

FIS Pulp Paper Futures Weekly Report

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Market News

China

Prices for Canadian NBSK imports in China have risen due to the projected recovery of the Chinese economy and the decreasing availability of Canadian NBSK. Meanwhile, prices for BSK sold by other producers, such as Arauco, have remained flat and have been quickly bought up. The current May BSK futures contract settled at \$854 per tonne, not including VAT and logistics costs. South American BHK levels have stayed steady at \$740-760 per tonne.

Recovered Paper

Global sellers are pushing for price increases for recovered paper imports across Asia, taking advantage of China's policy changes. Imports of packaging materials from Southeast Asia, Taiwan, and India began to pick up in December, following China's reopening and the improvement in packaging demand. The intake increased after China dropped import duties on most paper and board. This led to mills in non-China Asia increasing production and bidding up RCP prices, which caused suppliers to raise RCP export prices to Asia. US DS OCC 12 and European OCC 95/5 prices have risen steeply, but buyers are pushing back due to cooling exports to China. Assessed levels for benchmark US OCC 11 have crept up to \$180-190 per tonne, while European OCC 95/5 has increased by just \$5 per tonne to \$145-160 per tonne. The earthquakes in Turkey have European suppliers worried about a pause in RCP imports and a potential shift in volume to Asia. Indian customers have reduced buying US brown grades due to high prices, and Japanese OCC levels have edged up \$10-15 per tonne due to declining availability.

Futures

Interest remains in covering the balance of the year on both NBSK and BHKP. Hardwood buyers with unfulfilled hedging mandates appear reluctant to pay up on prices currently being asked for hardwood swaps given prospect of LATAM UPM and MAPAbales hitting the market imminently.

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NOREXECO:	Softwood		Hardwood	Paper
	NBSK	NBSK CIF CH	BHKP	Recycled
Feb-23	1386	895	1340	71
Mar-23	1353	875	1270	74
Apr-23	1320	845	1210	77
May-23	1276	818	1150	79
Jun-23	1250	802	1099	79
Jul-23	1211	791	1020	79
Q223	1282	822	1153	78
Q323	1181	791	990	79
Q423	1120	787	960	79
Q124	1147	784	945	83
Q224	1198	795	990	85
Q324	1198	837	993	86
CAL24	1185	813	980	85
CAL25	1198	837	993	86

Source: NOREXECO

NOREXECO Pulp and Paper Futures



