

## **Marketing Report June 15, 2020 MRRA Office.**

### **General Market Overview**

We ushered in 2020 with a reserved sense of foreboding. Would this year be better price wise than 2019? Prices were not looking that spectacular so we would just have to wait and see.

Paper prices started out the year quite low. \$25-35/ton for cardboard was what we saw in January.

Once the Covid 19 virus started taking off in this country and around the world so did the prices. Demand for cardboard increased exponentially and buyers were running scared.

Some of the plastics grades started the new year with good pricing, but not long after they took a nose dive along with scrap metal and steel cans.

### **Material Pricing - Paper**

Cardboard pricing was somewhat steady into February with a modest \$5/ton increase. March slightly better with a \$15/ton increase.

By April one mill was paying an extra \$55/ton over march pricing. That is a \$70 increase in a few short months.

They tossed another \$35/ton at the problem of supply in May bringing the net price after freight to about \$133/ton. Just before June pricing came out the rush was over and buyers could not find the door fast enough. That one buyer dropped their premiums and settled the price \$55/ton lower than May.

During the big run up we were hearing reports of \$75 over the high in a few cases and several buyers were paying \$35-55 over the high. Until this time that was unheard of.

We are hearing rumors or maybe wishful thinking that the price may rise a bit in July, but it is too early to tell. I hear just as many reports of mills taking down time for maintenance and filling up with tonnage.

Newspaper pricing seems steady with not too many spikes in pricing. Lets face it, there are not a lot of folks baling newspaper and even less buyers for it.

After all is said and done newspaper is paying \$40-50/ton at the mills door.

Mixed Paper is another story. Even with cardboard through the roof on pricing mixed paper barely made it to zero after freight. There are a few domestic buyers for the grade but after freight we still see negative numbers. They are still much cheaper than disposal and if someone is collecting the grade they should continue to do so.

There are plans in the near future to bring more domestic capacity online to use mixed paper.

Office paper is moving very slowly right now. Mills got their fill in the spring and are not looking that hard for paper.

We are seeing prices around \$130 or so for good clean office paper.

### Plastics

HDPE Natural milk jugs showed great promise early in the year and colored HDPE was even decently priced.

Last November we saw \$1,000 per ton for Natural and just over \$200 for colored. Skip ahead to December and \$1,200 and \$280 was good pricing. Jump further ahead to May and \$700 and \$50 were fair prices.

Today June 15 for two part loads \$650 and \$30/ton are the rate to beat.

Apparently, the virus may be to blame again and top it off with the automotive industry buying needs or lack of are driving colored priced way down.

PET is in great supply and processors are pretty full. This is driving the price and movement down. Municipal PET is paying around \$20 or less per ton.

Some of the other grades like #3 to 7 are moving at \$30 or so per ton for clean bales without PET.

Rigid plastics started the year at \$20-30/ton and increased to \$80/ton a short while ago but have since dropped back to \$40/ton.

The LDPE market is still best served by drop off at grocery and department stores.

Steel can movement has slowed with one large buyer in PA cutting about 80 loads or more from their order needs.

Pricing ranged above \$120/ton in March for steel cans but the latest price I have seen puts the price around \$80/ton.

Light Iron had been at \$55/ton since mid-December in the Bangor area and \$60/ton in Oakland, ME. This is up from \$45/ton in November. The latest price we have seen for March is about the same.

Scrap metal seems to be creeping back upwards since May. Local prices are in the \$40-50 range.

In closing, over the past several months many towns curtailed collection and this may have helped fuel demand as the supply dried up. Mills could not get enough tonnage to run their systems, so they panic bought and took tonnage from each other and further away, this was short lived unfortunately as we saw the prices come right back down.

On a positive note, one single stream processor dropped their price to about \$99/ton due in part to the better commodity prices being paid by the mills over the past few months.

If the virus comes back for round two this fall we could see a return to higher prices on some commodities but lower prices on others.

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