

# FIS Pulp Paper Futures Weekly Report

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

27-Mar-23

## Market News

### S&D

Weak demand and inventory buildup led to all-time high inventories for worldwide chemical market pulp producers. The Pulp and Paper Products Council reported a 51-day supply of inventory in February, with shipments down 3.6% YoY. This two-day rise corresponded to a 270,000-tonne increase vs January. February's estimated 7.253 million tonnes is an all-time high on a tonnage basis. The month closed with a 51-day supply, up three days from the originally reported 48 days in January, which the PPPC revised up one day to the 49-day level.

### China

Global pulp suppliers and Chinese buyers are deadlocked after talks during Shanghai Pulp Week. Customers demand up to \$150 per tonne cuts for BSK and more for BHK, while sellers refuse to comply. This has led to clients pausing buying and suppliers holding back on offers. BSK May futures prices fell to \$723 per tonne, and the influx of spot NBSK tonnage is being ignored by customers due to the stalemate. Assessed Canadian NBSK levels stayed at \$910-930 per tonne, while Nordic NBSK is down \$10 per tonne at \$800-900 per tonne. South American producers maintain offer prices of \$680-700 per tonne for hardwood. PIX BHKP China index settled at \$716.78 per tonne on March 24, down 1.06%.

### Futures

2H23 remains in focus for hedgers. NBSK 2H23 traded at 1140 in 500tpm and BHKP traded 1025 for 1ktpm. Further interest remains in covering on both grades for this period (2H23).

## Contact

Kieran Walsh

(+44) 204 519 2856

(+44) 7749701509

[KieranW@freightinvestor.com](mailto:KieranW@freightinvestor.com)

| NOREXECO: | Softwood |         | Hardwood | Paper    |
|-----------|----------|---------|----------|----------|
|           | NBSK     | NBSKCHI | BHKP     | Recycled |
| Mar-23    | 1375     | 890     | 1280     | 74       |
| Apr-23    | 1335     | 870     | 1225     | 77       |
| May-23    | 1291     | 848     | 1165     | 79       |
| Jun-23    | 1260     | 827     | 1110     | 79       |
| Jul-23    | 1210     | 811     | 1045     | 79       |
| Aug-23    | 1160     | 801     | 1035     | 79       |
| Q223      | 1295     | 848     | 1167     | 74       |
| Q323      | 1163     | 801     | 1035     | 79       |
| Q423      | 1117     | 792     | 1015     | 79       |
| Q124      | 1147     | 784     | 1000     | 83       |
| Q224      | 1197     | 795     | 1000     | 85       |
| Q324      | 1198     | 837     | 1003     | 86       |
| CAL24     | 1185     | 813     | 1005     | 85       |
| CAL25     | 1198     | 837     | 1013     | 86       |

Source: NOREXECO

## NOREXECO Pulp and Paper Futures

