



Forestry & Paper


Industry Insights


Key message: Paper pulp prices dropped sharply in Europe, helping graphic paper margins, but dissolving pulp (DP) continues to slide, hitting \$804/t as VSF markets weaken further. Containerboard remains stable, though OCC softened again.


Pulp, Graphic Paper and Paper Packaging Prices

European Pulp Slides -2%, OCC Down Again | Weekly Paper & Packaging Price Trends

Weekly wrap up

 **Pulp:** European hardwood paper pulp fell by -2%, while prices in China were broadly stable.

 **Graphic paper:** Prices slipped slightly, but fibre margins improved to February highs as pulp input costs dropped.

 **Containerboard:** Prices were broadly stable, however, OCC prices softened by -2%, now standing at €169/t.

Forestry & Paper Key WoW price changes

Details	WoW	y-t-d	YoY*
Pulp (\$/t)			
NBSK Europe	-1.6%	5%	-2%
BHKP Europe	-1.5%	12%	-21%
NBSK Europe (€)	-2.3%	-5%	-7%
BHKP Europe (€)	-2.1%	2%	-26%
China hardwood DP	-0.5%	-16%	-13%
DP/pulp spread	-1.1%	-28%	52%
China BHKP net	-0.1%	-7%	-31%
China NBSK net	-0.2%	-8%	-14%
Paper (€/t)			
LWC	-0.3%	-1%	0%
Ctd WF	-0.1%	-4%	-5%
A4 B-copy	0.0%	-8%	-10%
Newsprint	-0.1%	-1%	3%
Packaging (€/t)			
Kraftliner	0.2%	4%	11%
White-top Kraftliner	0.1%	1%	6%
Testliner 2	-0.1%	13%	11%
Testliner 3	0.0%	17%	12%
RB-Fluting	-0.1%	15%	12%
OCC	-2.1%	61%	6%
ONP/OMG	0.5%	-1%	-5%
Spreads (€/t)			
A4 B-copy/BHKP (37% discount to list price)	3.4%	-20%	105%
CWF/BHKP (30% discount to list price)	3.4%	-12%	220%
Kraftliner/testliner 2	1.1%	-20%	9%
White-top Kraftliner/kraftliner	-0.8%	-14%	-17%
Testliner 2/OCC	0.7%	2%	13%

Source: Chronux Research, FOEX, * vs. the PY monthly average

Textile Prices


DP price has now fallen to \$804/t | Weekly Textiles Price Trends


China textiles - Key price and operating changes


Price details (CNY/t)	WoW	y-t-d
ZCE cotton contract	1%	0%
ICE cotton contract	0%	-2%
Polyester: PSF 1.4D *38mm	1%	-3%
Cottonseed	0%	4%
Cotton linter	0%	-5%
High-quality cotton linter	0%	-6%
Industry-grade refined cotton	0%	-1%
Food-grade refined cotton	0%	-1%
Hardwood DWP (\$)	0%	-7%
China BHKP net (\$)	-1%	4%
DWP/pulp spread (\$)	1%	-22%
Softwood DWP (\$)	0%	-7%
China-origin hardwood DWP	-1%	-5%
China-origin hardwood DWP (\$)	-1%	-5%
Hardwood DWP spread: origin less import (\$)	-8%	22%
Medium-grade VSF	-1%	-2%
\$/t	-1%	-1%
Medium-grade VSF/HW DWP spread (\$/t)	-1.0%	6%
High-end VSF	-0.8%	-1%
Lyocell fibre	0%	1%
Competing fibre premiums		
Cotton premium to polyester	5	617
Cotton premium/(discount) to VSF	187	190
Lyocell premium to VSF	81	325
VSF premium to polyester	(340)	258
VSF plant operation		
Operating rate (%)	100	(404)
Physical inventory days	0%	59%
VSF theoretical profit (\$/t)	-57%	-51%
VSF theoretical profit (yuan/t)	-57%	-51%
Lyocell plant operation		
Lyocell op. rate (%)	100	92
FX		
\$/RMB	0%	-1%


Source: Chronux Research, CCF


Weekly wrap up

 **Dissolving pulp (DP):** Imported hardwood DP slipped to \$804/t, while Chinese domestic DP prices fell -1% to ¥6,750/t, maintaining a \$122/t premium over imports.

 **DP/Paper pulp spread:** Ticked up slightly to reach \$306/t, likely to drive continued production of DP in China.

 **VSF market softens:** VSF prices fell -1% WoW, while the operating rate increased to 83% and inventory days held at 20.

 **VSF profitability remains poor:** Theoretical profit down -57% in \$/t terms to just \$1/t.

 **Read-through for Sappi:** Softer DP prices and weak VSF margins point to ongoing pressure on dissolving pulp demand and pricing power.

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South Africa
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