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# FIS

# **Pulp Paper Futures Weekly Report**

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# **Market News**

#### China

Nordic NBSK prices dropped \$20/tonne to \$865/tonne after Shanghai talks. Arauco's radiata pine price cut of \$105/tonne influenced this. Spot NBSK tonnage from Europe continued at \$800/tonne. Nordic NBSK dropped \$80/tonne to \$800-820/tonne. Canadian NBSK levels were unchanged at \$910-930/tonne. The mid-point for NBSK is \$865/tonne, falling \$20/tonne. The BSK May futures contract fell to \$712/tonne. South American BHK levels dropped to \$600-630/tonne. The PIX BHKP China index settled at \$709.31/tonne on March 31, down 4.3%. Eric Hu, an economust at Fastmarkets RISI penned a Viewpoint on Friday that stated that: China's consumer market has not yet seen the expected "revenge consumption" due to stagnant household income and increased savings. The government is prioritizing local consumption, particularly in the areas of automobiles, home appliances, catering, and home furnishings. Policies to stimulate the consumer market vary by province, with Shanghai promoting tourism, Hainan holding brand exhibitions, and Guangdong improving logistics. The government has eased some restrictions on the real estate sector but is focused on improving housing demand rather than providing a short-term stimulus. Exports slowed in 2022 but are expected to gradually improve in the second half of 2023, despite concerns over trade tensions and inflation. China's economy is on a gradual recovery path, with the government implementing policies to boost consumer confidence and corporate investment. Economic improvement is expected to start gradually in the second guarter and build momentum over the second half of the year.

### **Futures**

The correction underway in the cash markets is leading to a disconnect with the futures (which tend to trade at a premium to cash after netbacks). The normal differences in price expectations between producers and consumers seems starker than in normal circumstances leading to gappy and less tradeable market conditions with volumes subdued. It remains to be seen when price expectations realign and volumes pick up again.

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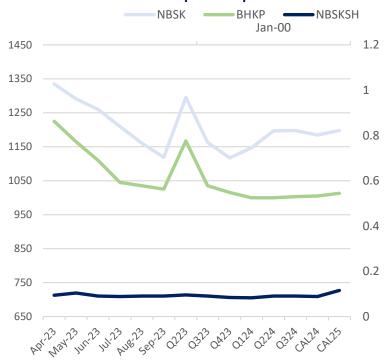
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	Softwood		Hardwood	Paper
NOREXECO:	NBSK	NBSKSH	ВНКР	Recycled
Apr-23	1335	713	1225	77
May-23	1291	719	1165	79
Jun-23	1260	710	1110	79
Jul-23	1210	709	1045	79
Aug-23	1160	710	1035	79
Sep-23	1119	710	1025	79
Q223	1295	714	1167	78
Q323	1163	710	1035	79
Q423	1117	706	1015	79
Q124	1147	705	1000	83
Q224	1197	710	1000	85
Q324	1198	710	1003	86
CAL24	1185	709	1005	85
CAL25	1198	727	1013	86

**Source: NOREXECO** 

# **NOREXECO Pulp and Paper Futures**



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