



Forestry & Paper

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Weekly Price Update

Key message: Paper prices hit the hardest in 2020. Packaging shows resilience, while OCC sky rockets 141%. Pulp made gains in Q4 to finish firmly in the green, with softwood benefitting the most.

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- **Pulp stable across the board:** China SW closed the year with a bang, up 19% y/y. With China SW futures running in December, this is likely to provide further support to the physical market heading into 2021.
- **Graphic paper continues to trade sideways:** Coated mechanical lagged CWF and UWF, which were marginally up w/w.
- **Containerboard sees further gains:** Kraftliner was up 0.4% w/w, while testliner was flat. The kraftliner/testliner spread is down 5% y/y (now EUR 160/t). Marginal OCC increase but up 141% y/y.

Forestry and Paper – Key w/w price moves

| Details | 05-Jan | 29-Dec | w/w % chg. | YTD % chg. | y/y % chg. |
|---------------------------------|--------|--------|------------|------------|------------|
| Pulp (USD/t) | | | | | |
| NBSK Europe | 880 | 879 | 0.0% | 0.0% | 7.3% |
| BHKP Europe | 680 | 680 | 0.0% | 0.0% | 0.0% |
| NBSK Europe (EUR) | 718 | 721 | -0.5% | -0.5% | -2.5% |
| BHKP Europe (EUR) | 555 | 558 | -0.5% | -0.5% | -9.2% |
| US NBSK (gross) | 1 130 | 1 130 | 0.0% | 0.0% | 0.6% |
| China BHKP net | 500 | 499 | 0.3% | 0.3% | 8.8% |
| China NBSK net | 673 | 671 | 0.3% | 0.3% | 18.7% |
| Paper (EUR/t) | | | | | |
| LWC | 579 | 579 | -0.1% | -0.1% | -9.2% |
| Ctd WF | 632 | 630 | 0.3% | 0.3% | -7.8% |
| A4 B-copy | 806 | 804 | 0.2% | 0.2% | -7.7% |
| Newsprint | 404 | 404 | 0.0% | 0.0% | -16.1% |
| Packaging (EUR/t) | | | | | |
| Kraftliner | 586 | 584 | 0.4% | 0.4% | -0.6% |
| White-top Kraftliner | 723 | 723 | 0.0% | 0.0% | -98.4% |
| Testliner 2 | 426 | 426 | 0.0% | 0.0% | 1.1% |
| Testliner 3 | 410 | 408 | 0.4% | 0.4% | 4.8% |
| RB-Fluting | 394 | 393 | 0.2% | 0.2% | 3.9% |
| PIX OCC 1.04 dd | 103 | 103 | 0.2% | 0.2% | 140.7% |
| PIX ONP/OMG 1.11 dd | 119 | 119 | 0.0% | 0.0% | 18.0% |
| Spreads (EUR/t) | | | | | |
| SW/HW Europe (USD) | 200 | 199 | 0.2% | 0.2% | -47.5% |
| SW/HW China (USD) | 172 | 171 | 0.5% | 0.5% | 25.8% |
| A4 B-copy/BHKP | 251 | 247 | 1.8% | 1.8% | 125.8% |
| Kraftliner/testliner 2 | 160 | 158 | 1.3% | 1.3% | -5.1% |
| White-top Kraftliner/kraftliner | 137 | 139 | -1.7% | -1.7% | -18.8% |
| Testliner 2/OCC | 323 | 323 | -0.1% | -0.1% | -15.1% |

Source: Chronux Research, FOEX

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