

Forestry & Paper

Industry Insights

Key message: *Global pulp markets were stable in Europe but showed signs of recovery in China, with BHKP rebounding +4%. Graphic paper softened slightly as LWC declined, while containerboard drifted lower with renewed OCC weakness. Dissolving pulp steadied, though import prices slipped, narrowing the DP/pulp spread. VSF market sentiment remains cautiously bullish ahead of the Shanghai yarn expo, with higher operating rates and leaner inventories pointing to improving demand momentum.*



Pulp, Graphic Paper and Paper Packaging Prices


Hardwood paper pulp price surges +4% in China | Weekly Price Trends


Forestry & Paper Key WoW price changes

Details	WoW	y-t-d	YoY*
Pulp (\$/t)			
NBSK Europe	0,0%	1%	-5%
BHKP Europe	0,0%	0%	-22%
NBSK Europe (€)	0,0%	-10%	-10%
BHKP Europe (€)	0,0%	-11%	-26%
China hardwood DP	-0,4%	-16%	-15%
DP/pulp spread	-6,8%	-29%	-22%
China BHKP net	3,9%	-6%	-11%
China NBSK net	0,0%	-11%	-9%
Paper (€/t)			
LWC	-0,3%	-2%	-1%
Ctd WF	0,0%	-6%	-7%
A4 B-copy	-0,1%	-9%	-10%
Newsprint	0,1%	-2%	-1%
Packaging (€/t)			
Kraftliner	-0,2%	4%	2%
White-top Kraftliner	0,3%	1%	0%
Testliner 2	0,0%	4%	-6%
Testliner 3	-0,7%	5%	-7%
RB-Fluting	-0,5%	6%	-5%
OCC	-1,0%	17%	-21%
ONP/OMG	0,9%	-3%	-12%
Spreads (€/t)			
A4 B-copy/BHKP (37% discount to list price)	-0,1%	-7%	53%
CWF/BHKP (30% discount to list price)	0,1%	0%	85%
Kraftliner/testliner 2	-0,6%	5%	30%
White-top Kraftliner/kraftliner	3,7%	-17%	-12%
Testliner 2/OCC	0,3%	1%	-1%

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

Weekly wrap up

 **Paper Pulp:** European pulp markets remained stable WoW, with both NBSK and BHKP prices unchanged in euro terms. This marks a pause in the broader downward trend, though YoY comparisons still highlight significant weakness (NBSK -10% YoY, BHKP -26% YoY). In China, BHKP rebounded sharply by +3.9% WoW, offering a short-term boost against a still negative backdrop (-11% YoY), while NBSK remained flat.

 **Graphic Paper:** Overall momentum in the segment remains muted. Coated woodfree (Sappi) and uncoated woodfree (Mondi) held steady WoW, while A4 B-copy eased slightly (-0.1%).

 **Containerboard:** Kraftliner slipped -0.2% WoW, while testliner prices were broadly stable. White-top kraftliner edged higher (+0.3%), but weaker grades (Testliner 3 -0.7%, RB-fluting -0.5%) dragged the complex. OCC fell -1% WoW to €124/t, resuming its decline after last week's pause. The kraftliner/testliner spread narrowed by -0.6% to €235/t, underscoring pressure from cheaper recycled grades and falling wastepaper input costs.

Textile Prices

VSF op. rate moves to 91% and spot DP is now \$813 | Weekly Textiles Trends

China textiles - Key price and operating changes

Price details (CNY/t)	WoW	y-t-d
ZCE cotton contract	1%	1%
ICE cotton contract	-2%	-1%
Polyester: PSF 1.4D *38mm	-1%	-4%
Cottonseed	0%	5%
Cotton linter	0%	-10%
High-quality cotton linter	0%	-11%
Industry-grade refined cotton	0%	-3%
Food-grade refined cotton	0%	-3%
Hardwood DWP (\$)	0%	-10%
China BHKP net (\$)	0%	0%
DWP/pulp spread (\$)	-1%	-24%
Softwood DWP (\$)	1%	-11%
China-origin hardwood DWP	0%	-9%
China-origin hardwood DWP (\$)	1%	-8%
Hardwood DWP spread: origin less import (\$)	11%	16%
Medium-grade VSF	0%	-3%
\$/t	1%	-2%
Medium-grade VSF/HW DWP spread (\$/t)	2%	7%
High-end VSF	0%	-2%
Lyocell fibre	0%	2%

Competing fibre premiums

Cotton premium to polyester	540	957
Cotton premium/(discount) to VSF	163	444
Lyocell premium to VSF	(31)	476
VSF premium to polyester	205	110

VSF plant operation

Operating rate (%)	100	(369)
Physical inventory days	-4%	58%
VSF theoretical profit (\$/t)	7%	-78%
VSF theoretical profit (yuan/t)	6%	-78%

Lyocell plant operation


Lyocell op. rate (%)	-	274
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\$/RMB	-1%	-1%
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Source: Chronux Research, CCF

Weekly wrap up

 **Dissolving Pulp (DP):** Market stability persisted, with Chinese domestic DP unchanged WoW and mills continuing to run at high operating rates. The domestic premium over imports widened to \$96/t (vs. \$87/t prior). Import softness re-emerged as hardwood DP edged down to \$813/t, with offers fragmented across regions—Brazilian mills quoting \$830/t, others steady at \$820/t, and some Asian suppliers as low as \$790/t.

 **DP/Pulp Spread:** After several weeks of recovery, the spread slipped back to \$320/t (vs \$323/t), narrowing the incentive to swing capacity toward DP.

 **VSF Market:** Prices were flat WoW, but sentiment leans positive. With the Shanghai yarn expo next week, industry chatter could act as a catalyst for future price hikes. Operating rates climbed to 91% (from 90%), while inventory days improved further to 13.5.

 **Read-through for Sappi:** Pressure on DP prices suggests oversupply risk and hints of rebates, tempering sentiment. Still, a firming VSF market offers some support, as stronger VSF pricing would improve producers' willingness to pay up for higher-quality DP feedstock.

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The crux of the matter

South Africa
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