

European polyethylene prices turn bearish as market lengthens

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Sentiment in the European polyethylene market appears to have turned bearish as many in the industry expect price declines in May because of weak demand, an increase in imports and high industry stock levels.

The high density polyethylene market was heard to be particularly long, with converters leveraging high stock positions to rebuff any proposed price hikes.

"We have a large stock, so there is no hurry to purchase [HDPE] in April if the price is not low enough," a source said Tuesday. "We have the same expectation for May."

Similar sentiment was expressed in the low density polyethylene market, with converters heard to be destocking ahead of expected price softening in the coming weeks.

"There is sufficient material available [in the market] and demand is very slow," another source said Tuesday. "Customers are destocking and waiting for further price decreases in May."

The European LDPE spot price Tuesday fell Eur20/mt FD NWE to be assessed at Eur1,330/mt.

Over the past couple of months linear low density polyethylene prices had been bullish amid reportedly tight availability stemming from reduced imports. However, the trend looks to have reversed amid a softening in demand with those industry participants seeking material now able to find it.

"We haven't experienced as much tightness as we expected," another source said. "The feeling of shortness is just not there."

Mirroring trends seen in the LDPE market, LLDPE prices fell Eur20/mt Tuesday to be assessed at Eur1,280/mt.