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Overview

Product Insights

- Asian LDPE prices increase this week
- European LDPE market demand remain poor this week
- US LDPE export prices remain stable this week
- Brazil LDPE prices remain stable this week.

Global Polymer Prices

- The CFR Far East Asia LDPE prices were up by \$20/mt and were assessed at \$930-960/mt during the week.
- The Free-delivered NWE LDPE spot prices were stable and were assessed at Eur860-890/mt during the week.
- The FAS Houston spot export LDPE prices were stable and were assessed at \$830-860/mt during the week.
- The FAS US East Coast spot export LDPE prices were stable and were assessed at \$840-870/mt during the week.
- Prices for Brazil CFR LDPE were the same this week at \$980-1010/mt.

LOW DENSITY POLYETHYLENE SPOT PRICES (FEA/SEA/SA) USD/MT

| Assessment | Basis | Lower Price | Higher Price | Price Change |
|------------|---------------------|-------------|--------------|--------------|
| LDPE Film | CFR South East Asia | 910 | 940 | +10 |
| LDPE Film | CFR Far East Asia | 920 | 950 | +10 |
| LDPE Film | CFR India | 950 | 980 | 00 |
| LDPE Film | CFR Pakistan | 1010 | 1040 | 00 |
| LDPE Film | CFR Sri Lanka | 1030 | 1060 | +20 |
| LDPE Film | CFR Bangladesh | 1000 | 1030 | +10 |

Note: CFR (Cost and Freight) CIF (Cost, Insurance, and Freight).

Asian LDPE prices increase this week

Asian low-density polyethylene prices increased during the week as a result of increased buyer demand and higher crude futures. The September ICE Brent crude oil futures contract was up \$3.22/b on the week to \$83.12/b as of Asia.

Asian low-density polyethylene CFR South Asia marker was up \$5/mt day over day to \$980/mt. The second part of August is when festival demand is predicted to increase in India. Whatever people book today would arrive by end-August or mid-September, so they would use it to plan inventory for the festival season, be it Diwali or Christmas.

On the import front, industry sources estimate that India has imported between 220,000 and 230,000 mt of polyethylene so far in July, down from 250,000 mt in June.

The CFR Far East Asia LDPE prices were up by \$20/mt and were assessed at \$930-960/mt during the week. The CFR Southeast Asia LDPE prices were up by \$20/mt and were measured at \$940-970/mt. The CFR South Asian general-purpose LDPE prices were up by \$5/mt at \$950-980/mt during the week..

LOW DENSITY POLYETHYLENE SPOT PRICES (EUROPE & TURKEY) USD/MT

| Assessment | Basis | Lower Price | Higher Price | Price Change |
|--------------|-------------|-------------|--------------|--------------|
| LDPE GP Film | FD NWE | 860 | 890 | 00 |
| LDPE GP Film | FCA Antwerp | 840 | 870 | 00 |
| LDPE GP Film | CFR Turkey | 890 | 920 | +10 |

Note: FD (Free Delivered) NWE (North West Europe) FCA – Free Carrier (Place of Delivery) CFR (Cost and Freight) Note: FD NWE denotes FD Germany.

European LDPE market demand remain poor this week

The seven days leading this week witnessed little action on the European low density polyethylene spot market due to a drop in material demand and a decrease in volume trading. The week's market fundamentals remained the same, with poor end-user demand and a long supply.

As importers became leery of the low spot prices, inflows into the European market decreased. Even though some European companies stopped taking orders to maintain prices, the material remained freely available throughout the week, keeping costs low.

Due to the absence of numerous European LDPE players due to vacations, trading activity was slow. A few market participants were determining if prices had a floor. Limited expectations of an improvement in market fundamentals were noted by a number of companies.

The Free-delivered NWE LDPE spot prices were stable and were assessed at Eur860-890/mt during the week.

The FD Germany LDPE contract prices were down by Eur10/mt and were measured at Eur1,620-1,650/mt during the week.

LOW DENSITY POLYETHYLENE SPOT PRICES (USA & LATIN AMERICA) USD/MT

| Assessment | Basis | Lower Price | Higher Price | Price Change |
|--------------|------------------------------|-------------|--------------|--------------|
| LDPE Film | US East Coast | 840 | 870 | +10 |
| LDPE GP Film | CFR West Coast South America | 920 | 950 | +10 |
| LDPE GP Film | CFR Brazil | 980 | 1010 | 00 |
| LDPE GP Film | FAS Houston | 840 | 870 | +10 |
| LDPE GP Film | US Domestic | 1510 | 1540 | 00 |

Note: FAS – Free Alongside Ship (Port of Shipment) CFR (Cost and Freight).

US LDPE export prices remain stable this week

In spite of expectations that demand will increase, low density polyethylene export prices remained constant for the week ending. This week, a rail car value indication for LDPE was heard at 34-35 cents/lb, matching another indication from the same day at 34 cents/lb. Domestically, LDPE was rated steady this week.

Demand seems optimistic because the Asian market is looking better and there is a perception that prices have already reached their lowest point. Expectations of a 1-2 cent/lb rise for all PE grades were expressed by a trader and a distributor source.

The FAS Houston spot export LDPE prices were stable and were assessed at \$830-860/mt during the week.

The FAS US East Coast spot export LDPE prices were stable and were assessed at \$840-870/mt during the week.

Brazil LDPE prices remain stable this week

Prices for Brazil CFR LDPE were the same this week at \$980-1010/mt. Spot pricing for LDPE film shipped in So Paulo held steady at Real 8,850/mt throughout the course of the week. Despite a resurgence in demand that was reported in July, the LDPE market remained well-supplied and with lukewarm demand.

In the local market, demand is stable and slightly better than in previous months. Players had been hoping for Braskem to keep prices the same, or even raise prices since they haven't dropped as much internationally. However, everything will rely on how much-imported material entered this month.

The market anticipated that prices would decline in the upcoming month. As a consequence, players are hanging onto their stocks and waiting for Braskem to modify its pricing.

Plastic Updates: Open Market Prices for LDPE July 28, 2023

| Products | Mumbai | Delhi | Kolkata | Hyderabad | Bangalore | Ahmedabad | Chennai |
|----------|--------|-------|---------|-----------|-----------|-----------|---------|
| LDPE | | | | | | | |
| 24FS040 | 93.75 | 95.25 | 96.25 | 96 | 96.5 | 95 | 97 |
| 16MA400 | 117 | 118.5 | 120 | 119 | 120 | 117.5 | 120.25 |
| 1070LA17 | 133.5 | 135.5 | 137.5 | 135.5 | 136 | 134.5 | 136.5 |

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