increase still nominated for July. The spot market lost a half cent this week, and sits a penny and half off the month's opening level. May upstream inventory additions nearly replaced April's draw, so the market is again bit heavy, though it is still early with plenty of time for new developments.

The spot Propylene market crept higher, inching up each day before finally trading at \$.3775/lb, up more than a penny from last week. The forward curve maintains a contango shape, although the curve flattened further. Forward prices were indicated up to \$.425/lb by the end of next year. June PGP contracts settled earlier in the month at \$.40/lb which was down a couple of cents from May. RGP traded at \$.285/lb midweek but was bid higher into the weekend.

The Polypropylene market felt pressured with supplies continuing to improve, but average prices managed to hold steady. Numerous spot transactions were completed with motivated sellers pleased to find able buyers. While offgrade is more readily available, some grades like Prime Random Clarified remain difficult to source. May's sales figures were above the 12 month trailing average for the third month in a row, drawing down inventories to Q3 2014 levels. Operating rates have ratcheted back up again, but supply and demand have been well balanced to tight helping producers expand margins - with additional increase efforts persisting. Whether it was a hedge against potential disruptions, or as additional upward pressure to help secure some of the outstanding margin enhancing \$.05/lb price increase, at least one PP producer nominated another \$.05/lb increase for mid-July.

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.



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MARKET UPDATE
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