

## Pulp &amp; Paper Price Tracker

## Arauco reportedly cut softwood prices in China for February

Industry Overview

## Tracking global pulp and paper price variations

Our P&P Price Tracker aims to track variations in P&P prices across the globe as well as regional simplified cash margins. We also provide snippets of news articles discussing prices and market color, as well as industry data updates.

We hope it's useful. Any suggestions on how to improve it are greatly appreciated.

**Exhibit 1: Snapshot of weekly Pulp & Paper price movements**

Pulp prices dropped \$2.67/t w/w to \$653.07/t for hardwood and dropped \$13.88/t w/w to \$733.51/t for softwood

Pulp & Paper Price Reference	Unit	Current Price	w/w Change (USD/t)	w/w Change (%)
<b>Market Pulp - Hardwood</b>				
HW China Net	USD/t	653.07	-2.67	-0.41%
HW China Resale Net (Eucalyptus)	USD/t	607.66	5.91	0.98%
HW Europe List	USD/t	1,068.29	6.77	0.64%
HW Europe Net	USD/t	750.08	4.75	0.64%
HW US List	USD/t	1,175.00	0.00	0.00%
<b>Market Pulp - Softwood</b>				
SW China Net	USD/t	733.51	-13.88	-1.86%
SW China Resale Net (NBSK)	USD/t	703.09	-4.45	-0.63%
SW China Futures Net	USD/t	677.10	-18.63	-2.68%
SW Europe List	USD/t	1,299.89	1.03	0.08%
SW Europe Net	USD/t	931.17	0.74	0.08%
SW US List	USD/t	1,380.00	20.00	1.47%
<b>Printing &amp; Writing - Uncoated</b>				
China Offset Reel	USD/t	935.84	-0.01	0.00%
Europe Offset Reel	USD/t	1,313.97	5.56	0.43%
<b>Printing &amp; Writing - Coated</b>				
China Offset Reel	USD/t	852.25	-0.01	0.00%
Europe Offset Reel	USD/t	1,186.40	5.02	0.43%
<b>Packaging - Containerboard</b>				
Kraftliner China	USD/t	560.64	-0.01	0.00%
Kraftliner Europe	USD/t	731.72	-2.03	-0.28%
Testliner China	USD/t	474.40	-0.01	0.00%
Testliner Europe	USD/t	530.97	0.55	0.10%
White-top Kraftliner China	USD/t	774.64	-0.01	0.00%
White-top Kraftliner Europe	USD/t	909.08	-2.05	-0.22%
<b>Packaging - Boxboard</b>				
Duplex China	USD/t	506.86	-0.01	0.00%
Duplex Europe	USD/t	1,245.99	3.32	0.27%
<b>Old Corrugated Cardboard</b>				
OCC China	USD/t	251.90	-1.54	-0.61%
OCC Europe	USD/t	107.00	0.35	0.33%
OCC US	USD/t	87.00	0.00	0.00%

Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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02 February 2024

Equity  
Latin America  
Pulp & Paper

**Caio Ribeiro**  
Research Analyst  
BofAS  
+1 646 855 4051  
[caio.ribeiro@bofa.com](mailto:caio.ribeiro@bofa.com)

**Leonardo Neratika >>**  
Research Analyst  
Merrill Lynch (Brazil)  
+55 11 2188 4200  
[leonardo.neratika@bofa.com](mailto:leonardo.neratika@bofa.com)

**Guilherme Rosito >>**  
Research Analyst  
Merrill Lynch (Brazil)  
+55 11 2188 4363  
[guilherme.rosito@bofa.com](mailto:guilherme.rosito@bofa.com)

**George L. Staphos**  
Research Analyst  
BofAS  
+1 646 855 4495  
[george.l.staphos@bofa.com](mailto:george.l.staphos@bofa.com)

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Refer to important disclosures on page 11 to 12.

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Timestamp: 02 February 2024 04:23PM EST

## Weekly news flow

### Asia: Arauco cut radiata pine Feb price by \$15/t

FOEX reported pulp prices down w/w in China this week, with imported hardwood (HW) down \$2.67/t to \$653.07/t and imported softwood (SW) down \$13.88/t w/w to \$733.51/t. Resale prices were mixed w/w with hardwood (BEK; Bleached Eucalyptus Kraft) up \$5.91/t w/w to \$607.66/t, while resale softwood (NBSK; Northern Bleached Softwood Kraft) dropped \$4.45/t w/w to \$703.09/t. Shanghai SW future (May 2024 contract) dropped \$18.63/t w/w to \$677.1/t (net of value added-tax [VAT] and logistic costs). RISI reported this week that Arauco cut softwood prices for their February shipments to China, with radiata pine down \$15/t to \$745/t, and USK (Unbleached Softwood Kraft) down \$30/t to \$690/t. The price cut was fueled by weaker SW purchases as well as lower prices for grades imported from Canada and Nordic countries.

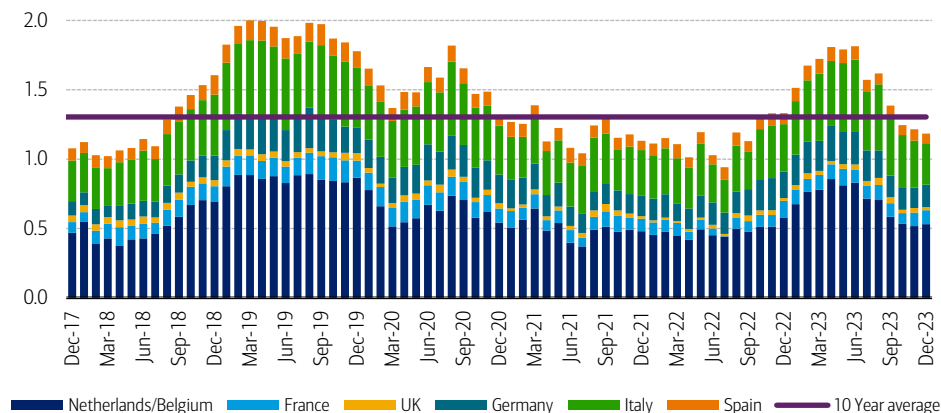
Separately, PPI Asia reported that paper and board prices in China dropped ahead of the LNY (Lunar New Year). The drops were seen across P&W (printing & writing) and packaging grades, and were attributed to seasonal demand weakness and high supply, as mills had not begun the downtimes scheduled for the holiday.

### Europe: European ports pulp inventories down 11.1% y/y

PPI Europe reported that European graphic paper producers kept reducing graphic paper output and converting capacity into packaging, driven by weaker demand. Despite the capacity cuts, market participants mentioned that further capacity cuts are needed to bring the European graphic paper industry to more profitable levels and drive operating rates higher. Meanwhile, Europulp reported inventories of woodpulp at European ports dropped 11.1% y/y and 2.6% m/m in December to 1,189Kt.

#### Exhibit 2: Wood pulp inventories at European ports (Mt)

Inventories of woodpulp at European ports down 11.1% y/y in December to 1,189Kt



Source: BofA Global Research, Europulp

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### Americas: Arauco obtained license for Sucuriú

RISI reported that Arauco obtained the environmental license for the Sucuriú project in Mato Grosso do Sul state. This license approves the site of the project and now the company needs the installation license to begin the construction works. Meanwhile, PPI LatAm reported that the Brazilian containerboard market outlook was mixed, with some contacts mentioning stronger-than-expected demand, while others saying there was a seasonal pressure to cut prices. The start of the year is generally slower, as the economy usually picks up only after the Carnival holiday. Some PPI's sources mentioned orders were only the necessary, while others mentioned they were fully booked for January and February. Separately, PPI noted some contacts were seeing pressure to reduce sack kraft prices, but prices held firm. PPI also mentioned that large kraftliner producers were finding more opportunities to export to LatAm, which was helping the domestic market.

**Exhibit 3: Summary of Pulp & Paper price movements**

Pulp prices dropped \$2.67/t w/w to \$653.07/t for hardwood and dropped \$13.88/t w/w at \$733.51/t for softwood

Pulp & Paper Price Reference	Unit	Current Price	w/w Change (USD/t)	w/w Change (%)	y/y Change	y/y Change (%)	Last Change
<b>Market Pulp - Hardwood</b>							
HW China Net	USD/t	653.07	-2.67	-0.41%	-138.53	-17.50%	2-Feb-24
HW China Resale Net (Eucalyptus)	USD/t	607.66	5.91	0.98%	-210.16	-25.70%	2-Feb-24
HW Europe List	USD/t	1,068.29	6.77	0.64%	-311.66	-22.58%	30-Jan-24
HW Europe Net	USD/t	750.08	4.75	0.64%	-218.83	-22.58%	30-Jan-24
HW US List	USD/t	1,175.00	0.00	0.00%	-405.00	-25.63%	12-Jan-24
<b>Market Pulp - Softwood</b>							
SW China Net	USD/t	733.51	-13.88	-1.86%	-150.43	-17.02%	2-Feb-24
SW China Resale Net (NBSK)	USD/t	703.09	-4.45	-0.63%	-253.70	-26.52%	2-Feb-24
SW China Futures Net	USD/t	677.10	-18.63	-2.68%	n.a.	n.a.	2-Feb-24
SW Europe List	USD/t	1,299.89	1.03	0.08%	-110.25	-7.82%	30-Jan-24
SW Europe Net	USD/t	931.17	0.74	0.08%	-78.98	-7.82%	30-Jan-24
SW US List	USD/t	1,380.00	20.00	1.47%	-320.00	-18.82%	30-Jan-24
<b>Printing &amp; Writing - Uncoated</b>							
China Offset Reel	USD/t	935.84	-0.01	0.00%	-136.35	-12.72%	2-Feb-24
Europe Offset Reel	USD/t	1,313.97	5.56	0.43%	-79.68	-5.72%	2-Feb-24
<b>Printing &amp; Writing - Coated</b>							
China Offset Reel	USD/t	852.25	-0.01	0.00%	-41.66	-4.66%	2-Feb-24
Europe Offset Reel	USD/t	1,186.40	5.02	0.43%	-121.67	-9.30%	2-Feb-24
<b>Packaging - Containerboard</b>							
Kraftliner China	USD/t	560.64	-0.01	0.00%	-110.57	-16.47%	2-Feb-24
Kraftliner Europe	USD/t	731.72	-2.03	-0.28%	-173.48	-19.16%	2-Feb-24
Testliner China	USD/t	474.40	-0.01	0.00%	-72.02	-13.18%	2-Feb-24
Testliner Europe	USD/t	530.97	0.55	0.10%	-190.04	-26.36%	2-Feb-24
White-top Kraftliner China	USD/t	774.64	-0.01	0.00%	-131.60	-14.52%	2-Feb-24
White-top Kraftliner Europe	USD/t	909.08	-2.05	-0.22%	-104.52	-10.31%	2-Feb-24
<b>Packaging - Boxboard</b>							
Duplex China	USD/t	506.86	-0.01	0.00%	-110.13	-17.85%	2-Feb-24
Duplex Europe	USD/t	1,245.99	3.32	0.27%	-243.23	-16.33%	2-Feb-24
<b>Old Corrugated Cardboard</b>							
OCC China	USD/t	251.90	-1.54	-0.61%	-35.13	-12.24%	2-Feb-24
OCC Europe	USD/t	107.00	0.35	0.33%	31.70	42.10%	2-Feb-24
OCC US	USD/t	87.00	0.00	0.00%	54.00	163.64%	1-Jan-24
<b>Margins - China</b>							
Uncoated Paper	USD/t	282.77	2.66	0.95%	2.18	0.78%	2-Feb-24
Coated Paper	USD/t	199.18	2.66	1.35%	96.87	94.68%	2-Feb-24
Kraftliner	USD/t	67.94	7.70	12.78%	-17.79	-20.75%	2-Feb-24
Testliner	USD/t	222.50	1.53	0.69%	-36.89	-14.22%	2-Feb-24
Coated Duplex	USD/t	14.16	7.70	119.27%	-17.35	-55.06%	2-Feb-24
White-top Kraftliner	USD/t	81.35	8.26	11.31%	12.88	18.81%	2-Feb-24
<b>Margins - Europe</b>							
Uncoated Paper	USD/t	563.90	0.81	0.14%	139.15	32.76%	2-Feb-24
Coated Paper	USD/t	436.33	0.27	0.06%	97.15	28.64%	2-Feb-24
Kraftliner	USD/t	212.63	-2.58	-1.20%	-149.84	-41.34%	2-Feb-24
Testliner	USD/t	423.96	0.20	0.05%	-221.75	-34.34%	2-Feb-24
Coated Duplex	USD/t	314.82	2.58	0.83%	-164.25	-34.29%	2-Feb-24
White-top Kraftliner	USD/t	-22.09	-2.79	14.44%	-25.55	-739.13%	2-Feb-24
<b>Pulp Spreads</b>							
HW Europe - China (Net)	USD/t	97.01	7.42	78.43%	-80.30	-45.29%	2-Feb-24
SW Europe - China (Net)	USD/t	197.66	14.62	7.99%	71.45	56.61%	2-Feb-24
SW - HW China	USD/t	80.44	-11.21	-12.23%	-11.90	-12.89%	2-Feb-24
SW - HW Europe	USD/t	181.10	-4.02	-2.17%	139.85	339.05%	30-Jan-24

Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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**Exhibit 4: Pulp & Paper prices period comparison**

Evolution of pulp and paper prices

Pulp & Paper Price Reference	Current Price (USD/t)	Last Week Price	Last Month Price	Last Year Price	12M Average	5Y Average	Source
<b>Market Pulp - Hardwood</b>							
HW China Net	653.07	655.74	653.35	791.60	597.48	615.97	FOEX
HW China Resale Net (Eucalyptus)	607.66	601.75	601.63	817.83	596.21	612.32	RISI
HW Europe List	1,068.29	1,061.52	1,007.96	1,379.95	1,019.76	976.28	FOEX
HW Europe Net	750.08	745.32	707.72	968.90	716.00	686.93	BofA/FOEX
HW US List	1,175.00	1,175.00	1,135.00	1,580.00	1,207.06	1,184.46	RISI
<b>Market Pulp - Softwood</b>							
SW China Net	733.51	747.39	745.25	883.94	746.78	751.21	FOEX
SW China Resale Net (NBSK)	703.09	707.54	712.05	956.79	744.11	750.01	RISI
SW China Futures Net	677.10	695.74	710.87	n.a.	680.13	n.a.	RISI
SW Europe List	1,299.89	1,298.86	1,242.99	1,410.14	1,257.10	1,140.62	FOEX
SW Europe Net	931.17	930.43	890.41	1,010.15	900.52	818.76	BofA/FOEX
SW US List	1,380.00	1,360.00	1,340.00	1,700.00	1,424.50	1,399.31	RISI
<b>Printing &amp; Writing - Uncoated</b>							
China Offset Reel	935.84	935.85	939.52	1,072.19	948.30	976.11	RISI
Europe Offset Reel	1,313.97	1,308.41	1,304.50	1,393.65	1,326.48	1,142.71	RISI
<b>Printing &amp; Writing - Coated</b>							
China Offset Reel	852.25	852.26	855.60	893.91	840.61	874.92	RISI
Europe Offset Reel	1,186.40	1,181.38	1,177.85	1,308.08	1,213.62	983.96	RISI
<b>Packaging - Containerboard</b>							
Kraftliner China	560.64	560.65	562.84	671.21	587.49	681.71	RISI
Kraftliner Europe	731.72	733.75	741.00	905.19	778.72	798.68	FOEX
Testliner China	474.40	474.41	476.26	546.42	478.09	594.83	RISI
Testliner Europe	530.97	530.42	534.93	721.01	577.62	607.19	FOEX
White-top Kraftliner China	774.64	774.65	777.69	906.24	799.97	870.94	RISI
White-top Kraftliner Europe	909.08	911.13	924.82	1,013.60	942.15	923.14	FOEX
<b>Packaging - Boxboard</b>							
Duplex China	506.86	506.87	508.85	616.99	524.12	653.24	RISI
Duplex Europe	1,245.99	1,242.67	1,250.57	1,489.22	1,380.74	n.a.	RISI
<b>Old Corrugated Cardboard</b>							
OCC China	251.90	253.43	254.43	287.03	243.59	333.42	RISI
OCC Europe	107.00	106.65	110.36	75.30	98.86	126.53	FOEX
OCC US	87.00	87.00	87.00	33.00	55.54	72.22	RISI
<b>Margins - China</b>							
Uncoated Paper	282.77	280.11	286.17	280.59	350.81	360.14	FOEX/RISI
Coated Paper	199.18	196.52	202.25	102.31	243.13	258.95	FOEX/RISI
Kraftliner	67.94	60.24	63.01	85.73	92.31	139.39	FOEX/RISI
Testliner	222.50	220.97	221.84	259.39	234.50	261.42	FOEX/RISI
Coated Duplex	14.16	6.46	9.02	31.50	28.94	110.92	FOEX/RISI
White-top Kraftliner	81.35	73.09	78.39	68.47	127.83	187.35	FOEX/RISI
<b>Margins - Europe</b>							
Uncoated Paper	563.90	563.09	596.78	424.75	610.48	455.78	FOEX/RISI
Coated Paper	436.33	436.06	470.13	339.17	497.62	297.03	FOEX/RISI
Kraftliner	212.63	215.21	240.62	362.47	279.03	326.03	FOEX
Testliner	423.96	423.77	424.57	645.71	478.76	480.65	FOEX
Coated Duplex	314.82	312.24	360.16	479.07	480.22	448.24	FOEX/RISI
White-top Kraftliner	-22.09	-19.30	34.41	3.46	41.63	104.37	FOEX
<b>Pulp Spreads</b>							
HW Europe - China (Net)	97.01	89.58	54.37	177.30	118.52	70.96	FOEX
SW Europe - China (Net)	197.66	183.04	145.16	126.21	153.74	67.56	FOEX
SW - HW China	80.44	91.65	91.90	92.34	149.30	135.24	FOEX
SW - HW Europe	181.10	185.11	182.69	41.25	184.52	131.83	FOEX

Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

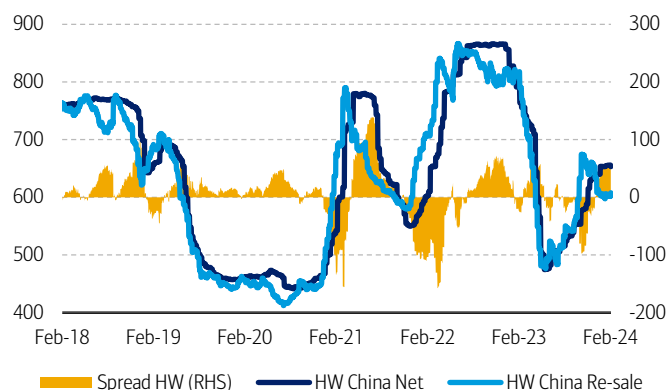
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# Key charts

## Main global pulp price references

### Exhibit 5: China HW net price (US\$/t)

Hardwood prices rebounded from the bottom of ~\$480/t

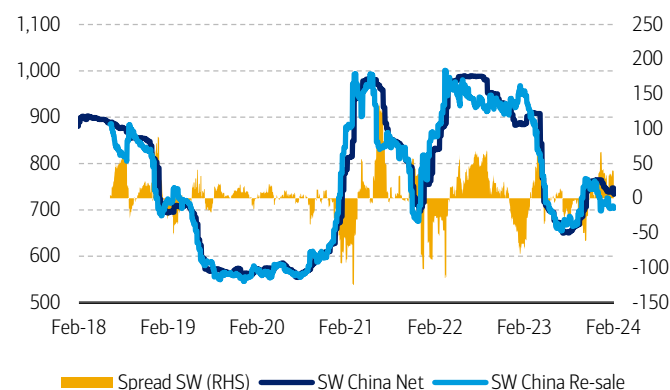


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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### Exhibit 6: China SW net price (US\$/t)

Softwood prices are not recovering as much as hardwood

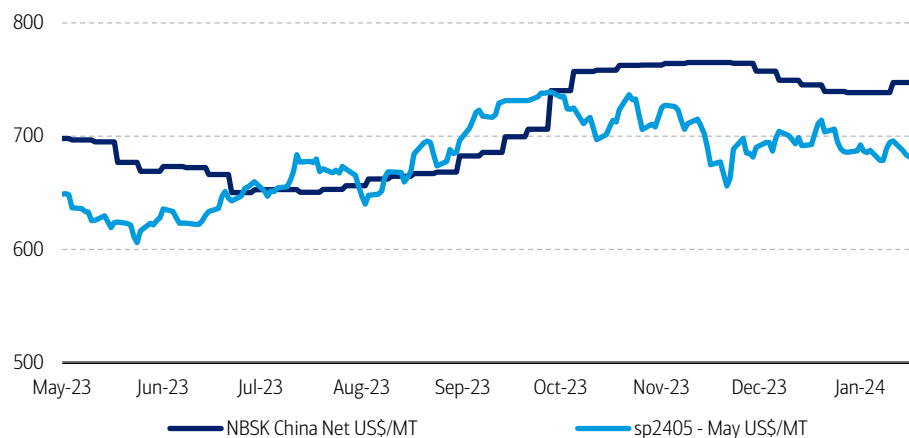


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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### Exhibit 7: Shanghai softwood pulp futures (May 2024 contract [sp2405], US\$/t, net\*) vs. PIX NBSK China net (US\$/t)

The most traded pulp future contract (May 2024; sp2405) is rangebound in the past weeks



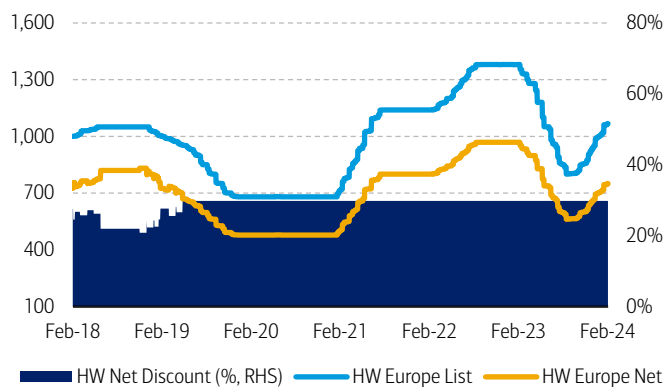
Source: BofA Global Research, Shanghai Futures Exchange, Fastmarkets FOEX

\*Net of VAT (13%) and logistic costs (estimated at RMB 150/MT)

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**Exhibit 8: Europe HW list vs. net price (US\$/t)**

Europe Hardwood list prices are still rebounding

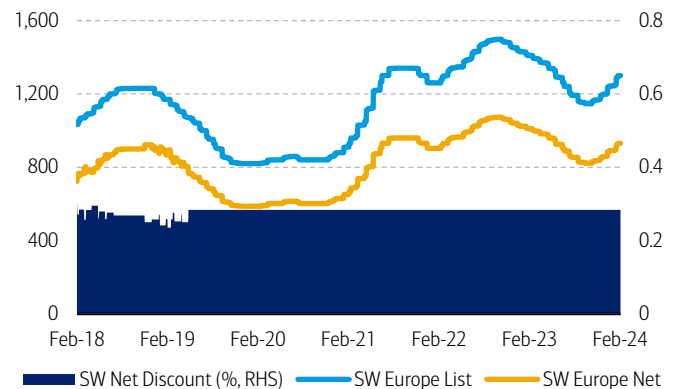


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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**Exhibit 9: Europe SW list vs. net price (US\$/t)**

As for Softwood, list prices are rebounding slightly

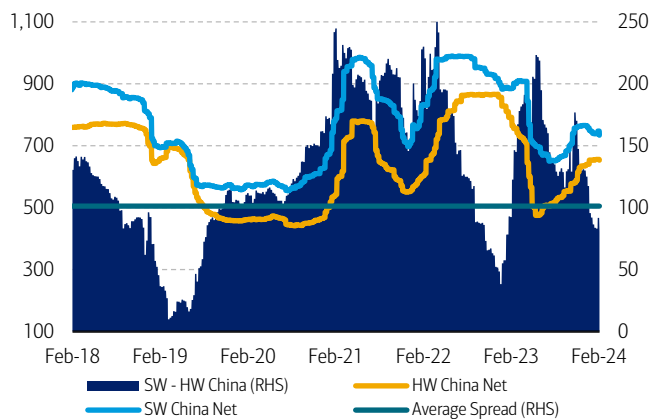


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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**Exhibit 10: China SW – HW spread (US\$/t)**

SW-HW spreads in China have been close to the historical average

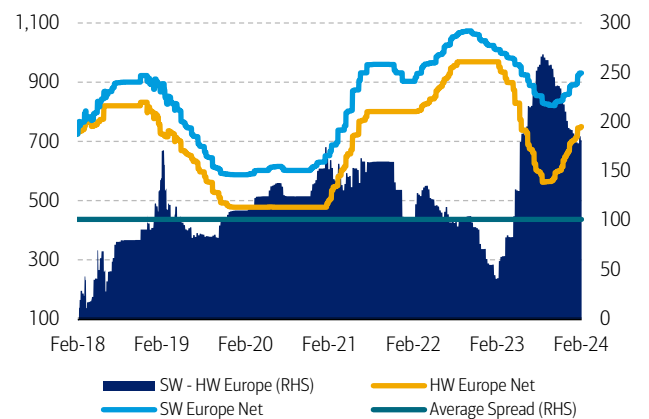


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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**Exhibit 11: Europe SW – HW spread (US\$/t)**

SW-HW spreads in Europe have been trading above its historical avg

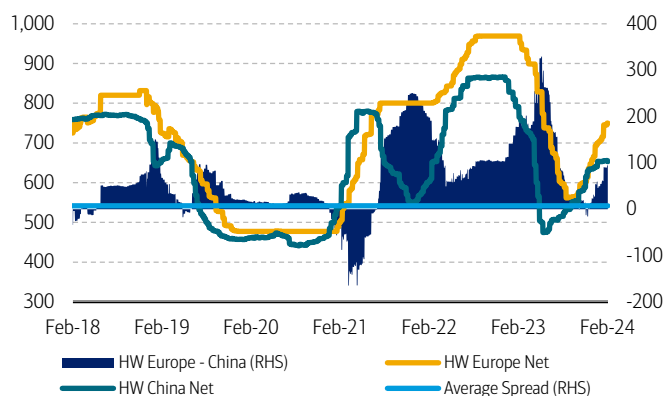


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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**Exhibit 12: Europe HW vs. China HW price (US\$/t)**

Europe prices are in line with Chinese prices

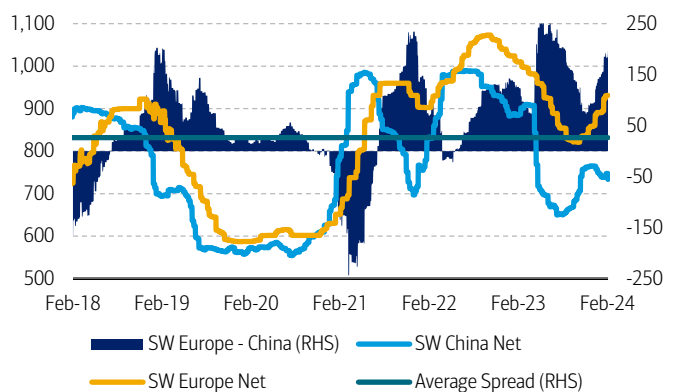


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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**Exhibit 13: Europe SW vs. China SW price (US\$/t)**

As for Softwood, EU-CH spread has been dropping

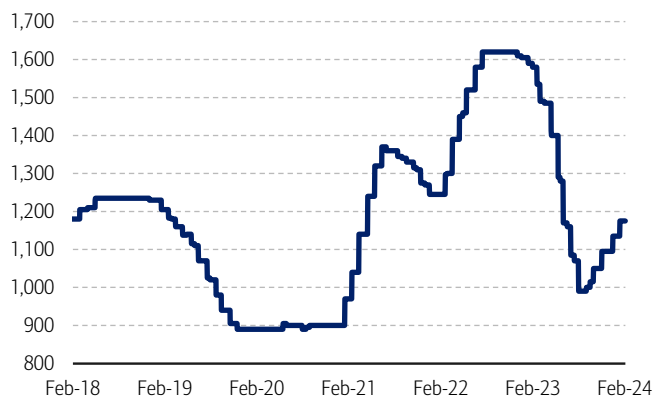


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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**Exhibit 14: US HW list price (US\$/t)**

US hardwood prices increased from the bottom

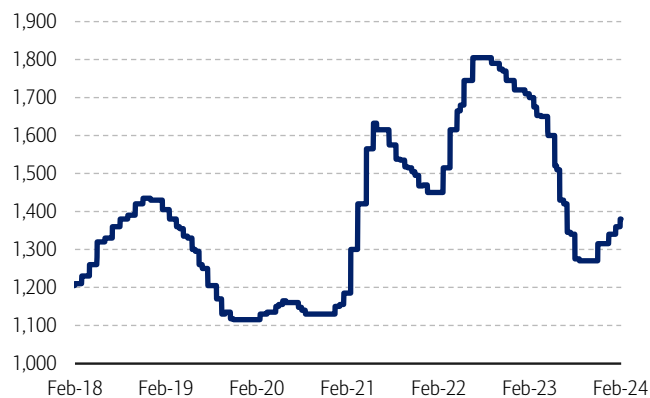


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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**Exhibit 15: US SW list price (US\$/t)**

US softwood prices have remained close to the bottom

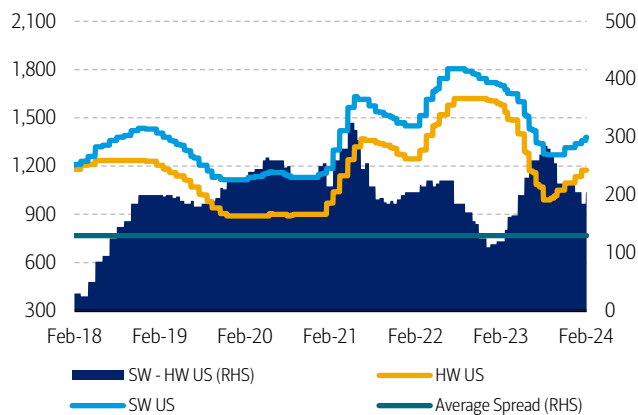


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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**Exhibit 16: US SW-HW spread (US\$/t)**

Even after the increase in spreads from 2020 and early 2021, current value is still well above historical avg of ~US\$124/t



Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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**Exhibit 17: US OCC (US\$/t)**

OCC prices have recovered from the recent bottom



Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

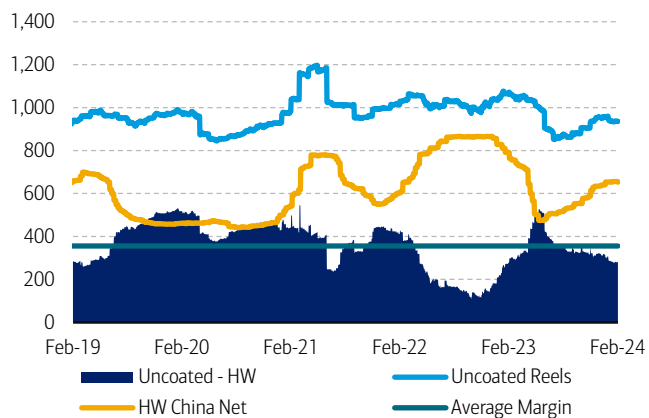
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# Key charts

## Main global paper price references

### Exhibit 18: China uncoated reels price and margin (US\$/t)

China uncoated margins trading close to the historical avg of ~US\$360/t

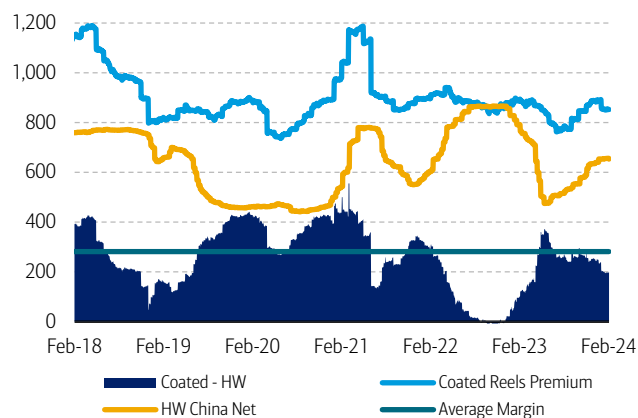


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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### Exhibit 19: China coated reels price and margin (US\$/t)

China coated margins are close to the historical avg of ~US\$280/t

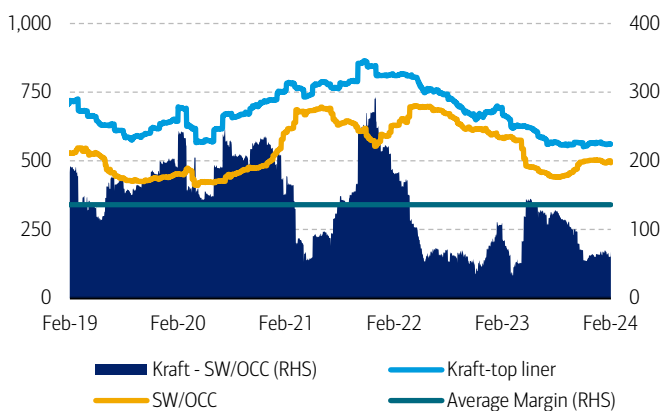


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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### Exhibit 20: China kraftliner (US\$/t)

After peak in October 2021, kraftliner margins in China dropped and are now below to avg. of ~US\$150/t

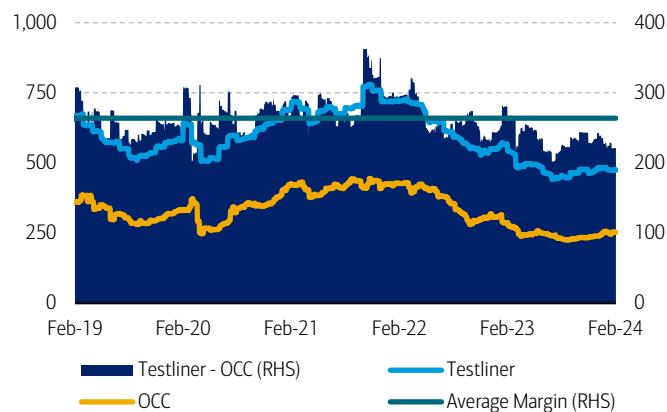


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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### Exhibit 21: China testliner (US\$/t)

Testliner margins are below the historical margin



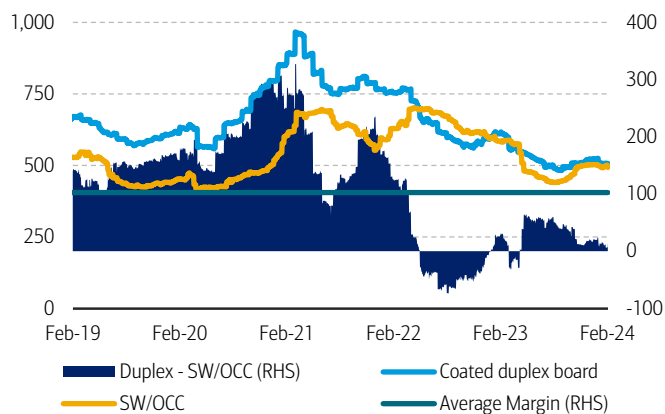
Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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**Exhibit 22: China duplex (US\$/t)**

After recent peak in November, duplex margins in China started to drop and are now below the avg of ~US\$130/t

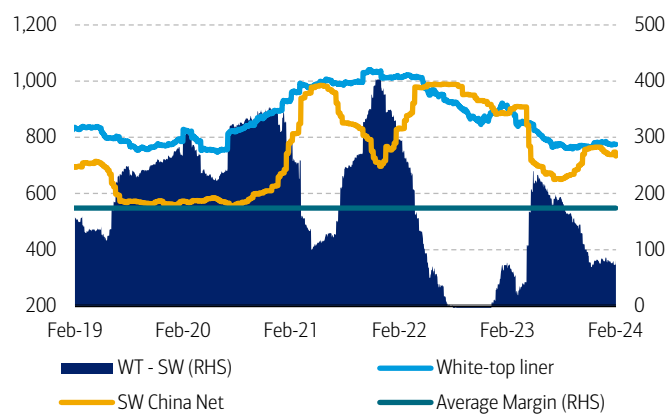


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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**Exhibit 23: China white-top liner (US\$/t)**

White-top liner also suffered pressure in margins by April 2021, and now returned to levels below avg

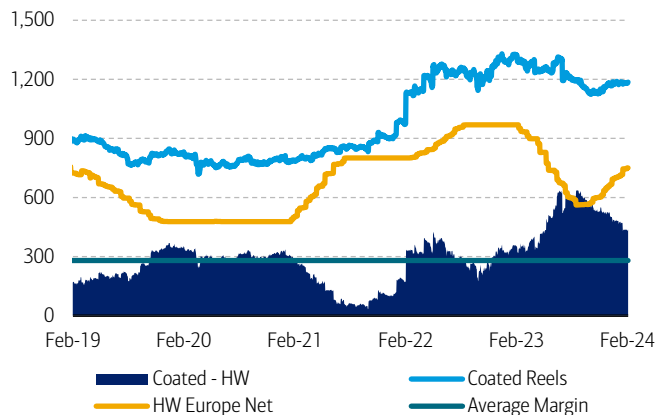


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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**Exhibit 24: China ivory board (US\$/t)**

Ivory board margin in China is now above the average of ~US\$260/t

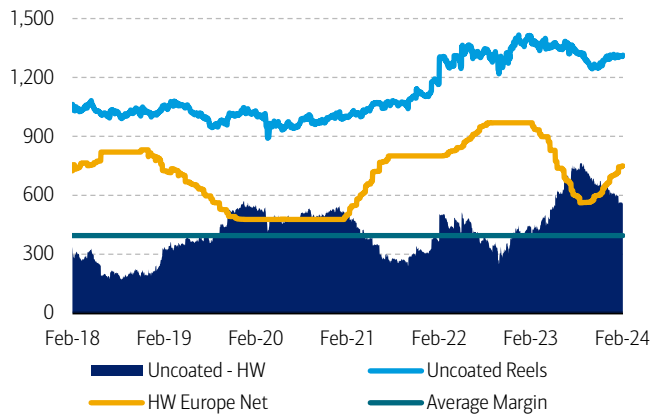


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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**Exhibit 25: Europe uncoated reels (US\$/t)**

For uncoated in Europe, margins are recently high, and trading above its historical avg of ~US\$380/t

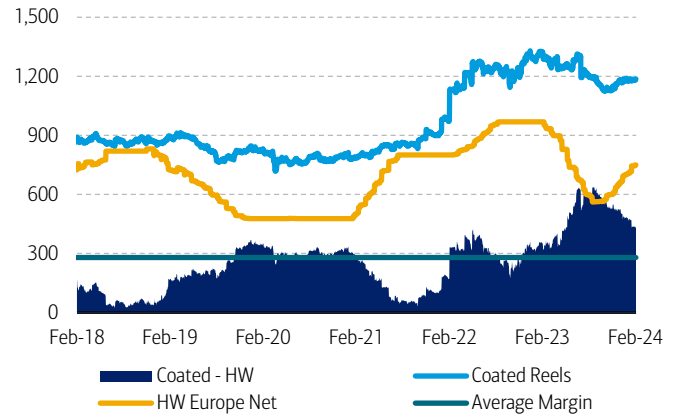


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**Exhibit 26: Europe coated reels (US\$/t)**

Margins for uncoated in Europe recovered from low level reached after peak in 2020 and early 2021

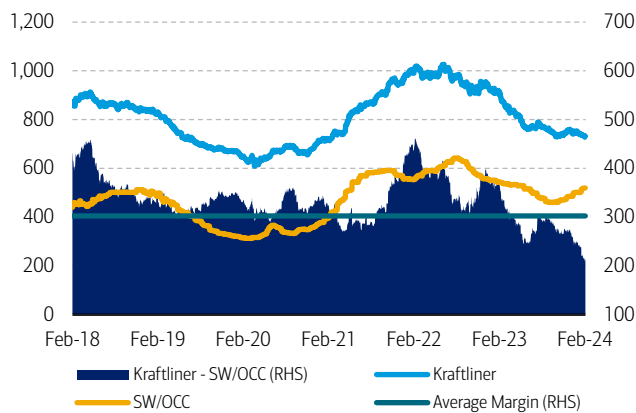


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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**Exhibit 27: Europe kraftliner (US\$/t)**

Kraftliner margins are currently below the historical average

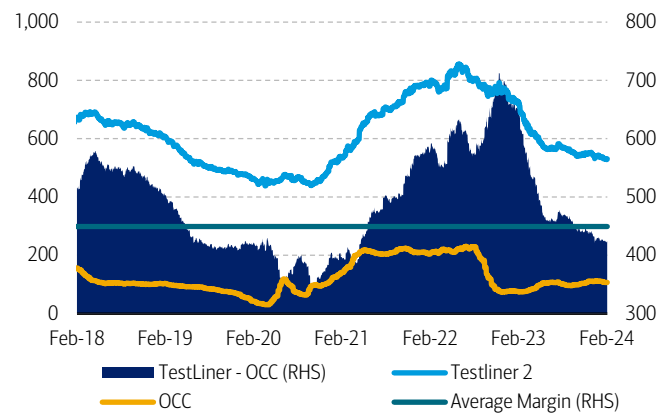


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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**Exhibit 28: Europe testliner (US\$/t)**

Testliner margins are currently below the historical average

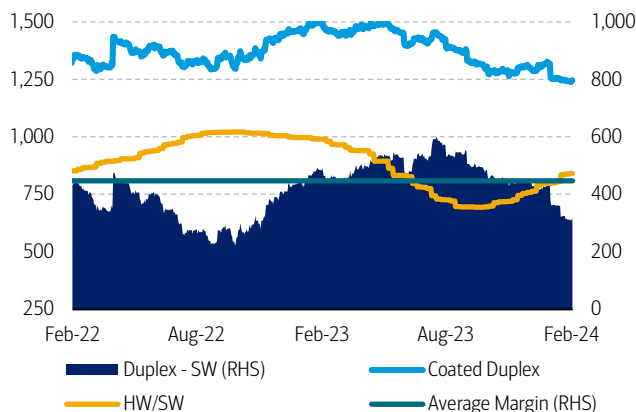


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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**Exhibit 29: Europe duplex (US\$/t)**

Margins for duplex in Europe are close to the historical average

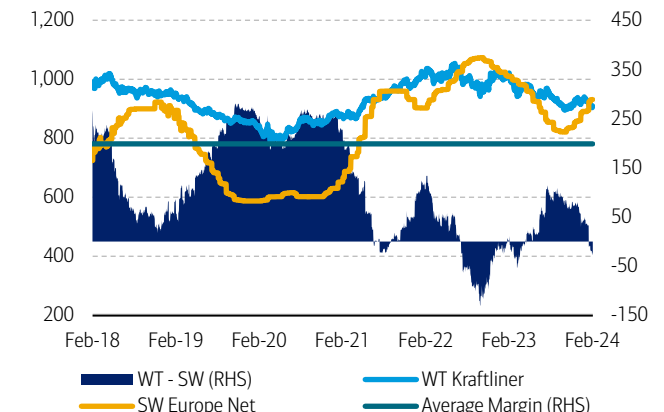


Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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**Exhibit 30: Europe white-top liner (US\$/t)**

WT kraftliner margins are currently low



Source: BofA Global Research, Fastmarkets FOEX, Fastmarkets RISI

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