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# **FIS** Pulp Paper Futures Weekly Report

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#### **Market News**

Suzano has set unchanged prices globally for their BEK pulp in November, Leonardo Grimaldi, the pulp unit's director, stated on a Q3 earnings call: "We have closed all our sales in October at stable prices and we told clients this week about unchanged prices in November globally, with expectation that sales volume will be stable." This tallies with what we see in the futures market, despite some rather optimistic bids on Norexeco for BHKP Cal'23 (\$870 and \$1000 for example being shown on screen last week). In our view BHKP Cal'23 is in the \$1030/\$1075 area in the OTC and listed markets.

Grimaldi added in the same call: "Our inventories are still below optimum level, and we are working to ensure the effective supply to our customers. We continue to see the market tight in supply with continuous disruptions, especially in Europe, related to weather impacts and the lack of birch wood in the region," referring to drought and Russian wood export ban.

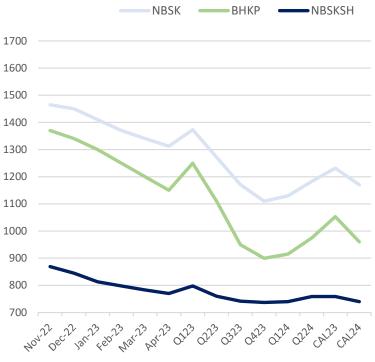
Softwood is looking a little softer with two grades of BSK in the North American markets dropping by \$20/ton, as reported by Fastmarkets/RISI. NBSK final October list prices were down to \$1770. A falling Chinese Renminbi produced further price cut in softwood, with Arauco responding to the Canadian producers \$20/ton cuts earlier in the month with a \$30/ton cut of their own for radiata pine and unbleached softwood kraft but keeping BHK levels at \$885/ton.

Globally this points to a narrowing of the softwood/hardwood spread across markets, with accent on the east Asian markets. Happy to discuss and facilitate how to articulate this phenomenon with futures. Please don't hesitate to reach out by phone or email to discuss.

	Softwood		Hardwood	Paper
NOREXECO:	NBSK	NBSKSH	ВНКР	Recycled
Nov-22	1465	869	1370	85
Dec-22	1450	845	1340	85
Jan-23	1410	813	1300	85
Feb-23	1370	798	1250	86
Mar-23	1340	783	1200	88
Apr-23	1312	770	1150	91
Q123	1373	798	1250	86
Q223	1272	760	1110	90
Q323	1171	742	950	90
Q423	1110	737	900	90
Q124	1130	740	915	93
Q224	1183	759	975	96
CAL23	1232	759	1053	89
CAL24	1170	740	960	96

### Source: NOREXECO





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