

Paper/Forest Products

Pkgg/Paper Wrap-up, Daily – 2/20/24: Commodity pricing, PPC, beer strike

Industry Overview

Commodity Tracker

Exhibit 2: Paper/Forest Packaging Materials Summary:

Summary of raw material prices

	Date	Price	w/w (%)	y/y (%)
Fiber - US\$/MT				
Hardwood China - Net	20-Feb-24	\$653.87	0.1%	-13.5%
Hardwood Europe	20-Feb-24	\$1,141.32	0.1%	-14.2%
Softwood China - Net	20-Feb-24	\$732.89	0.0%	-18.6%
Softwood Europe	20-Feb-24	\$1,346.78	0.3%	-3.2%
Softwood US	20-Feb-24	\$1,355.88	0.0%	-18.3%
Old Corrugated Cartons (OCC) (*)	01-Feb-24	\$91.00		175.8%
Metals				
Aluminum Cash Official LME (\$/mt)	20-Feb-24	\$2,185.00	1.0%	-0.3%
US Midwest Domestic HRC Steel (CRU) Near Term (NYM \$/st)	20-Feb-24	\$929.00	-1.7%	41.2%
Oil				
Crude Oil WTI /Global Spot NYMEX (\$/bbl)	20-Feb-24	\$79.20	2.5%	-8.4%
Crude Oil Brent ICE Near Term (\$/bbl)	20-Feb-24	\$83.56	1.6%	-9.5%
	Date		m/m (%)	y/y (%)
Petrochemicals/Resin				
Polypropylene (PP)	Jan-24		-11.7%	-4.2%
HDPE (Blow Mldg.)	Jan-24		0.0%	5.2%
LDPE	Jan-24		0.0%	10.0%
Polystyrene (PS)	Jan-24		-34.2%	-33.9%
Polyethylene terephthalate (PET)	Jan-24		-6.0%	-11.9%

Source: ICIS, Fastmarkets RISI/FOEX, FactSet, BofA Global Research; (*) OCC price in \$/st for month of February.

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January '24 NA P&W shipments -5.7% y/y; UCFS -4.7%

On 2/15/24, the Pulp and Paper Products Council (PPPC) released preliminary North American printing & writing (P&W) statistics for January. Overall, shipments were down -5.7% y/y which follows a decline of -16.8%/y/y in December. While not great, it was somewhat encouraging to see a slower pace of declines in January. The average operating rate remained flat at 82% when compared to January 2023. In uncoated wood free (or uncoated free sheet; UCFS), shipments were down -5.0% y/y. Meantime, the average operating rate for UCFS increased to 87% vs. 86% in January 2023. According to the PPPC, cut-size shipments benefited from increased office attendance.

Trade press reports of work stoppages at brewers

Trade press and websites including Fox4 KDFW, Beer Business Daily (BBD) and Ft. Worth Magazine reported that the Teamsters Union is striking at a Molson Coors Beverage Company brewery in Fort Worth, TX (TAP; covered by our colleague Bryan Spillane). As discussed in our past research, there are potential work stoppages upcoming at other brewers. Hopefully, production realignment and prior adjustments should allow the supply chain to manage, but we'll continue to monitor.

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Timestamp: 20 February 2024 03:47PM EST

20 February 2024

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Exhibit 1: Paper/Packaging Research

Summary of recent BofA notes

	Date	Link
Notes		
Weekly	16-Feb	Pricing Friday Preview - Feb.
Weekly	8-Feb	The sound and the fury
Weekly	2-Feb	Red Sea Implications
Weekly	26-Jan	Euro Commentary
Weekly	19-Jan	Pricing Friday Preview - Jan.
Weekly	12-Jan	WestRock price hikes
Weekly	7-Jan	Red Sea: Price hikes
Year-Ahead	2-Jan	Year-Ahead Note
Daily		
Daily	18-Jan	Investor Comments
Daily	31-Jan	Wood/Lumber
Daily	13-Feb	Commodity Tracker

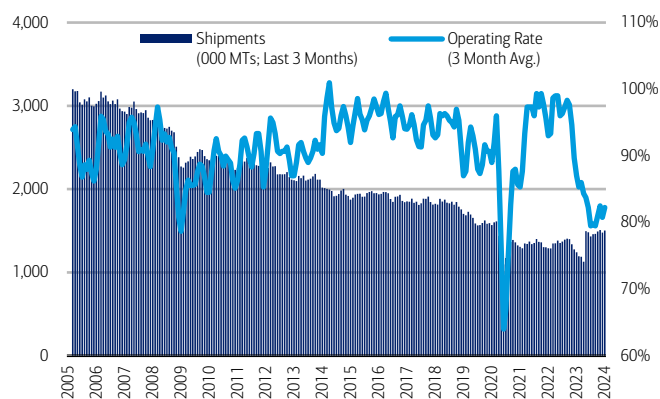
Source: BofA Global Research

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PPPC Review – North America Printing & Writing Statistics

Exhibit 3: Uncoated Freesheet vs. Operating Rates – 3 months

UCFS average operating rates in January

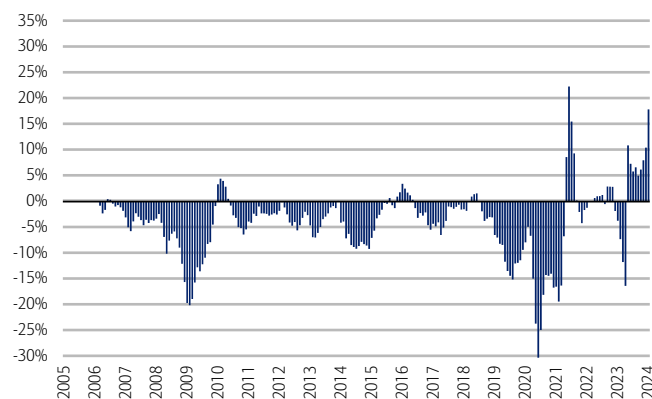


Source: Pulp & Paper Products Council

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Exhibit 4: Uncoated Freesheet Shipments (Y/Y Chg) – 3 months

UCFS shipments in January

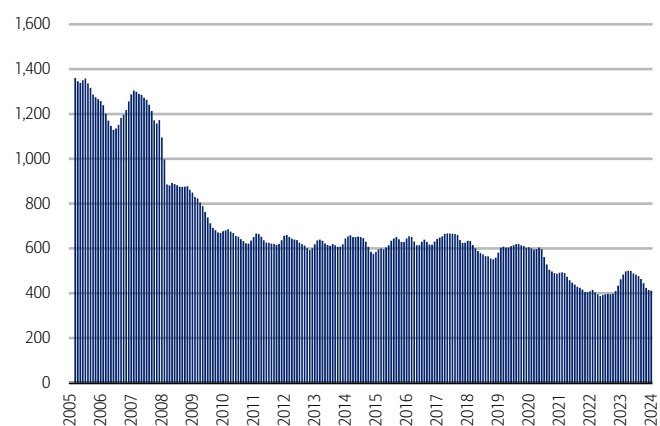


Source: Pulp & Paper Products Council

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Exhibit 5: Uncoated Freesheet Inventories - 3 Months

UCFS inventories in January



Source: Pulp & Paper Products Council

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