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The spot resin markets ended the month with a bang; activity was surprisingly robust with numerous transactions completed across all major commodity resins. Polyethylene and Polypropylene prices were widely down \$.01-.02/lb, with some variance by grade. Spot material availability increased, there were quite a number of railcars owned by resellers that still required disposition. In a number of cases, discounted prices earned the orders, further pressuring the domestic market. The Houston resin market continued to sink as it followed weak international prices lower; most commodity resins are packaged and readily available for immediate shipment.

All of the major energy markets dropped again. WTI Crude Oil prices slid further amid reduced volatility; the September futures contract peeled off another \$1.02/bbl to settle Friday at \$47.12/bbl, another new low for the contract – and within striking distance of the pre-recovery low. Sept Brent Oil futures lost even more, ending the week at \$52.21/bbl, down \$2.41/bbl. Although Natural Gas was higher for much of the week, it relinquished its gains and ended in negative territory; the Sept contract went into the weekend at \$2.716/mmBtu, down a net \$.059/mmBtu. Spot Ethane was flat at \$.19/gal (\$.08/lb); Propane dropped almost 4-cents to make new lows at \$.3775/gal (\$.107/lb).

The Spot Ethylene market was very active; a high volume of material changed hands while prices were pressed lower. Aside from an occasional hiccup, the Gulf's crackers are humming along near maximum capacity. Ethylene for July delivery saw losses from the get go and ultimately traded down a full penny to \$.335/lb, before expiring off the board. August Ethylene then came front and center and most recently transacted around the same level. The forward Ethylene curve remains fairly flat with less than a cent separating prices for all months through Dec 2016.

Polyethylene trading picked back up while prices continued to slide. Most commodity grades shed another \$.02/lb, though LDPE limited this week's loss to a penny. Eroding export prices are challenging fresh sales and lowering the level in the local Houston market. This has created liquid availability of packaged resin at a sizable discount to domestic prices. With sometimes limited export outlets to liquidate burdensome supplies, a healthy and increasing flow of railcars has also been seen in the domestic market. These plentiful resin supplies, as well as ample inventory throughout the chain, have stymied producer efforts to implement their \$.05/lb price increase in July. While the increase has been technically revised for August, processors' contrary call for a price decrease is getting louder.

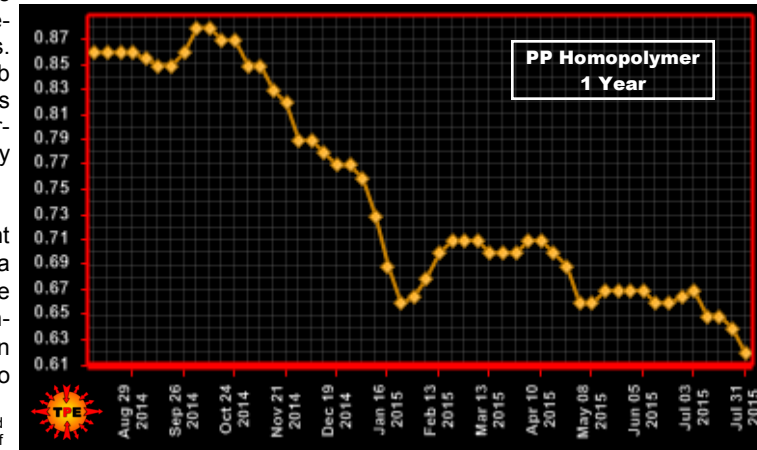
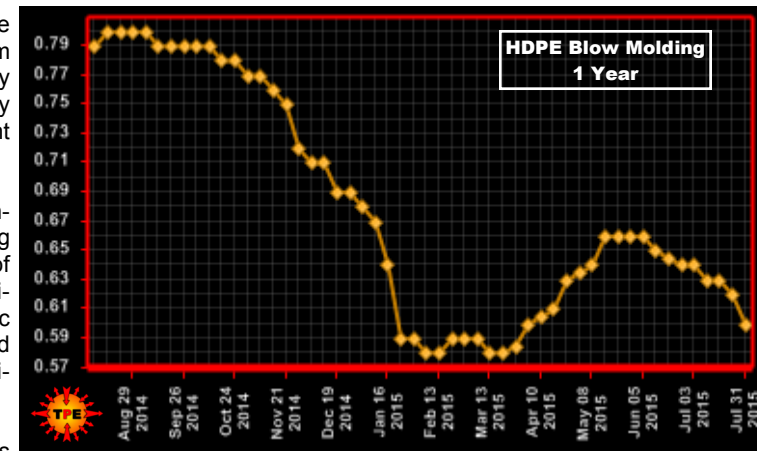
There was very little activity seen in the spot Propylene market; while there were some bids and offers floated, not a single physical transaction appears to have crossed the tape. The week ended with material offered at \$.3275/lb, down a fraction and a new low for both this move and in more than 6 years. Earlier in the month, July PGP settled down \$.035/lb to \$.365/lb, which adds into a staggering \$.40/lb loss from the market peak last October. August contracts have been nominated to roll flat, but perhaps a penny decrease might eventually emerge. The forward PGP curve has maintained a slight backwardation through the balance of 2015 before taking on a steep contango that reaches about \$.05/lb by Dec 2016. RGP traded down to \$.225/lb.

Polypropylene trading improved somewhat, but was still well off its traditional pace. The bulk of recent spot transactions have been initiated by buyers' need for material, rather than surplus resin seeking a home. Still, spot prices dropped a couple cents this past week, reflecting the challenge to move the occasional offgrade railcar into a domestic market with much lower prime contract prices. Indeed contract PP prices continued to slide in July, on average decreasing a bit less than the \$.035/lb decline in the cost of PGP monomer. PP producers will again leverage the generally tight supply situation into August as they seek another price increase relative to the cost of PGP monomer.

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 — July 31st, 2015

Total Offers 14,890,608 lbs		Spot		Contract	
Resin	Total lbs	Low	High	Bid	Offer
HDPE - Blow Mold	3,272,140	\$ 0.575	\$ 0.660	\$ 0.560	\$ 0.600
LLDPE - Film	3,103,704	\$ 0.600	\$ 0.660	\$ 0.590	\$ 0.630
HDPE - Inj	2,872,784	\$ 0.590	\$ 0.670	\$ 0.590	\$ 0.630
HMVPE - Film	1,424,576	\$ 0.600	\$ 0.680	\$ 0.610	\$ 0.650
PP Copo - Inj	1,257,104	\$ 0.610	\$ 0.720	\$ 0.620	\$ 0.660
LDPE - Film	1,156,552	\$ 0.625	\$ 0.700	\$ 0.610	\$ 0.650
LLDPE - Inj	668,736	\$ 0.600	\$ 0.700	\$ 0.600	\$ 0.640
PP Homo - Inj	590,460	\$ 0.590	\$ 0.680	\$ 0.600	\$ 0.640
LDPE - Inj	544,552	\$ 0.600	\$ 0.700	\$ 0.620	\$ 0.660



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