

FIS Pulp Paper Futures Weekly Report

London +44 (0)204 519 2856 | KieranW@freightinvestor.com | www.freightinvestorservices.com

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Market News

The OCC market remains under pressure globally – an excess of available supply, particularly from Europe and N. America. European OCC 95/5 are down at \$115-130/t in SE Asia. Currency weakness in GBP and EUR and weakening freight rates are giving European exporters some relief. In India the OCC 95/5 grade is still around \$135/t with buyers seeking price and volume cuts according to Fastmarkets. Asian plants appear to be taking advantage of this slump to book increased volumes through Q4 '22 and for January '23. Pulp prices remained steady globally for the most part. Import prices to China were around \$930-960/t for NBSK and for Latam BHK \$850-860/t. The domestic pulp resale market appears to still have healthy demand levels.

Levels in Europe remained similar to last week with Oct BHKP around \$1380/t and Oct NBSK at \$1490/t. Of concern to both producers and manufacturers in Europe is the ongoing energy crisis.

Anecdotally we have heard of a medium sized Eastern European pulp producer who have explicitly stated to a major customer of theirs that NBSK prices below \$1240/t would not be economically viable. Whilst this may be pleading poverty ahead of physical supply negotiations, it does highlight the increased inputs European producers face, most markedly compared to their Latam and to a lesser extent N. American counterparts. Capacity management of European producers will be interesting to keep an eye on over the next few months

. Naturally a prudent hedging program could alleviate many of these visible issues. If any pulp producers need assistance designing a hedging program to defend operating margin, please do not hesitate to get in touch!

Contact

Kieran Walsh

(+44) 204 519 2856

(+44) 7749701509

KieranW@freightinvestor.com

NOREXECO:	Softwood		Hardwood	Paper
	NBSK	NBSKSH	BHKP	Recycled
Oct-22	1490	906	1380	117
Nov-22	1490	885	1380	112
Dec-22	1473	870	1370	110
Jan-23	1440	860	1328	112
Feb-23	1405	842	1281	112
Mar-23	1375	829	1251	112
Q422	1484	887	1377	113
Q123	1407	844	1287	112
Q223	1310	810	1150	117
Q323	1240	796	1040	125
Q423	1200	785	990	125
Q124	1200	785	990	132
CAL23	1289	809	1117	120
CAL24	1200	785	1000	142

Source: NOREXECO

NOREXECO Pulp and Paper Futures

