

Paper/Forest Products

Pkgg/Paper Wrap-up, Daily – 1/23/24: Latest pricing, WRK new plant

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				
Hardwood China - Net	23-Jan-24	\$655.44	0.4%	-19.1%
Hardwood Europe	23-Jan-24	\$1,061.52	4.2%	-23.1%
Softwood China - Net	23-Jan-24	\$738.41	-0.1%	-16.9%
Softwood Europe	23-Jan-24	\$1,298.86	4.1%	-8.2%
Softwood US	23-Jan-24	\$1,307.43	1.4%	-22.3%
Old Corrugated Cartons (OCC) (*)	01-Jan-24	\$87.00		200.0%
Metals				
Aluminum Cash Official LME (\$/mt)	23-Jan-24	\$2,110.00	-2.4%	-9.7%
Ordinary Hot-Rolled Sheet (CNY/Ton)	23-Jan-24	\$4,089.50	0.0%	-4.4%
Oil & Petrochemicals/Resin				
Crude Oil WTI /Global Spot NYMEX (\$/bbl)	23-Jan-24	\$74.74	0.7%	-11.5%
Crude Oil Brent ICE Near Term (\$/bbl)	23-Jan-24	\$80.06	0.3%	-12.1%
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; (*) OCC price in \$/st for month of January

Foex reported prices up w/w

FOEX reported that U.S NBSK gross pulp prices were \$1307.43/MT, compared to \$1306.39/MT last week. We recently raised our global pulp forecast through 2024, even with China restocking concluding for now and new global capacity entering the market. Please see our [\(Pulp Year Ahead\)](#) for more details.

WestRock set to open new box plant

WestRock announced today (1/23) plans to build a new corrugated box plant in Pleasant Prairie, Wisconsin costing around \$140 million. The cost of the project is expected to be partially offset by property sales. WRK cited growing demand from customers in the Great Lakes region as driving the new project. Once this new facility is finished, WRK plans on closing an existing plant in North Chicago. Construction is set to begin this year and the plant is expected to be finished in 2025.

West Fraser to close sawmill

West Fraser (WFG; Not Covered) announced yesterday (1/22) its plans to permanently close its Fraser Lake, BC sawmill. The closure is expected to reduce the company's lumber capacity by 160mbf per year. This is the third closure WFG has made in the last few months, the other two closures included the mills at Maxville, FL and Huttig, AK. The company stated that it is unable to access economically viable fiber in the region, which drives the decision. The closure will result in an impairment charge of \$81mn in 4Q.

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Exhibit 1: Paper/Packaging Research

Summary of recent BofA notes

	Date	Link
Notes		
Weekly	19-Jan	Paper and Pulp Pricing
Weekly	12-Jan	WestRock price hikes
Year-Ahead	2-Jan	Year-Ahead Note
Daily		
Daily	18-Jan	Investor Comments
Daily	17-Jan	Wood Prices
Daily	16-Jan	Commodity Tracker

Source: BofA Global Research

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Disclosures

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Buy	≥ 10%	≤ 70%
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Underperform	N/A	≥ 20%

^{R1} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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