

## ANALYSE DES COURS DU MARCHE DES POLYMERS

L/LDPE	<p>In November, L/LDPE producers targeted price increases that at least matched the €30/tonne increase in the ethylene contract price. However, by mid-month price settlements fell some way short of target. LDPE contract prices were settling on average around €15/tonne ahead of October closing prices with LLDPE grades registering gains of only €5/tonne. Only the highly specified LDPE injection moulding grades registered price increases close to the €30/tonne rise in feedstock costs.</p> <p>Material availability tightened in November, although there was sufficient supply to meet demand. Several plants experienced production issues, which limited availability of certain grades. LLDPE availability could be restrained by a reduction in imported material from the Middle East over the coming months.</p> <p>L/LDPE demand remained surprisingly muted for the time of year with few early signs of a pick-up ahead of Christmas business.</p>
HDPE	<p>The November ethylene contract price settled €30/tonne higher following a rise in naphtha costs and a depreciation of the euro against the US dollar. HDPE producers attempted to pass on the full cost rise but due to weaker than anticipated demand mostly had to settle for less.</p> <p>There was very limited upward movement at the lower end of the price scale. However, tighter availability for some highly specified grades led to sharper price gains at the upper end of the price scale.</p> <p>There was generally sufficient material available to meet demand although production problems at an MOL Petrochemicals plant in Hungary led to supply restrictions for certain grades. There was an ample supply of competitively-priced imported injection moulding material available.</p> <p>HDPE demand was reported as somewhat disappointing in the run up to the Christmas period.</p>
PP	<p>The November propylene contract price settled €30/tonne higher following a rise in naphtha costs and the weakness of the euro against the US dollar. A tightening polypropylene market enabled producers to pass on almost the full cost increase to buyers. Homopolymer injection and homopolymer film grades registered price increases of €20/tonne with prices for copolymer injection grades rising by €20-25/tonne.</p> <p>There were reports of shortages for some high melt-flow PP and copolymer while being well balanced for normal grades. The tightness for copolymer grades was linked to plant maintenance in Eastern Europe and could continue through to Q2 2017.</p> <p>There were few signs of an upturn in order intake as would normally be expected ahead of the Christmas period. Homopolymer film business was reported as performing better than either homopolymer injection or copolymer injection markets.</p>
PS	<p>The fire at the BASF Ludwigshafen plant mid-October and subsequent closure of styrene production at the site caused nervousness in the market and led to a sharp rise in styrene monomer spot prices. Consequently, the November styrene monomer reference price settled €40/tonne higher.</p> <p>Polystyrene producers announced a €50/tonne increase in the November gross market price for general-purpose polystyrene (GPPS). By mid-month, GPPS prices were trading at around €40/tonne higher with the premium for high-impact grades remaining at €80-90/tonne.</p> <p>The restrictions to output at BASF's Ludwigshafen site were lifted early November, although production remained at a low level. Some PS producers experienced supply restrictions, but there was sufficient material available to meet demand.</p> <p>Demand was quieter than would normally be expected for the time of year with some converters reporting a possible slowdown in economic activity.</p>
PVC	<p>In November, a €30/tonne increase in the ethylene contract price raised the PVC production cost base by €15/tonne. PVC rigid blends also face rising titanium dioxide costs while stabiliser and modifier costs are also rising. Meanwhile, an increase in plasticiser prices are driving up the cost of flexible PVC compounds.</p> <p>Given the upward cost pressure, PVC producers aimed to at least match the rise in their cost base during November trading. By mid-month, both rigid and flexible PVC material did indeed see price rises matching the €15/tonne increase in ethylene costs with more highly specified material showing slightly larger gains.</p> <p>Material availability was more than sufficient to meet demand with most plants running without interruption. However, the declaration of force majeure by Vynova on caustic soda deliveries from its UK chlor-alkali plant restricted feedstock supply.</p>
PET	<p>The European paraxylene and monoethylene contract prices had not been settled when Plastics News Europe went to press mid-November. However, market insiders anticipated very limited movement in the overall PET cost base.</p> <p>PET producers' profit margins continued to be under pressure last month due to lower demand and excess supply. There were however reports of small price increases for low volume lots, but bulk volume orders saw either a price rollover or a small decline.</p> <p>Material availability remains long with European plants running at utilisation rates of between 70-80%. European producers also face a growing tide of competitively-priced imports from India, Southeast Asia and Turkey.</p> <p>Meanwhile, PET has seen lower than expected demand this year due to the poor summer weather. Seasonal demand declined further last month as the onset of winter reduced demand for cold beverages.</p>