

FIS Pulp Paper Futures Weekly Report

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Market News

The continuing weakness in the bulk and container freight markets has provided much needed relief for the pulp market in recent weeks. Increasing availability of freight capacity for the pulp markets has begun to ease one of the thornier problems for the industry. It also raises interesting questions of capacity management within the European market, with LATAM hardwood potentially a more economically viable proposition for European pulp producers – will this slow this shift from BHK to BSK processing, particularly in the Finnish market? Export statistics in the coming weeks will provide some clarity. It will be interesting to see how the BHKP/NBSK price spread, narrowing in recent weeks, will react. Hardwood demand still appears to remain robust amongst European mills. Freight rates have remained relatively flat and rangebound on Panamax, Capesize and Handysize in the last week. As have container rates, with further tonnage coming on stream in 2023 on several routes, which continues to offer encouragement to exporters.

Weakening Chinese softwood demand prompted a \$40-50 list price cut from LATAM exporters on Radiata Pine last week, which prompted the Canadian and Nordic exporters to follow suit, as reported by Fastmarkets RISI on Friday. Nordic and Canadian NBSK prices are reported as being \$940-960 m/t and Radiata pine levels \$940-970 m/t. Fastmarkets estimated that Russian softwood pulp levels at around \$880-900 m/t. Buyers have clearly responded, and exporters are reporting strong take-up from buyers. Offering some price support at the revised levels, for now. Several of our far eastern customers are continuing to maintain an interest in the soft/hard spread and should it narrow further, could be buyers of the soft. Following the Chinese list price cuts from the major exporters, US consumers are increasingly optimistic of a corresponding fall in prices in the North American market, however given levels of uptake in China, it remains to be seen if prices follow suit immediately.

Finally, if you are attending the seminar in Barcelona in September, we would be delighted to see you at our cocktail reception on the 14th from 1800-2000 at Le Meridien’s terrace bar. Please get in touch with us directly for further information. Hope to see you there.

Contact

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NOREXECO:	Softwood		Hardwood	Paper
	NBSK	NBSKSH	BHKP	Recycled
Aug-22	1483		1376	206
Sep-22	1490	916	1380	190
Oct-22	1480	891	1370	190
Nov-22	1475	870	1355	190
Dec-22	1453	851	1342	189
Jan-23	1420	840	1298	185
Q422	1469	871	1356	190
Q123	1400	835	1270	190
Q223	1310	819	1150	195
Q323	1260	813	1060	195
Q423	1230	805	1020	195
Q124	1200	805	1000	202
CAL23	1300	818	1125	194
CAL24	1200	805	1000	202

Source: NOREXECO

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