

FIS Pulp Paper Futures Weekly Report

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Market News

China

The NBSK CIF China level has dropped by \$70 per tonne to \$703 per tonne, with Canadian and Nordic suppliers lowering prices due to ongoing pressure in the Chinese pulp market. May BSK futures contract prices also slipped, settling at RMB 5,304 per tonne on April 21. South American BHK was reportedly being offered below \$500 per tonne, while UPM has started shipping from its new mill in Uruguay. The PIX BHKP China index decreased by 5.68% to \$565.71 per tonne on April 21.

Europe

Fastmarkets reports that buyers are pushing for further price reductions of bleached eucalyptus kraft (BEK) pulp and northern bleached softwood kraft pulp due to poor demand for paper in Europe and sliding pulp prices in other global regions. Both pulp benchmark grades saw price erosion in March, with BEK prices plunging by \$100/tonne to \$1,180/tonne. Poor demand has been observed in the graphics and tissue segments of the paper market, with weakness also affecting other paper segments. Many buyers are convinced that further drops, especially for BEK, are achievable due to high stocks and China's continuing pulp import price reductions. The outlook for the paper industry is uninspired, with few market players expecting any substantial change in the next few weeks or even months.

Futures

The futures market remains subdued, with a degree of nervousness on both sides of the market - buyers not showing appetite to cover in these bearish conditions. It is important to bear in mind that futures do have a tendency to overshoot in these type of conditions and levels may well be in range for some prudent and decisive risk management plays, for those with the appetite to take advantage of these lower levels.

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NOREXECO:	Softwood		Hardwood	Paper
	NBSK	NBSKCH	BHKP	Recycled
Apr-23	1353	755	1220	83
May-23	1276	703	1140	89
Jun-23	1230	700	1095	90
Jul-23	1210	698	1045	90
Aug-23	1160	696	1020	91
Sep-23	1119	691	1010	91
Q223	1286	719	1152	87
Q323	1168	695	1025	91
Q423	1117	697	1005	91
Q124	1147	744	1010	91
Q224	1197	760	1010	91
Q324	1198	797	1010	91
CAL24	1185	775	1010	91
CAL25	1198	807	1020	92

Source: NOREXECO

NOREXECO Pulp and Paper Futures

