

## Polyethylene

### Estimated Price Ranges & Expectations

Product	Pricing Type	Unit	July		August		September		October		November Price Δ Expectation	December Price Sentiment
POLYETHYLENE			Low	High	Low	High	Low	High	Low	High		
HDPE (BM)	Net Contract	\$/lb	0.49	0.56	0.49	0.56	0.49	0.56	0.46	0.53	0.00	Negative
HDPE (Inj. MD)	Net Contract	\$/lb	0.49	0.56	0.49	0.56	0.49	0.56	0.46	0.53	0.00	Negative
HDPE - Film	Net Contract	\$/lb	0.53	0.59	0.53	0.59	0.53	0.59	0.50	0.56	0.00	Negative
LDPE (GP)	Net Contract	\$/lb	0.54	0.58	0.54	0.58	0.54	0.58	0.51	0.55	0.00	Negative
LDPE - Extrusion Coating	Net Contract	\$/lb	0.55	0.59	0.55	0.59	0.55	0.59	0.52	0.56	0.00	Negative
LLDPE (Butene)	Net Contract	\$/lb	0.49	0.54	0.49	0.54	0.49	0.54	0.46	0.51	0.00	Negative
LLDPE (Hexene)	Net Contract	\$/lb	0.53	0.60	0.53	0.60	0.53	0.60	0.50	0.57	0.00	Negative
LLDPE (Octene)	Net Contract	\$/lb	0.55	0.62	0.55	0.62	0.55	0.62	0.52	0.59	0.00	Negative
mLLDPE Metallocene	Net Contract	\$/lb	0.54	0.65	0.54	0.65	0.54	0.65	0.51	0.62	0.00	Negative
Polyethylene	Spot Price: (Delta to Prime)	\$/lb	(0.03-0.13)		(0.03-0.13)		(0.04-0.14)		(0.04-0.14)		(0.05-0.12)	Negative
PE - FEEDSTOCKS												
Ethylene	Net Contract	\$/lb	0.323		0.328		0.343		0.313		0.01	Neutral
	Spot Domestic	\$/lb	0.265		0.294		0.318		0.218		0.01	Neutral
Ethane	Spot Price	\$/gal	0.159		0.138		0.169		0.212		-0.03	Positive

**Notes:** Due to the differing underlying variables, some PE grades can have a wider price range than others. For example, Metallocene (mLLDPE) has a wide range because the density is a substantial factor in setting its price, as a .902 density can cost much more than a .918 density, regardless of other fundamental market factors. Their monthly price moves also may not coincide with the rest of the PE market. Hexene is another such case (different hexene grades have different prices). The price assessment report does not report on specialty resins, such as Plastomers.

### The November PE Net CP assessment is a Rollover.

Although a \$0.03lb increase remains on the table, there is no fundamental support for higher prices, and we observe no evidence of buyers receiving additional concessions; therefore, our November assessment is for flat prices.

### Calculated market fundamentals:

- Ethylene prices: +0.3%.
- Inventory significant gain.
- Exports volume: hefty improvement.
- Export prices: down \$0.01lb to \$0.08lb (product dependent)
- Spot prices: down \$0.02lb to \$0.05lb.

### Supply chain concerns:

- The Eastern Port Strike that was deferred until after the Presidential election is set to resume in January.
- Several labor strikes in Canada could disrupt NA operations. The Vancouver Port (largest container port) and the Prince of Port Longshoreman/Warehouse and Dock workers went on strike the third week of November; after Canada's second & third largest ports, Port of Montreal & Prince Rupert, Public employees went on strike.
  - Twenty percent of all US trade flows through these ports.
  - An estimated \$800MM in trade flow to NA per day could be affected.

### US tariff concerns:

- Trump's reelection (Tariff implications) is causing some manufacturers (Breville and Steve Madden) to move their operations from China to NA preemptively.
- Uncertainties surrounding Trump administration tariff policy remain high. See commentary in the article: [Trump vows new Canada, Mexico, China tariffs that threaten global trade.](#)
- Reshoring is being discussed throughout the manufacturing community in anticipation of tariffs.

- China is infusing its banks and local governments with \$1.4 trillion to support GDP growth and mitigate the potential impact of any Trump tariffs.

Amcor (Swiss-owned) is acquiring Berry Global Group for \$8.4 Billion. Amcor had previously bought another competitor, Bemis, in 2019. Amcor will now be a powerhouse in the food and medical packaging industry.

Another PE producer is closing a PE unit in Europe. Eni (Italian-owned) announced they would shutter their PE plant in Ragusa before year-end. They also stated they would be shutting several ethylene crackers (within the next 18 months) at their Brindisi and Priolo plants and plan to support their remaining PE operations with imported ethylene.

## Feedstocks

**Ethylene:** The October CP settled at \$0.3125lb (down \$0.03lb). The November CP has not settled, but we anticipate a modest \$0.01 uptick based on recent fundamental movements. We take a Neutral view of December.

November has been mostly uneventful regarding the spot ethylene price movement. Prices are currently averaging ~\$0.006lb higher than in October.

Monomer traders reported:

- Crackers are running hard as margins are favorable.
- The pipelines are full.
- Exports of 200mmbls per month are flowing again.
- The price moved back above the \$0.23lb mark and was a product of traders buying for Q1 2025 positions because Q1 2025 is expected to have several crackers offline due to planned turnarounds (TAR).

**Natural gas:** Mid-month, NG prices spiked above the \$3.00btu mark due to nationally wintry weather. The November monthly average price is >30% above October.

**Crude oil (CO):** (WTi) prices during November dropped ~\$2bbl on poor Demand. The weakening prices have prompted OPEC to delay a planned production increase for December.

## The preliminary Supply/Demand data for October:

### Total PE:

- Inventory: +242MMlbs (>700MMlbs gain in 3-months).
- Operating rates: -1% (86%).
- Domestic Demand: +1%.
- Total Demand: +2%.
- DOI: +1.9 days (5 days above the 12-month average).
- Total Exports: +4%.

**HDPE:** The entire supply/demand spectrum posted gains. Operating rates (~89%) and total Demand both grew by ~4%. Domestic Demand saw a 3% bump-up with a modest DOI gain of 1 day. Most notable is the ~5% spike in exports.

**LDPE:** Operating rates (~88%) dipped slightly by 0.7%, with domestic Demand following with ~ a 2% dip. Total Demand mildly improved by 0.09%, but exports (+4%) and DOI (3 days) had sizeable gains.

**LLDPE:** Operating rates plunged ~4% (83%) followed by a 2% dip in domestic Demand. Similar to LDPE, exports (4%) and DOI (3.5 days) had sizeable improvements.

## The Major Ocean Freight rates:

Freightos/ Drewry 40f container	Asia-US West Coast ----- MoM Chg %	Asia-US East Coast ----- MoM Chg %	Asia-NWE ----- MoM Chg %	LA-Shanghai ----- MoM Chg %	Shanghai- LA ----- MoM Chg %	NY- Rotterdam ----- MoM Chg %	Shanghai- NY ----- MoM Chg %
Nov-24	-4	-21	26	0.98	-9	8	-7
2024 Peak Prices	\$8,101	\$9,824	\$8,632	\$718	\$7,512	\$762	\$9,613
Current	\$5,342	\$5,395	\$4,580	\$723	\$4,488	\$793	\$5,210

The Panamanian Authority is expressing concerns over potential Trump tariffs. There is speculation that Trump could implement a 60% tariff on LNG exports, most of which pass through the Panama Canal. Although the US is not the largest exporter of LNG to China, they hold the largest long-term contracts. Last year it was estimated that \$600mm of LNG exports went to China. The Panamanian Authority recently invested \$9mm in structural and software improvements to mitigate drought impacts and improve lock slate reservations.

**The December PE Net CP assessment is pegged as “Negative.” Demand is expected to collapse as extended Christmas breaks are being given.**

# Methodology & Disclaimer

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This service is structured to capture and report on the market and make directional estimates, not to set market prices. It focuses on net contract prices and is designed to help buyers/sellers decide on pricing. For example, regarding PP, we will move the PP price relative to PGP, but we will not make arbitrary decisions on whether to add/delete margin. If the market reports they are taking an increase above the PGP settlement, we will report that.

We have established a high-low number to capture the market price variances and to avoid making non-market adjustments. The prices reflect reasonable prices for small, medium, and large buyers. We will provide a two-month historical price settlement and short-term forward price movements (current and 1-month market sentiment). For example, the PP Homopolymer assessment may appear as Dec \$0.59/lb.-\$0.63/lb. Jan \$0.62/lb.-\$0.66/lb. Feb +\$0.03/lb., March, Positive (+) or Negative (-). The market sentiment is geared toward providing what the tone of the market feels and/or how the market fundamentals are trending. Does the market believe an increase or a decrease is possible? What direction are the price drivers moving?

We do not intend to report the extreme lows and highs in net contract prices but capture a range representing the bulk of the markets. Again, note that these are "net" contract price estimates – after discounts.

We will base the assessments on the following:

- Feedback from buyers, producers, brokers, and traders.
- Market fundamentals
  - Feedstocks
  - Supply/Demand
  - Production
  - Inventory draws/gains
  - Outages (planned/unplanned)
  - Spot prices
  - Imports/exports
  - Global event impacts
  - Logistics/Supply Chain
  - Weather events
  - Labor/Strikes

Not all the fundamentals will hold the same weight every month on the influence of the polymer price direction. For example, if there are no weather events, it may have little to no value in the price assessment.

Because this report is designed for the market, we welcome any feedback from participants on how to improve it and add value to meet your needs. We will also add more resins, feedstocks, and regions as we grow.

## Report Schedule

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### Upcoming Report Schedule

**Monday, December 30th**

# Glossary

Abbreviation	Term
ACC	American Chemistry Council
ARB	Arbitrage
BD	Butadiene
BM	Blow Mold
BZ	Benzene
CO	Crude Oil
CP	Contract Prices
DOI	Days Of Inventory
EVA	Ethylene Vinyl Acetate
FM	Force Majeure
FR	Frac Melt
GP	General Purpose
HDPE	High Density Polyethylene
INj	Injection Mold
LDPE	Low-Density Polyethylene
LLDPE	Linear Low-Density Polyethylene
MF	Melt Flow
MI	Melt Index
NA	North America
NG	Natural Gas
Net CP	Net Contract Price
OP	Operating Rates
PDH	Propane Dehydration
PE	Polyethylene
PGP	Polymer Grade Propylene
PP	Polypropylene
PS	Polystyrene
RMC	Raw material Cost
SM	Styrene Monomer
TAR	Turn Around
VAM	Vinyl Acetate Monomer

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