



HAWKINS WRIGHT

Pulpwatch

Monthly analytical newsletter and podcast covering developments in the international pulp and paper markets.

www.hawkinswright.com



What our Pulpwatch service offers...

Market pulp is an internationally traded commodity at the heart of the global fibre cycle, serving as a sustainably sourced raw material to an increasing amount of industries. Pulp markets are dynamic and complex; the factors driving their monthly fluctuations are often obscured by a lack of price transparency. Pulpwatch strives to present a timely and objective analysis of such fluctuations, essential to develop an understanding of the market's likely future direction. Over the years, our readership has grown to include companies controlling over 85% of global market pulp capacity.

Drawing on decades of industry expertise and an unparalleled network of industry contacts – cultivated by our extensive travels and frequent interactions with industry leaders – our **market commentary** interprets and contextualises the constantly changing balances in the pulp market, taking a view on the market's short and medium-term prospects. Other regular sections of the newsletter focus on changes in **printing and writing paper and tissue markets**, and on the impact of **exchange rates**.

The Pulpwatch newsletter also includes a unique **Industry Focus** section each month, providing the reader with an in-depth analysis of a particular development or market dynamic that is shaping our industry. The coverage includes, for example, a review of the important pulp producing and consuming markets; the impact of investment plans on regional and world pulp and paper supply/demand balances; the influence of changing raw material costs and exchange rates on producers' competitive advantages.

Every report is accompanied by a **Pulpwatch, the Podcast** episode, summarising the market commentary for those who wish to tune into market developments on the go. The podcast is typically released within a day of the written report.



The **Key Statistics** section of Pulpwatch is the most timely and comprehensive source of publicly available pulp and paper market data, including:

- Printing and writing paper shipments by region
- Papermakers' converting margins by region
- Shipments of bleached chemical market pulp by region and by grade
- Pulp producer's operating rates
- Consumers' inventories of purchased pulp by region
- Producer stocks in days of supply
- China's import of pulp by grade and origin
- **Market pulp price indications** (30 pulp price series are updated monthly)

All of the data published in Pulpwatch is available to subscribers in Microsoft Excel format.

About Hawkins Wright

Hawkins Wright is an independent consultancy providing a range of strategic, forecasting, market intelligence and business information services to the international forest products and bioenergy industries.

Since 1982 Hawkins Wright has provided authoritative and cost-effective services based on in-depth research of the global forest, pulp & paper and bioenergy industries. These services include private consultancy assignments covering a full range of marketing and strategic subjects as well as regular multi-client reports and newsletters.

Our consultancy services build on our global perspective of the macro- and micro-economic trends driving the international forest industry and downstream product markets. Assignments can range from advice on a client's business development or feedstock sourcing strategies to highly detailed market feasibility assessments of prospective projects.



Sample pages

HAWKINS WRIGHT Volume 21 No. 10 - 30 April 2015

PulpWATCH

Monthly news and analysis of the international pulp market

Low producer stocks prompt further price hikes but significant supply growth imminent

- In North America, softwood list prices were mostly unchanged in April from the previous month, with NBSK at \$670-\$680/1. BEKP prices increased and consolidated around \$600/1.
- In Europe, NBSK pricing was stable or fell by \$1 in April, trading within a range of \$850-\$860/1. BEKP prices mostly increased by \$10/1, to \$770-\$780/1.
- In China, BEKP suppliers succeeded in raising their prices by \$5-\$10/1 in April, taking the net price to within a range of \$600-\$625/1. Softwood prices inched upwards by \$5/1, with NBSK at \$630-\$650/1.

CONTENTS...

- Pricing of writing paper and tissue markets: 4
- Exchange rates focus: 6
- Industry focus: 8
- Recovered vs virgin fibre: 8
- Distilled market pulp supply: 8
- Key statistics: 11
- Demand: 11
- Supply: 12
- Inventories: 13
- China analysis: 14
- Cost analysis: 15
- Commodities: 16
- Market pulp price indications: 18

For more resources visit www.hawkinswright.com

Copyright: Hawkins Wright Ltd. For Subscribers only.

HAWKINS WRIGHT Volume 21 No. 10 - 30 April 2015

PulpWATCH

Industry focus

The displacement of recovered fibre by virgin fibre

During the past few years, we have frequently drawn attention to the growing tendency for virgin fibre to displace recovered fibre. The following analysis presents a brief update of this development, with a special focus on West Europe.

GLOBAL RECOVERED FIBRE markets mostly endured a difficult 2014, albeit with notable differences by region and by grade. Much of the turbulence stemmed from China, where tighter environmental regulations, higher collection rates coupled with a slowdown in container-board production prompted a 6% decline in waste paper imports. Since China is the world's largest importer of waste paper, this created an oversupply of recovered fibre in most of the world's major exporting markets, ultimately depressing prices for the two main grades, OCC and ONP. In general this price erosion afforded cost savings for producers of recycled based paper and board, however those mills dependent on high quality waste paper saw little-to-no benefit. Prices for the higher quality grades of waste paper mostly continued to rise last year due to a combination of robust demand and supply constraints.

The highest quality grades of waste paper include sorted office paper and ledger grades, which are usually sourced from document shredding, office forms, printers' scrap and envelopes. Deinked pulp manufactured using these grades of waste paper has been losing market share to virgin fibre during the past few years, especially in the tissue sector. The economic incentive for using deinked pulp has been steadily eroding for several years, and this trend seems to have accelerated through most of 2014.

The chart above shows the historical evolution of the typical fibre cost, as an index, of producing one tonne of tissue paper in Europe using 100% virgin fibre (20% BSNP, 80% BHKP) or 100% recovered fibre (SOP). It can be seen that since 2013, the fibre cost of using SOP has risen by almost 75% whilst the cost of using virgin fibre has only recently started to appreciate, rising by 30% since the summer last year.

While the cost appreciation of using virgin fibre has mostly been currency driven since last summer, the cost appreciation experienced by SOP and ledger grades owes mostly to cost pressures and tightening supply and demand fundamentals. In contrast with OCC and ONP grades which were in abundant supply last year, the supply of SOP continued to contract in line with lower consumption and production levels of graphic paper. With fewer volumes available for collection, deinked pulp mills had further to travel to collect their waste, adding to their costs.

Fibre costs for one tonne of tissue produced using virgin fibre vs. SOP (West Europe, expressed as an index (2009=100), in € terms)

Copyright: Hawkins Wright Ltd. For Subscribers only.

HAWKINS WRIGHT Volume 27 No. 08 - 7 January 2021

PulpWATCH

Key statistics - China Analysis

- Chinese imports of market pulp totalled 2.40Mte in November, up 12.3% y-o-y. Cumulatively, imports have grown by 9.8% y-t-d, equal to 2.09Mte.
- Adjusting for prices reveals that in terms of real value, imports have shrunk by 12% y-t-d, or just under US\$ 1.45bn.
- Imports of softwood pulp are down 1.5% (-0.17Mte), while imports of hardwood have soared 15.4% (+1.5Mte). Volume growth from Brazil (+0.75Mte) has overtaken that of Indonesia (+0.69Mte).
- Imports of UNP and BCTMP have also risen significantly, posting gains of 30% and 18% respectively through the y-t-d, equal to +0.47Mte combined.

Country of origin	Year-to-date (11 months)			
	Aug-20	Nov-20	Oct-20	Nov-20
HSW* - total	676	774	731	802
Canada	259	219	208	196
Russia	98	86	99	134
USA	80	126	111	111
USA	135	126	96	120
Spain	10	43	45	46
Other	111	144	141	130
HSW* - total	1238	1347	1269	1339
Indonesia	361	368	366	366
Canada	614	581	553	609
Uruguay	84	83	81	76
Thailand	5	19	11	10
Other	89	74	100	96
Russia	10	23	15	19
Canada	26	63	42	34
USA	4	4	11	14
Other	66	48	73	76
HSW* - total	125	126	96	139
Brazil	28	18	14	20
India	5	17	9	11
Other	7	7	11	6
UNP	91	116	118	127
TOTAL MARKET PULP	2386	2696	2348	2644
MARKET VALUE (million US\$)	2864	3184	2827	3148

Abbrev: 1. * = revised since previous issue. 2. e = estimated by Hawkins Wright. 3. - = not available or not meaningful. 4. Source: Chinese Customs Data.

Copyright: Hawkins Wright Ltd. For Subscribers only.

HAWKINS WRIGHT Volume 21 No. 10 - 30 April 2015

PulpWATCH

Market pulp price indications

All prices are per metric tonne

	2014	2015	2016	2017	2018	2019	2020	2021
	December	January	February	March	April	May	June	July
HSW (EUROPE) (CPI)								
- NBSK (Europe) (CPI)	€ 800-805	810	810	815-815	(810-800)			
- NBSK Piv index (monthly avg)	€ 812-813	821-04	804-87	804-43	809-43	809-14		
- NBSK Piv index (monthly avg)	€ 744-53	759-74	747-42	805-13	800-13			
- South em (USA)	€ 880	885	940	820	(815-820)			
- Brazil (Latin America)	€ 740-745	750-750	710-705	760-770	(770-760)	760-710		
- Piv index (monthly average)	€ 741-8	743-53	748-51	758-78	767-56			
- Piv index (monthly average)	€ 800-12	828-04	808-37	801-51	714-47			
- Northern (incl. N. America)	€ 710-710	710	710	140-710	(710)			
- Southern (incl. USA)	€ 885-70	715	725	730-710	(740)			
- BCTMP (Canada)	€ 825-825	825-845	840-810	840-810	(840-820)			
UNITED STATES (CPI)								
- NBSK (Canada)	€ 1015-1025	1010-1020	891-1010	870-880	(870-860)			
- Piv index (p/ month average)	€ 1028-01	1018-17	1027-25	886-88	978-89			
- South em (US)	€ 970-980	989-970	950-980	940	(940)			
- Brazil (Latin America)	€ 825-840	840-855	810	800-810	810	160-160		
- Northern (incl. N. America)	€ 820-840	820-840	840-850	845-815	815-815			
- Southern (incl. USA)	€ 830-840	820-840	840-850	845-815	815-815			
EU (HSW) (CPI)								
- NBSK (Canada)	€ 740-805	755-715	755	715	715			
- Brazil (Latin America)	€ 840	855	850	860-870	880			
- Russia (Indonesia)	€ 840	855	850	870	810			
- BCTMP (Canada)	€ 820	840	840	820	820			
CHINA (CPI) (30 days) (all prices unless otherwise stated)								
- NBSK (China) gross price	€ 840-710	850-810	860-870	850-810	855-810			
- NBSK import price in Rmb/1000	€ 853	837	490	490	490			
- NBSK Piv index (monthly avg)	€ 717-35	701-15	692-79	696-88	699-11			
- Market price (China, net price before tax and rebate)	€ 690	636-95	630-635	628-628	620-625	620-625		
- BSNP (China, net price)	€ 810-840	810	820	820	810			
- Brazil (Latin America) gross price	€ 590-810	800-820	820-830	825-835	820-840			
- BSNP import price in Rmb/1000	€ 459	468	458	464	460			
- BSNP Piv index (monthly avg)	€ 814-59	813-02	821-22	820-82	828-18			
- Russia (Indonesia)	€ 580	600	610-620	615-625	620-630			
- BCTMP (Canada)	€ 488-515	480-500	480	470	460			
- Bleaching (process grade)	€ 810-820	800-820	810-815	740-810	780-810			
- UNP (NAC) (avg)	€ 850	820-840	850-820	860-810	870-880			

Note: Estimated transaction price for delivery in the period shown, before any loyalty or large order discount. Figures in brackets are unconfirmed or based on partial information. *The import price expressed in CNY has been estimated by making adjustments for the exchange rate, VAT (17%), local transportation, a port handling fee and a bank charge for insurance and financing (assuming financing occurred out of a bank party).

For more resources visit www.hawkinswright.com

Copyright: Hawkins Wright Ltd. For Subscribers only.



Subscription scope and order form

The cost of a **single user 12 month subscription** to the Pulpwatch service is **£1,580** (or the equivalent in US dollars or euros). An single annual subscription includes:

- twelve Pulpwatch reports, published at the beginning of each month, providing in-depth analyses of the market’s short and medium-term prospects
- access to historic data, charts and analysis upon request (e.g. wood pellet prices)
- access to a personalised client area at www.hawkinswright.com, where both current and historic reports can be accessed at any time

The cost of a **corporate user 12 month** subscription to the Pulpwatch service is **£2,850** (or the equivalent in US dollars or euros). A corporate annual subscription includes all of the above, plus:

- a licence to distribute the Pulpwatch newsletter and data throughout your company or organisation, along with an unlimited number of online accounts with access to the Pulpwatch website (within reason).

I would like to subscribe to the **Pulpwatch** service: Single user Corporate user

Name:

Job title:

Company:

Postal address:

City:Post Code/ZIP:

Country:

Telephone:

Email:

I understand that the reports and other materials provided by Hawkins Wright during the course of a subscription are confidential to subscribers and to their wholly-owned subsidiaries. I agree that these materials will not be shared with third parties and that all reasonable steps will be taken to safeguard their confidentiality.

In placing this order I consent to the use of my data in accordance with Hawkins Wright’s privacy policy and terms & conditions. The privacy policy can be found at www.hawkinswright.com/privacy-policy.

Signature: Date:.....

Please return this order form to: **Hawkins Wright Ltd.**, 21/22 Station Point, 121 Sandycombe Road, Richmond, TW9 2AD, UK.

Email: post@hawkinswright.com

An invoice and payment instructions will be sent when your order is received. Payment may be made by bank transfer or credit card.