

Paper/Forest Products

Pkgg/Paper Wrap-up, Daily – 1/16/24: Latest pricing, pulp & beverage trends

Industry Overview

Commodity Tracker

Exhibit 2: Paper/Forest Packaging Material Summary: mixed trends this week

Summary of raw material prices

	Date	Price	w/w (%)	y/y (%)
Fiber - US\$/MT				
Pulp (RISI FOEX)				
Hardwood China - Net	16-Jan-24	\$654.75	0.3%	-19.2%
Hardwood Europe	16-Jan-24	\$1,061.66	4.2%	-23.1%
Softwood China - Net	16-Jan-24	\$738.41	-0.1%	-16.9%
Softwood Europe	16-Jan-24	\$1,289.18	3.3%	-8.9%
Softwood US	16-Jan-24	\$1,306.39	1.4%	-22.4%
Old Corrugated Cartons (OCC) (\$/ton)	Jan-24	\$87.00		200.0%
Metals				
Aluminum Cash Official LME (\$/mt)	16-Jan-24	\$2,153.00	-1.8%	-4.6%
U.S Midwest Hot-Rolled Coiled Steel Index (CRU) (\$/ton)	16-Jan-24	\$1071.00	-1.1%	46.7%
Oil & Petrochemicals/Resin				
Crude Oil WTI (\$/bbl)	16-Jan-24	\$72.68	-1.8%	-8.2%
Crude Oil Brent (\$/bbl)	16-Jan-24	\$78.15	-0.6%	-8.3%
Polypropylene (PP)	Dec-23		0.0%	22.2%
HDPE (Blow Mldg.)	Dec-23		-4.7%	-18.7%
LDPE	Dec-23		-4.5%	-23.2%
Polystyrene (PS)	Dec-23		-2.5%	0.4%
Polyethylene terephthalate (PET)	Dec-23		-0.5%	-4.2%

Source: ICIS, Fastmarkets RISI/FOEX, FactSet, BofA Global Research

January preliminary pulp prices increase

Fastmarkets RISI / Pulp & Paper Week (PPW or RISI) published preliminary pulp pricing for January. Overall, pulp prices were higher across the grades as supply has remained “balanced to tight.” Northern bleached softwood kraft (NBSK) and southern bleached softwood kraft (SBSK) prices were both up \$10/MT at \$1,360/MT and \$1,270/MT, respectively. Fluff pulp (which is frequently priced off of SBSK) prices were up \$15/MT at \$1,805/MT. Meantime, southern bleached hardwood kraft (SBHK) and northern bleached hardwood kraft (NBHK) prices were up \$35/MT to \$1,160/MT. Internationally, our contacts report that Red Sea related shipping delays have not impacted price increases for Chinese imports significantly, though it could impact local European paper pricing (if imports from Asia are blocked).

Whole Foods may ‘tighten’ beverage product selection

Beer Business Daily recently reported that Amazon-owned Whole Foods Market (AMZN: covered by BofA Global Research Analyst Justin Post) is reportedly looking to tighten its stock-keeping unit (SKU) selection for beverage “flavor innovation brands”, our sense from the article being that consumers are beginning to be weary of all the choices in hard alcoholic products. Product proliferation has been a driver of can demand, and we’ll see if this reduction in SKUs occurs at other retailers, and what impact it has on packaging, including cans.

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Exhibit 1: Paper/Packaging Research

Summary of recent BofA notes

	Date	Link
Notes		
Weekly	12-Jan	WestRock price hikes
Weekly	7-Jan	Red Sea Shipping Impact
Year-Ahead	2-Jan	Year-Ahead Note
Daily		
Daily	11-Jan	Investor Comments
Daily	10-Jan	Wood Prices
Daily	9-Jan	Commodity Tracker

Source: BofA Global Research

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