


GLOBAL


Market Movers

Top Food & Non-food Commodity price movements impacting Europe, the US and the rest of the world


 DAIRY & EGGS


 FRUIT & VEG

 GRAINS & FEED

 MEAT & POULTRY

 NUTS, SEEDS & DRY FRUIT

 OILS & OILSEEDS

 PACKAGING

FEATURE

Impact of Avian
Influenza on UK & US
turkey prices

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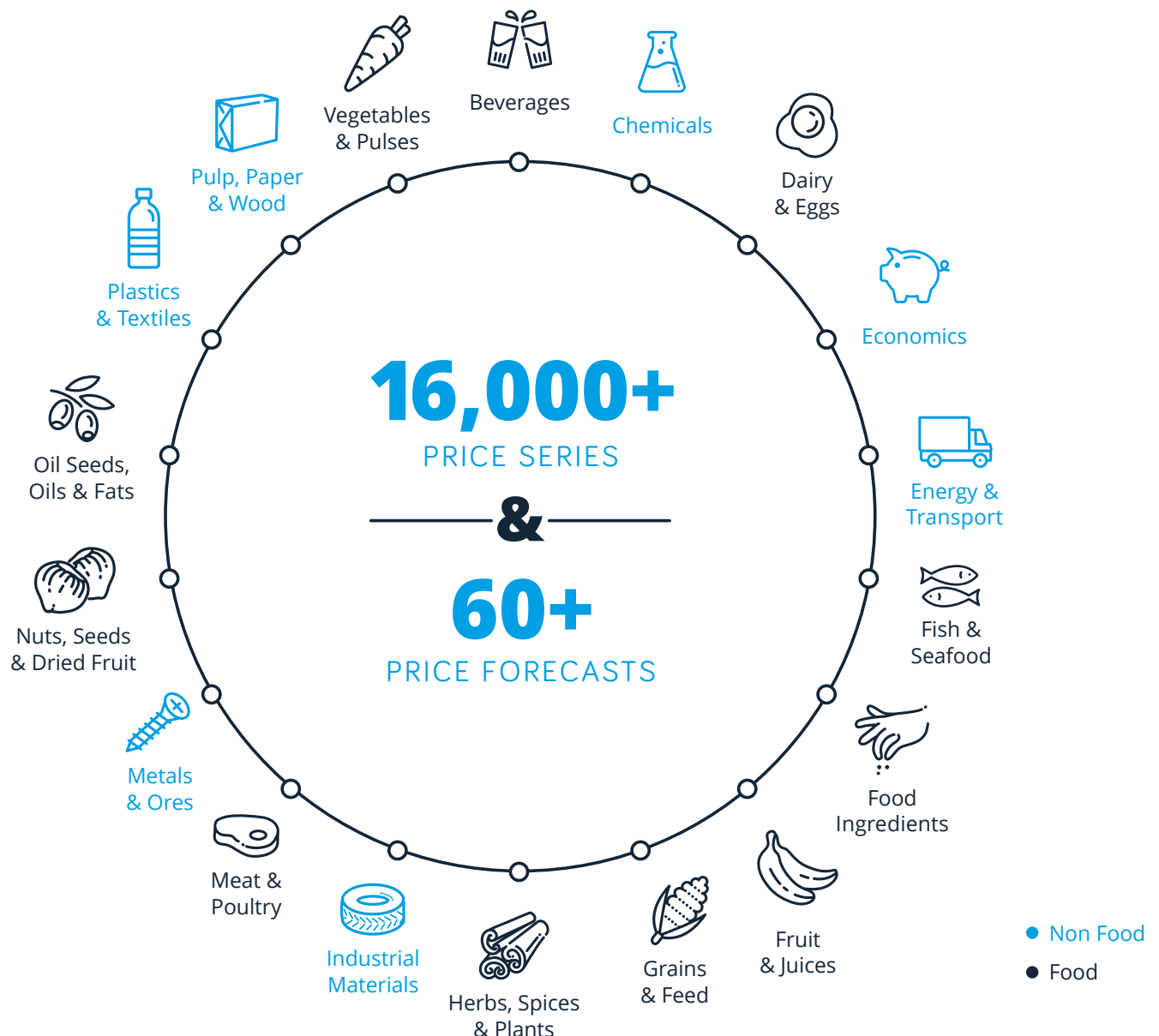
Mintec Global Packaging Index Declined by 1% m-o-m in October

Making Sense of the Problem

The supply chain for commodity raw materials from production and distribution right through to retailers and the consumer is volatile, uncertain, complex, and ambiguous. The nature and speed of change mean that your environment is unpredictable, putting constant pressure on your margins. The increasing complexity of supply chains will be one of the most significant challenges for businesses in the 21st century. The choice of suppliers and the range of new and alternative raw materials and products means that the issues your organization faces can easily lead to confusion and operational errors that threaten your competitiveness and overall success.

Mintec covers +16,000 raw materials and food commodities, including +5000 non-food industrial and manufacturing related commodities including:

Plastics & Chemicals | Metals & Ores | Timber, Paper & Pulp | Textiles, Glass & Rubber |
Oil & Energy | Transport & Freight



Economic slowdown weighs on USD strength and hinders manufacturing sector activities

Manufacturing activity slips in October on weaker economic conditions around the world. The manufacturing PMI indices in October reflected concerns over slowing global economic activity. Manufacturing activities decelerated in the EU and the US. In China, the manufacturing PMI rose on a monthly basis, but the index remained in contraction territory below the threshold 50-mark.

The US ISM PMI index declined to 50.2 in October, from 50.9 in September, decreasing by 0.7 points. Despite the monthly decline, the index has been in expansion territory for the 29th consecutive month, indicating growth in US manufacturing. Nonetheless, the growth in October was at its slowest since May 2020, when the US economy battled through its first pandemic wave. The production index climbed to 52.3 in October from 50.6 the previous month, while the new orders index rose to 49.2 from 47.1 in September, indicating contraction.

The Eurozone PMI moved down in October to 47.3 from September's 48.1. The index has been in contraction territory below the 50-mark since July, showing its lowest reading since November 2020.

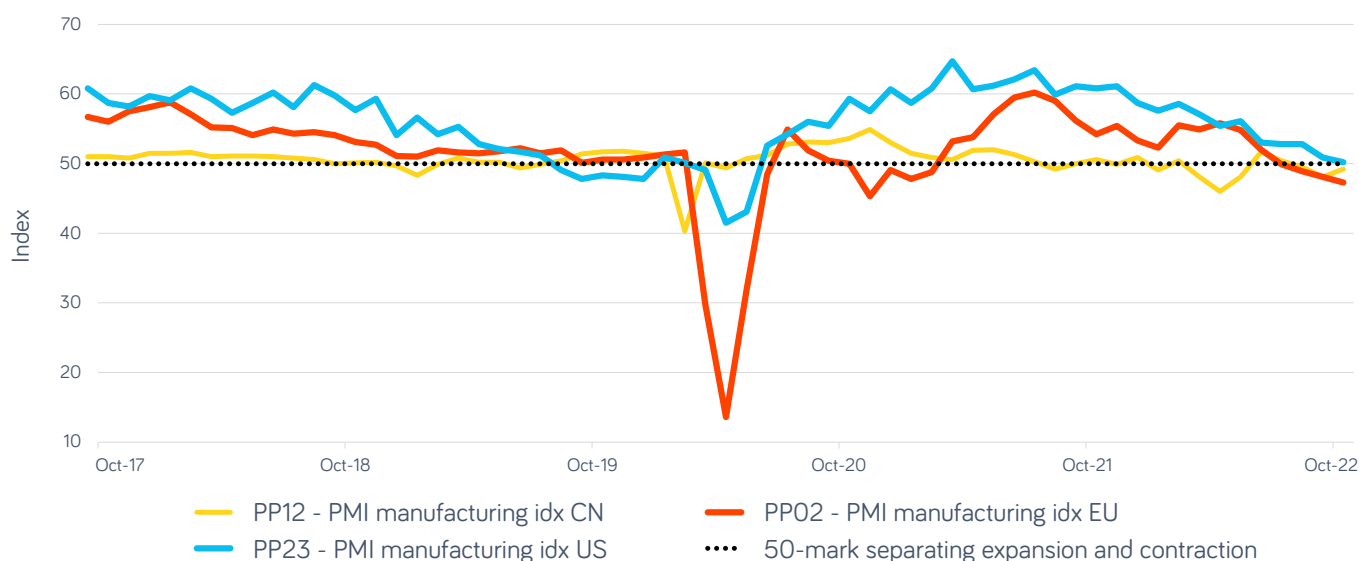
It has been weighed down by weakening sentiment in the majority of large European economies, on the back of geopolitical uncertainty and high inflation. Manufacturing activity fell to a 28-month low in Germany, with the PMI index registering 45.1 in October. Spanish manufacturing PMI registered 44.7, French 47.2, Italian 46.5, all in contraction territory. Only Ireland saw an improvement in October (51.4). Manufacturing output, new orders and export demand all declined in the Eurozone in October.

The EU Construction Confidence Indicator from Eurostat turned negative for the first time in 19 months in October, and steel consumption in the automotive sector is set to fall by 3.6% in Q4 2022, according to the Europher report.

In China, the Caixin PMI index climbed to 49.2 in October, representing growth of 1.1 points from September's 48.1. Nonetheless, this was the 3rd consecutive month when Chinese manufacturing contracted. Sentiment in October was hampered by Covid-19 containment measures disrupting factory operations and lowering consumer demand.

[Read more](#)

Global PMIs



Executive Briefing: Agri-Food Commodity Price Forecasts 2023

After rapidly increasing price inflation in 2022, it is time to prepare yourself for what 2023 has in store.

This whitepaper will provide insights into where Agri-Food and Softs prices will move in 2023.

This report focuses on softs, grains and animal products in general while going through a few specific commodities as examples. This should give you food for thought in your own approach to your 2023 budget and help you to understand how you should be responding to the key Agri-Food commodity price developments.

- The value of dynamic forecasting
- A recap of Mintec's forecasts from the previous year
- The 'Masterplan' for 2023 price forecasts
- The Macro Economy
- Price forecasts for key agri-food and soft commodities such as wheat, sugar, edible oils, meat and dairy
- Hedging templates and summary



Download this whitepaper to learn more.

Get Whitepaper

Top Commodity Movers

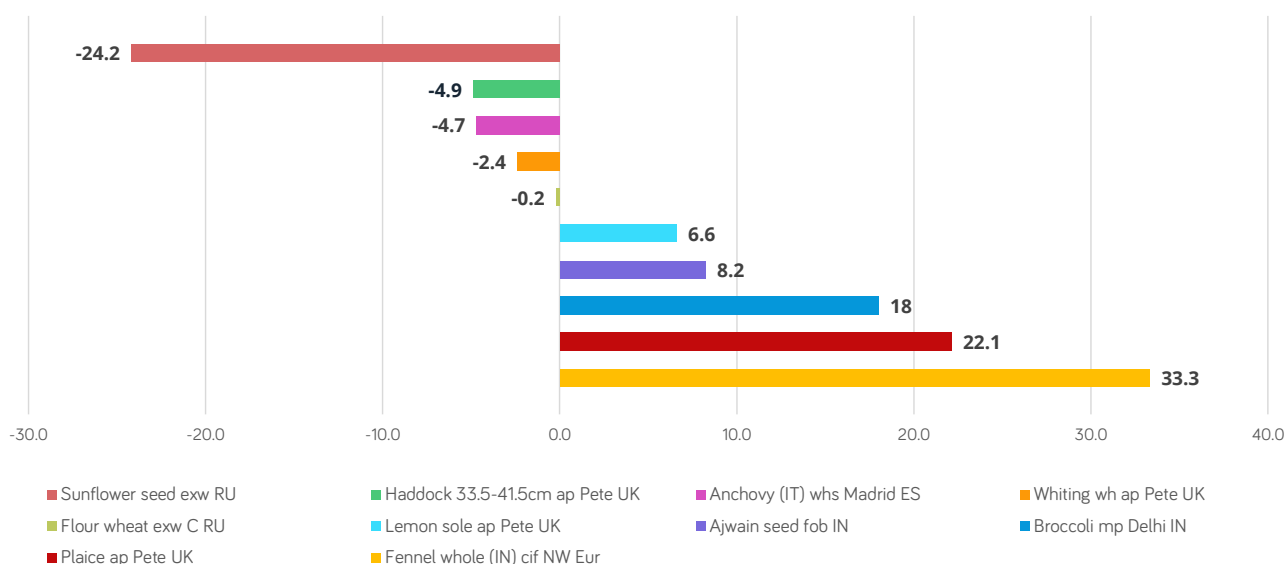
Every day our Pricing Team and Market Analysts collect, curate and monitor the impact of price changes across multiple commodities in global and regional markets. The price changes are delivered via the Mintec Analytics platform where its users are automatically alerted to critical price changes and notified of market events affecting any of their products in order to adapt their buying and sales strategies.

Here is a selection of the key prices changes identified by Mintec over recent weeks.

Food

Commodity	Price		%W-O-W	%M-O-M	%Q-O-Q	%Y-O-Y
Anchovy (IT) whs Madrid ES	3.9	EUR / KG	47.5	29	-11.9	-4.7
Broccoli mp Delhi IN	46.25	INR / KG	-44.9	-21.6	47.8	18
Whiting wh ap Pete UK	0.75	GBP / KG	-38.6	57.1	-30.2	-2.4
Sunflower seed exw RU	73,500.00	RUB / MT	118.2	20.6	-14.9	-24.2
Lemon sole ap Pete UK	3.5	GBP / KG	98.1	1.8	5.4	6.6
Flour wheat exw C RU	1,000.00	RUB / MT	-47.7	-13.7	-14.6	-0.2
Plaice ap Pete UK	1.45	GBP / KG	-30.3	-0.1	-10.8	22.1
Haddock 33.5-41.5cm ap Pete UK	1.05	GBP / KG	-27.7	15.1	-22.5	-4.9
Ajwain seed fob IN	2,463.75	USD / MT	14.0	0.2	-10.9	8.2
Fennel whole (IN) cif NW Eur	2,824.25	USD / MT	12.8	8.0	25.4	33.3

YOY % Change



IOSCO Accreditation

Established over 35 years, Mintec is the IOSCO accredited, market leader in independent global food and commodities data, price forecasts and hedging advice. We also provide expert insight to support our clients' procurement, sourcing and category management functions to drive reductions in spend.

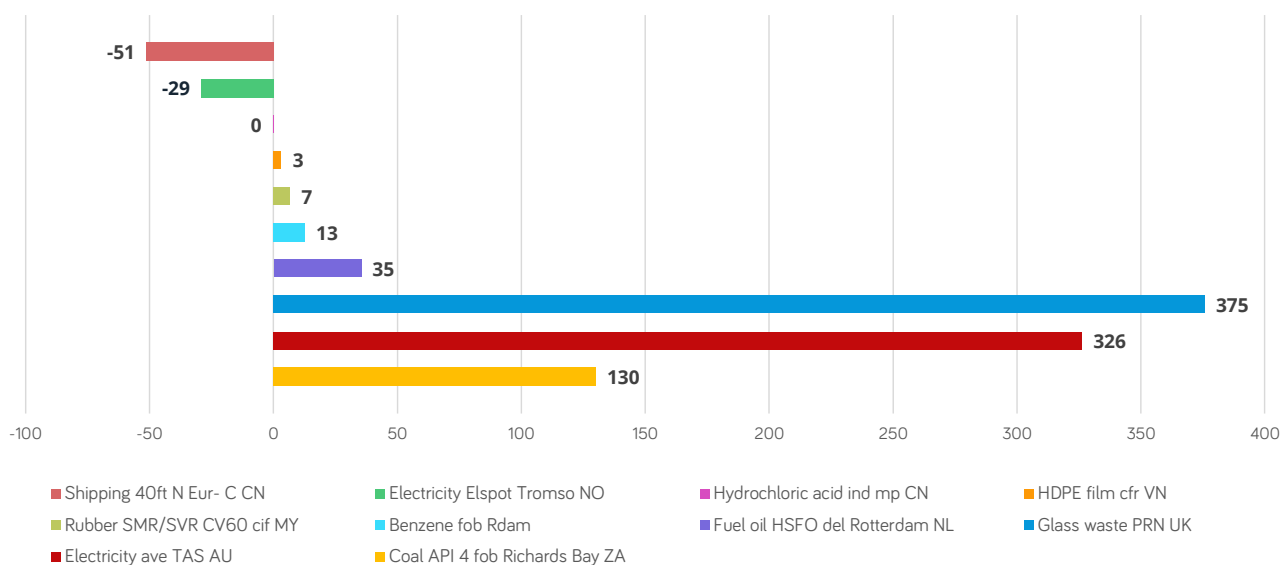
[Learn more](#)



Non Food

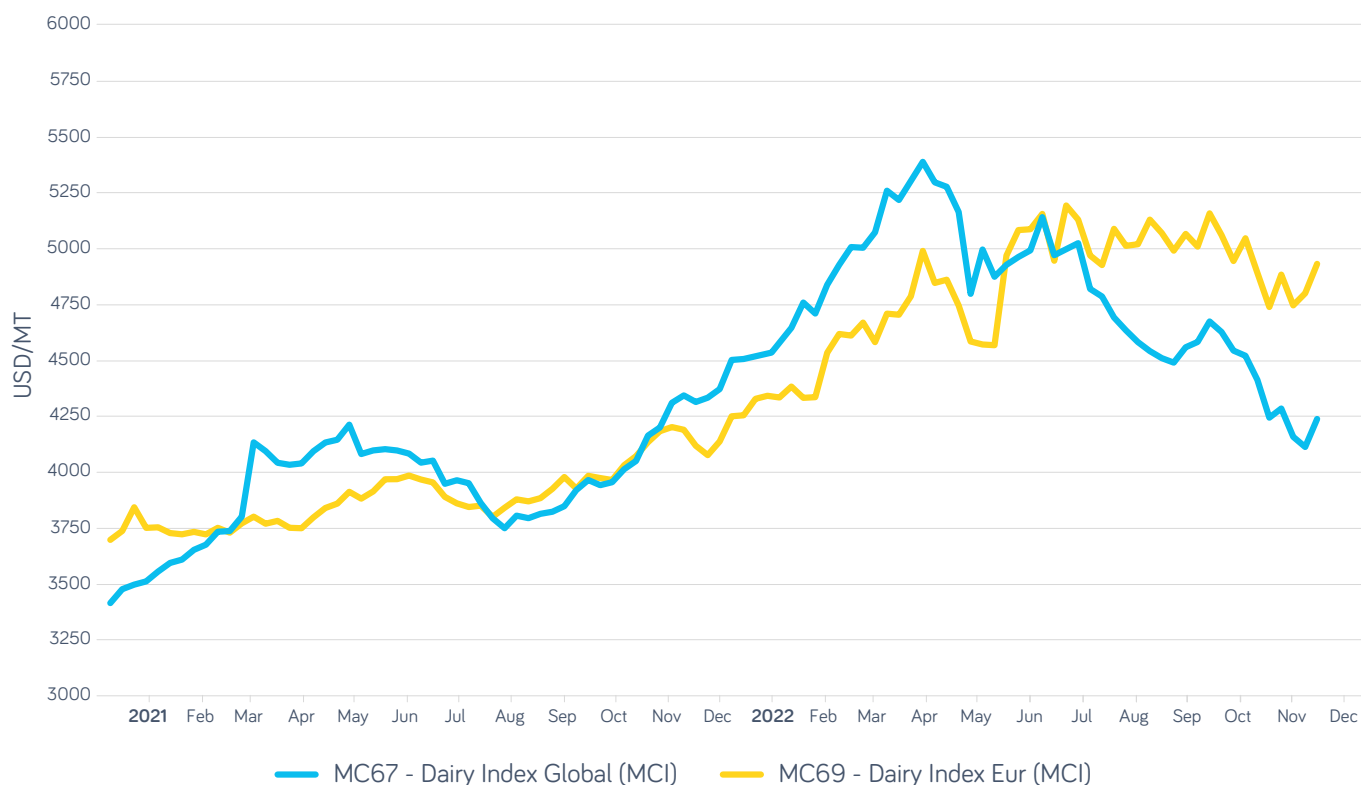
Commodity	Price		%W-O-W	%M-O-M	%Q-O-Q	%Y-O-Y
Coal API 4 fob Richards Bay ZA	178.5	USD / MT	-11.3	-21.6	-11.1	129.9
Electricity ave TAS AU	60.38	AUD / MWH	160.4	-30.5	-55.5	326.0
HDPE film cfr VN	97	USD / MT	-45.2	-15.9	-20.8	3.1
Glass waste PRN UK	150	GBP / MT	18.5	-23.8	37.1	375.5
Shipping 40ft N Eur- C CN	346	USD / UNIT	-10.1	-2.0	-34.5	-51.3
Fuel oil HSFO del Rotterdam NL	875.65	USD / MT	128.2	30.0	-15.7	35.3
Benzene fob Rdam	650	USD / MT	-21.6	-6.5	-39.7	12.5
Rubber SMR/SVR CV60 cif MY	161.45	EUC / KG	-17.5	-7.2	-12.8	6.7
Electricity Elspot Tromso NO	38.13	EUR / MWH	93.7	14.0	494.4	-29.1
Hydrochloric acid ind mp CN	198	CNY / MT	21.2	8.6	-25.7	-0.2

YOY % Change



DAIRY & EGGS

Dairy Index Global (MCI)



Price Dairy Index Global (MCI)	M-O-M	Q-O-Q	Y-O-Y
4237.78 USD/MT	0.14 % 4243.73	6.02 % 4509.46	1.76 % 4313.7

Mixed price movements reported on European SMP market

The European SMP market sentiment was reported slightly bearish during the week, with prices declining marginally compared to the week prior. Limited market activity was reported across the European Union, which was the key driver behind the declining prices. In contrast, product availability remains good, according to market sources. It is expected that traders will be willing to reduce prices further in the coming weeks to generate cash flow. However, manufacturers are looking to build up small stocks, as current market prices become profitable. Increasing numbers of manufacturers across Europe have been renting additional storage capacities for the coming two quarters, indicating that they expect to see international buying interest return in early Q2 2023.

However, with news on 1st December that the Chinese government is considering easing its zero-Covid policy, the European SMP market reacted nervously, as together with the announcement

by the Chinese government multiple market sources have reported that Chinese buyers have begun monitoring the European milk powder market closely again, since 30th November.

For reference, the MBP for Skimmed Milk Powder EXW Europe [Mintec Code: J117] was assessed at €2,850/mt on 1st December, down €50/mt on the week.

Market sentiment for UK SMP turned neutral, as prices remained unchanged during this week's assessment period. Market activity in general is limited, as buyers remain off the market, anticipating further price declines during the coming weeks. Producers remain unwilling to reduce prices, as not-in-contract committed stock levels stay limited.

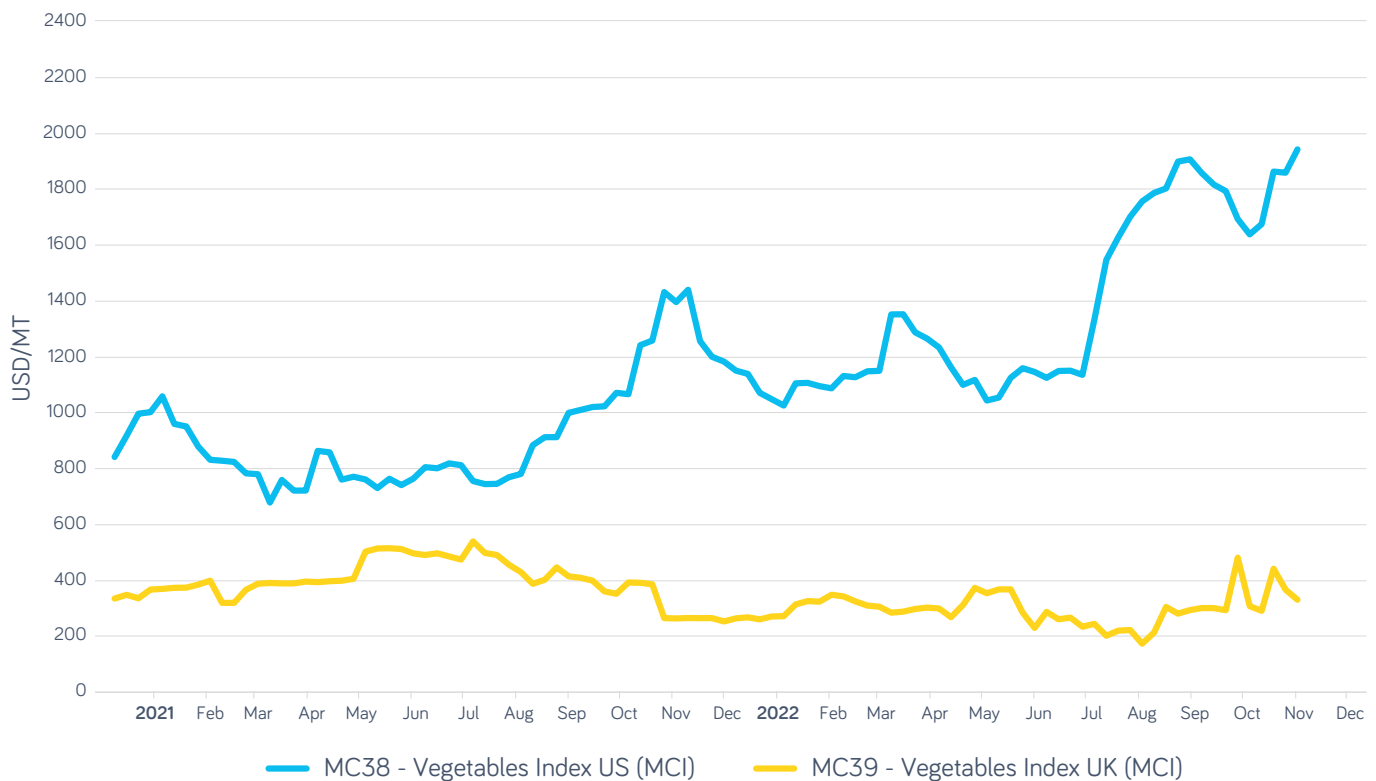
The MBP for Skimmed Milk Powder EXW United Kingdom [Mintec Code: JS43] was assessed at £2,500/mt on 1st December, unchanged compared to the previous week.

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The MBP for Skimmed Milk Powder EXW Europe [Mintec Code: J117] was assessed at €2,850/mt on 1st December, down €50/mt on the week.

FRUIT & VEG

Vegetables Index US (MCI)

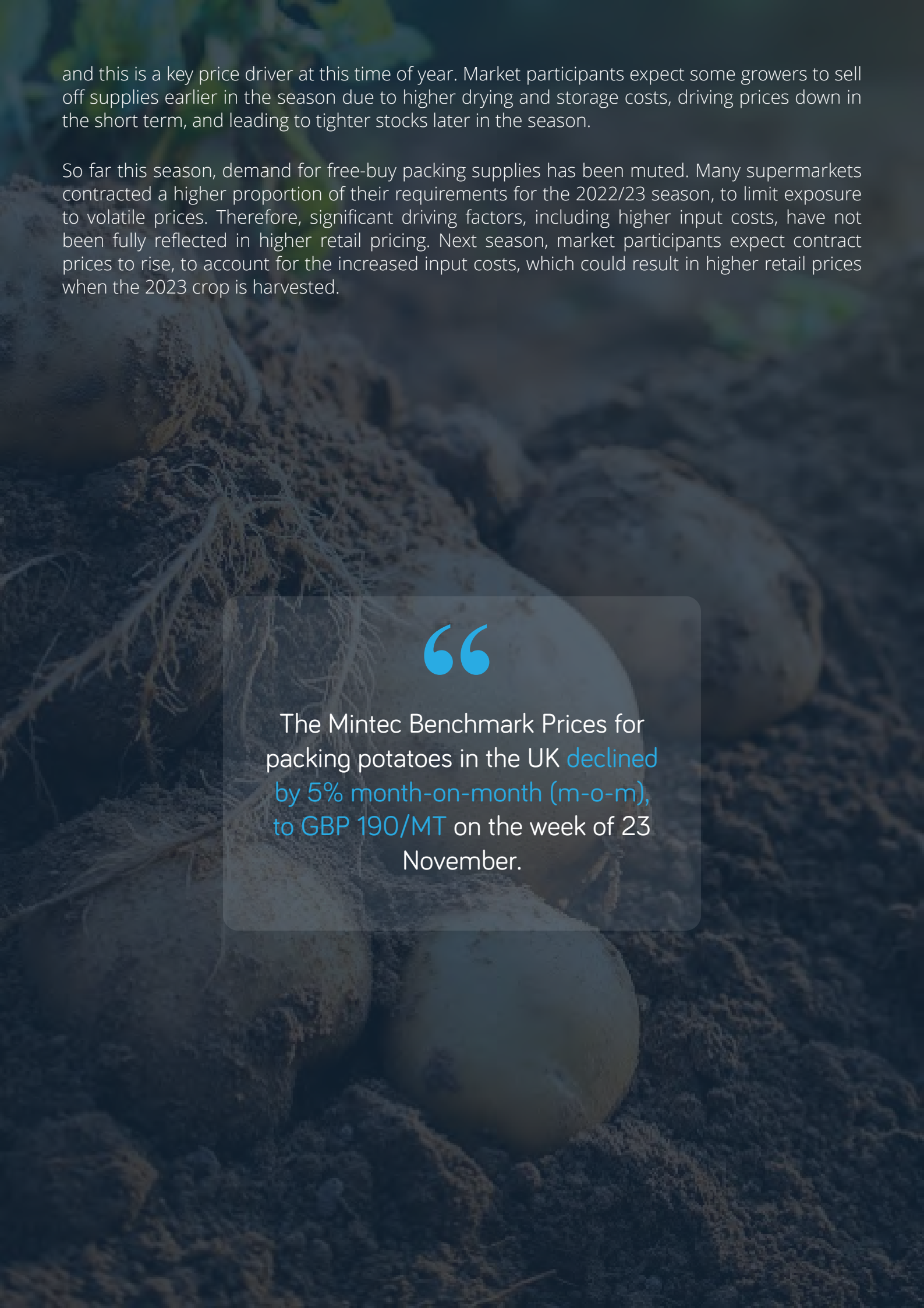


Price Vegetables Index US (MCI)	M-O-M	Q-O-Q	Y-O-Y
1940.76 USD/MT	18.58 % 1636.63	10.6 % 1754.8	39.19 % 1394.34

UK Free-buy Potato Prices Decline in November, but Remain Higher than 2021 Levels

The Mintec Benchmark Prices for packing potatoes in the UK declined by 5% month-on-month (m-o-m), to GBP 190/MT on the week of 23 November. The price of potatoes has gradually declined since the start of harvest, as the main crop harvest was in full progress and an increasing volume of the crop came on to the market.

Despite the recent decline in prices, they remain up 31% year-on-year (y-o-y). Potato growers continue to face higher y-o-y production costs, largely for energy, fertiliser and transportation. The cost of storing potatoes rose significantly compared to 2021, due to higher electricity costs,



and this is a key price driver at this time of year. Market participants expect some growers to sell off supplies earlier in the season due to higher drying and storage costs, driving prices down in the short term, and leading to tighter stocks later in the season.

So far this season, demand for free-buy packing supplies has been muted. Many supermarkets contracted a higher proportion of their requirements for the 2022/23 season, to limit exposure to volatile prices. Therefore, significant driving factors, including higher input costs, have not been fully reflected in higher retail pricing. Next season, market participants expect contract prices to rise, to account for the increased input costs, which could result in higher retail prices when the 2023 crop is harvested.

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The Mintec Benchmark Prices for packing potatoes in the UK declined by 5% month-on-month (m-o-m), to GBP 190/MT on the week of 23 November.

Upcoming webinars



Fruit & Nut Commodities H1 2023 Market Outlook

📅 Thu, Jan 19, 2023 3:00 PM GMT

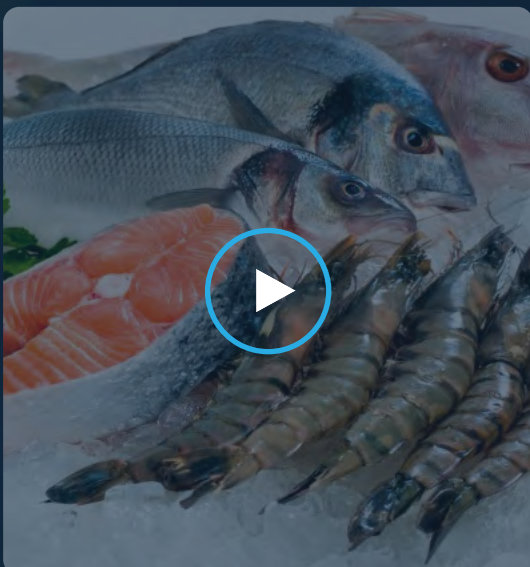
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Dairy Market Outlook H1 2023

📅 Mon, Jan 23, 2023 3:00 PM GMT

[Register now](#)



Fish & Seafood Market Outlook H1 2023

📅 Tue, Jan 10, 2023 3:00 PM GMT

[Register now](#)



Grains & Oil Market Outlook H1 2023

📅 Thu, Jan 19, 2023 3:00 PM GMT

[Register now](#)



Meat & Poultry Market Outlook H1 2023

📅 Fri, Jan 20, 2023 3:00 PM GMT

[Register now](#)



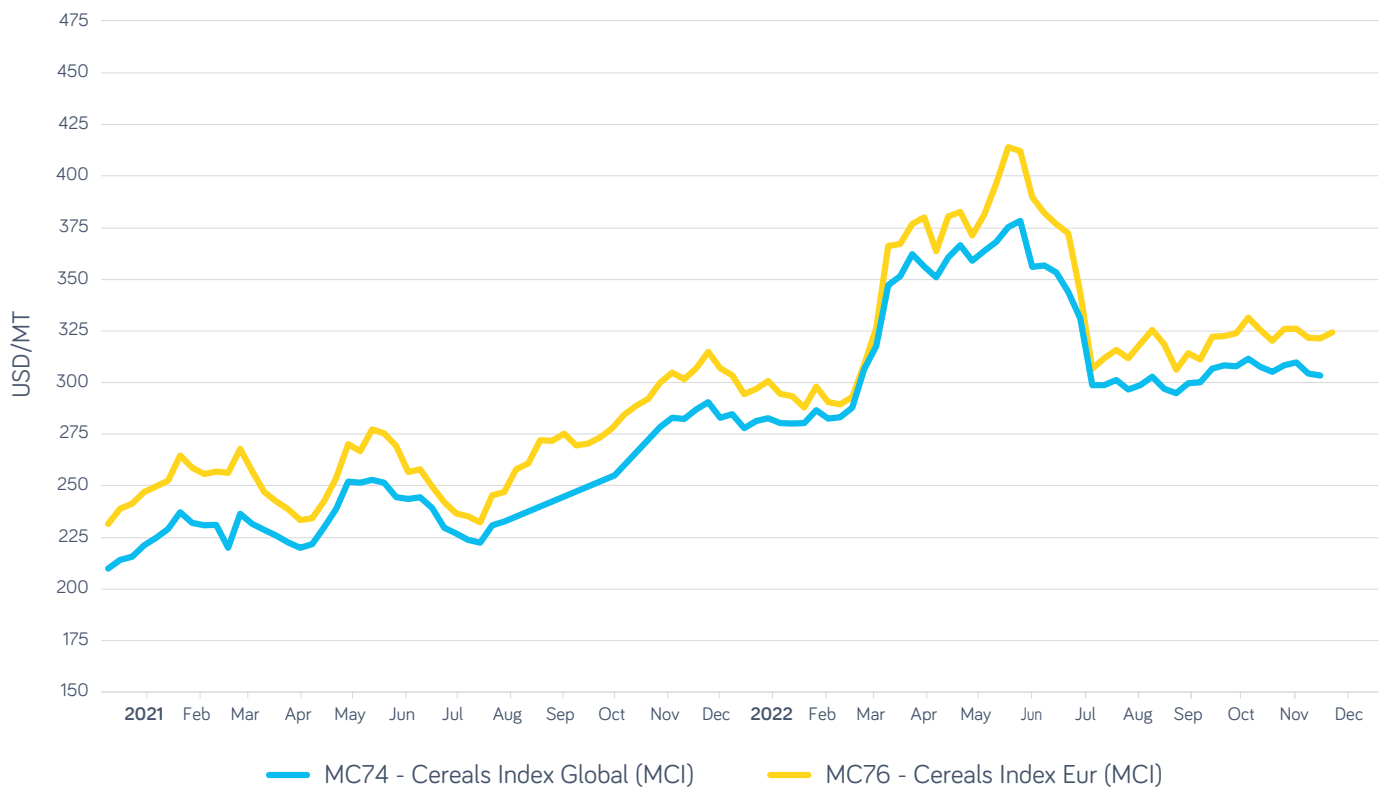
Metals Market Outlook H1 2023

📅 Thu, Jan 26, 2023 3:00 PM GMT

[Register now](#)

GRAINS & FEED

Cereals Index Global (MCI)



Price Cereals Index Global (MCI)	M-O-M	Q-O-Q	Y-O-Y
303.37 USD/MT	0.58 % 305.15	2.18 % 296.91	5.73 % 286.92

Wheat prices move lower as sellers offload volumes in the volatile market

The Mintec Benchmark Prices [MBP] for Wheat Milling 11% DDP Rouen FR was assessed at €326.00/mt, down 4% week-on-week (w-o-w). The global wheat market remains volatile as it awaits news on the grain corridor deal's future. Additionally, adverse weather in the Southern Hemisphere is creating production concerns.

Last week, Russia withdrew from the grain corridor deal for 3 days but then re-joined after receiving written security guarantees from Ukraine that it would not use the Black Sea grain corridor for military purposes. On 7th November, Turkey proposed the extension of the grain corridor deal for one more year, as the current deal expires on 19th November. According to Mintec sources, "There's still a lot of uncertainty regarding the renewal of the deal. Thus, the

uncertainty makes estimating the supply and demand balance for wheat increasingly tricky". Consequently, wheat prices will continue to have significant price impacts due to the ongoing grain corridor deal's uncertainty.

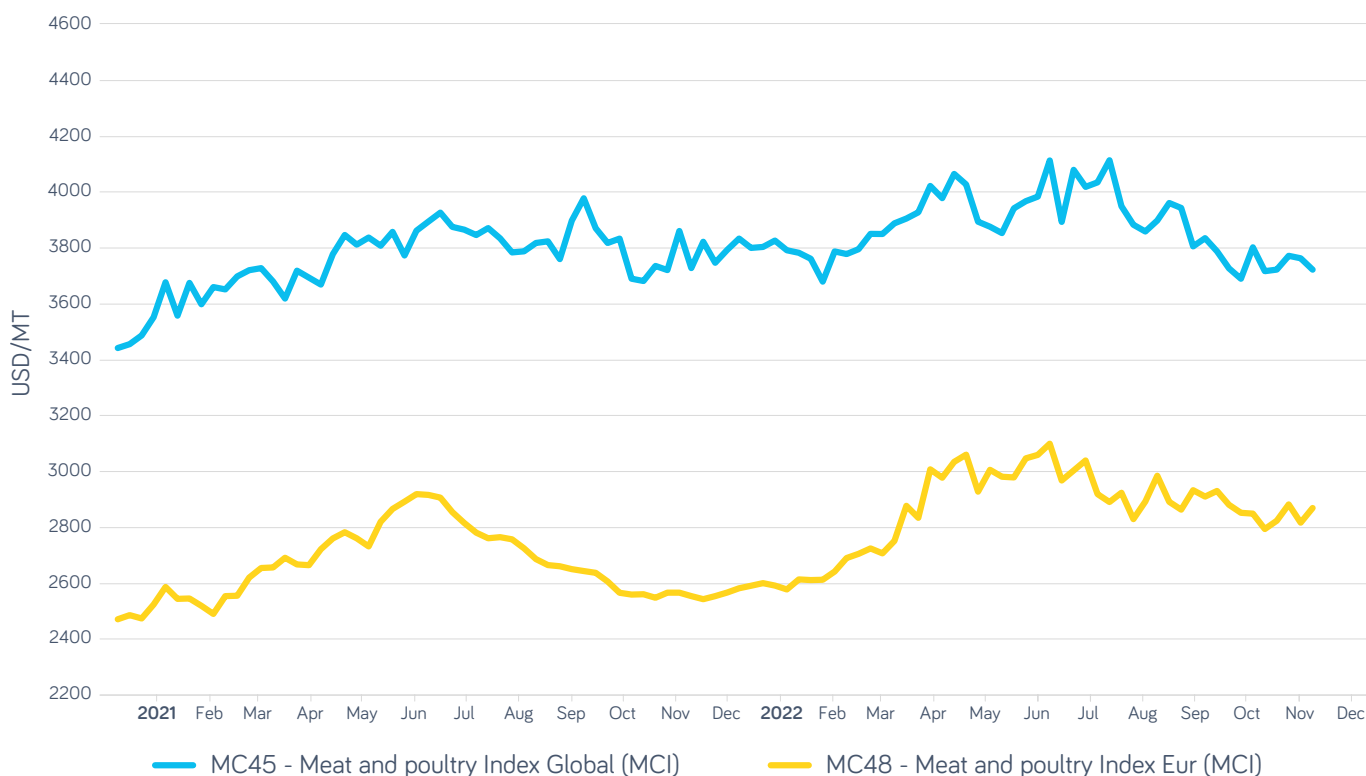
Meanwhile, adverse weather in Argentina continues to impact wheat crops and support prices. According to the Rosario Grain Exchange, Argentinian wheat production is estimated now at 11.8 million tonnes, down 14% from the previous estimate (15.5 million metric tonnes, according to the USDA). A Mintec source said, "I think there will be further reductions due to prolonged drought". If realised, this would be the smallest crop in seven years, further tightening the global wheat outlook. As of 6th November, the US winter wheat planting was 92% complete, up 2% y-o-y. Winter wheat conditions improved due to rain in early November, especially in the Central and Southern Plains. In the latest USDA crop progress report, winter wheat was rated in a 30% good-to-excellent condition, down 15% on this time last year. According to Mintec sources, "Low water levels in the Mississippi River remain a concern and are not expected to rise anytime soon. It's harvest time, and farmers are forced to seek [transportation] alternatives, for example, via West Coast ports or via rail, and these are all expensive".

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The Mintec Benchmark Prices
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MEAT & POULTRY

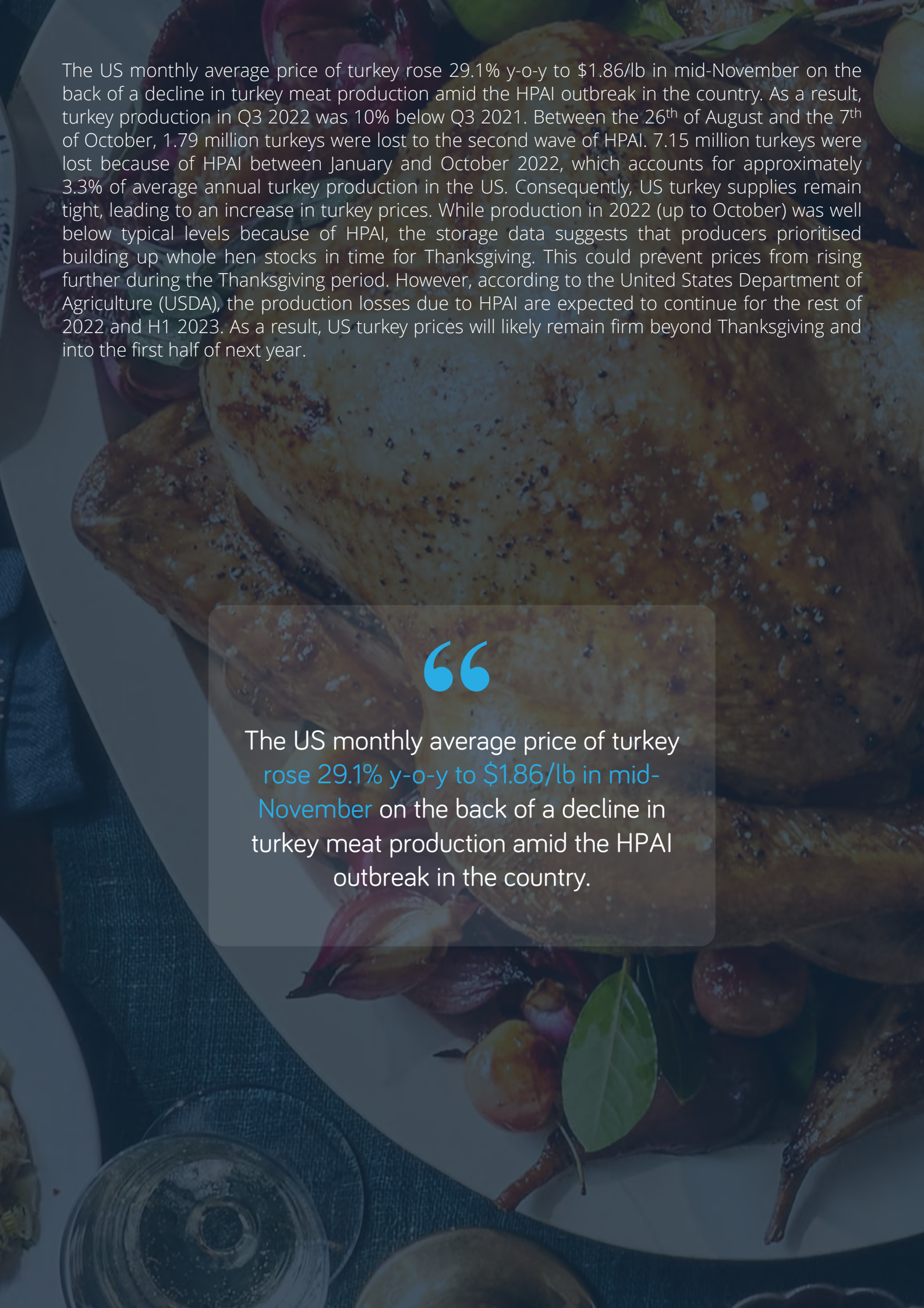
Meat and poultry Index Global (MCI)



Price Meat and poultry Index Global	M-O-M	Q-O-Q	Y-O-Y
3720.58 USD/MT	0.15 % 3715.18	4.51 % 3896.5	0.15 % 3726.26

Impact of Avian Influenza on UK and US turkey prices

The UK poultry sector reported approximately 234 Highly Pathogenic Avian Influenza (HPAI) cases between October 2021 and early November 2022. The UK lost 40% of 1.4 million of free-range turkey flock to bird flu as of (October) 2022, according to the British Poultry Council. The outbreak this year has been far more devastating than last winter. Approximately 2.3 million poultry birds, including chicken, turkeys, ducks, and geese, have been culled in the current season, with UK turkeys being the most vulnerable to HPAI. Though this accounts for only a small proportion of the 20 million poultry birds weekly produced in the UK, it has reduced poultry supplies just before Christmas. The UK produces around 11 million turkey birds annually, of which approximately 65% are sold during Christmas. Consequently, the Mintec price for UK turkey (7.25-9kg) increased 12.5% month-on-month and 35.5% year-on-year (y-o-y) to GBP 6.3/kg on the 16th of November 2022.



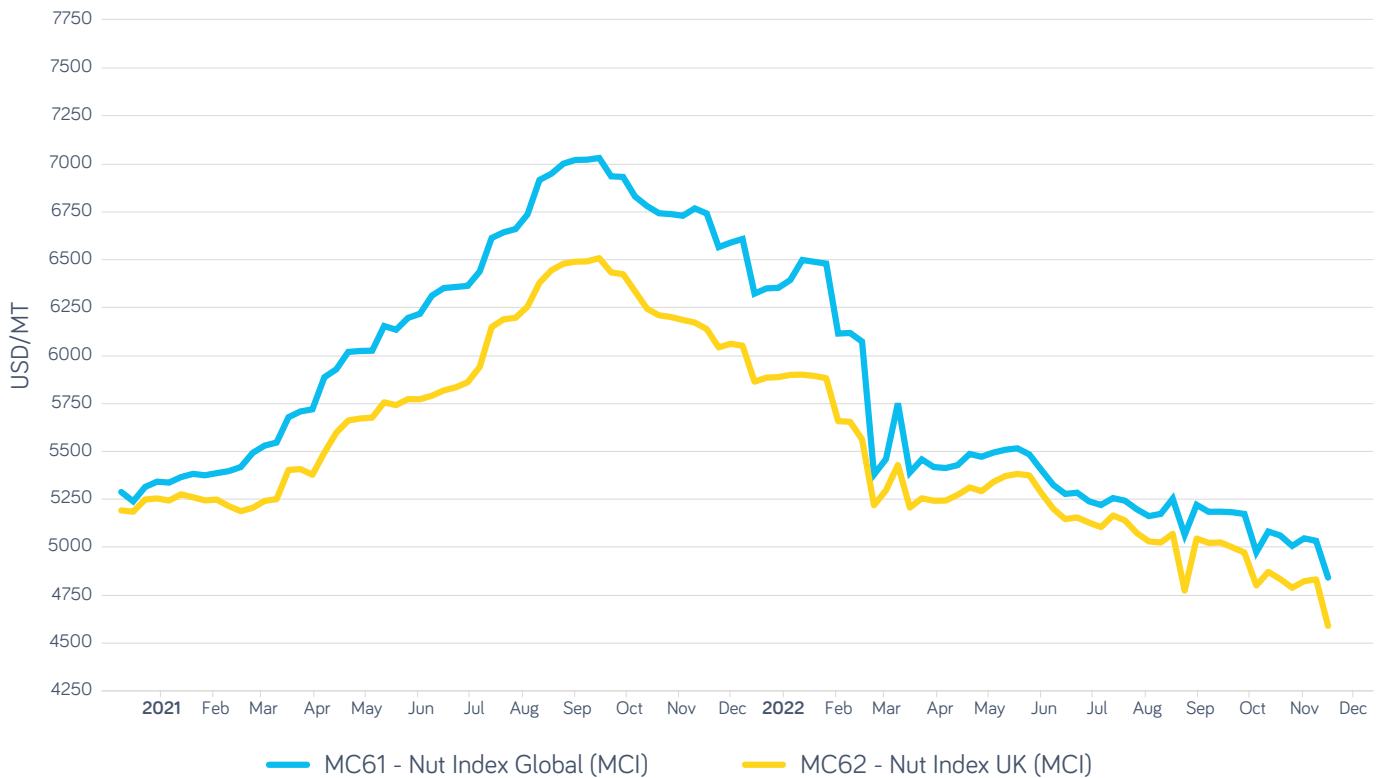
The US monthly average price of turkey rose 29.1% y-o-y to \$1.86/lb in mid-November on the back of a decline in turkey meat production amid the HPAI outbreak in the country. As a result, turkey production in Q3 2022 was 10% below Q3 2021. Between the 26th of August and the 7th of October, 1.79 million turkeys were lost to the second wave of HPAI. 7.15 million turkeys were lost because of HPAI between January and October 2022, which accounts for approximately 3.3% of average annual turkey production in the US. Consequently, US turkey supplies remain tight, leading to an increase in turkey prices. While production in 2022 (up to October) was well below typical levels because of HPAI, the storage data suggests that producers prioritised building up whole hen stocks in time for Thanksgiving. This could prevent prices from rising further during the Thanksgiving period. However, according to the United States Department of Agriculture (USDA), the production losses due to HPAI are expected to continue for the rest of 2022 and H1 2023. As a result, US turkey prices will likely remain firm beyond Thanksgiving and into the first half of next year.

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The US monthly average price of turkey rose 29.1% y-o-y to \$1.86/lb in mid-November on the back of a decline in turkey meat production amid the HPAI outbreak in the country.

NUTS, SEEDS & DRY FRUIT

Nut Index Global (MCI)



Price Nut Index Global (MCI)	M-O-M	Q-O-Q	Y-O-Y
4838.47 USD/MT	4.35 % 5058.42	7.85 % 5250.74	28.2 % 6738.76

Pecan prices slide in Europe on abundant supply and soft demand

The US 2022/23 pecan crop is anticipated to reach between 290-309 million lbs (in-shell), relatively unchanged compared to the previous campaign (307 million lbs). This crop estimation was made by Alexander Ott, the executive director of the American Pecan Council, who was talking at the NDFTA (The Nut and Dried Fruit Trade Association) event in London in the week of 15th November. According to Mr. Ott, production this year has been adversely affected by drought in the western growing areas, freezing conditions in Oklahoma and hurricane damage in the southeast of the US.

Despite these setbacks, the overall production volume in US appears to be solid, largely as a result of a strong output in Georgia. Earlier in October, the USDA published its first 2022/23 crop production estimate, pegging the size of the US harvest at 290.5 million lbs, an increase of

14% year-on-year (y-o-y).

These strong supply projections, coupled with soft global demand for pecans, have led to the Mintec Benchmark Prices for US pecans (junior mammoth pecan halves) falling on the CFR EU basis in the past four weeks. The benchmark was down by 9% in the four-week period to the 17th of November, at USD 5.35/lb (CFR EU).

Global demand for pecans was muted during 2021/22, with export shipments from the US down 41% y-o-y between September 2021 and August 2022, at 79 million lbs, compared to 133 million lbs (in-shell basis) in the previous campaign, according to data published by the American Pecan Council. A large decline in exports was registered in China (down 73% y-o-y to 11.6 million lbs), while shipments to Europe contracted by 27% y-o-y, to 31.7 million lbs. Total shipments, including the domestic US market, fell 5% y-o-y during 2021/22 for pecan kernels (162 million lbs) and 60% for in-shell nuts (42 million lbs).

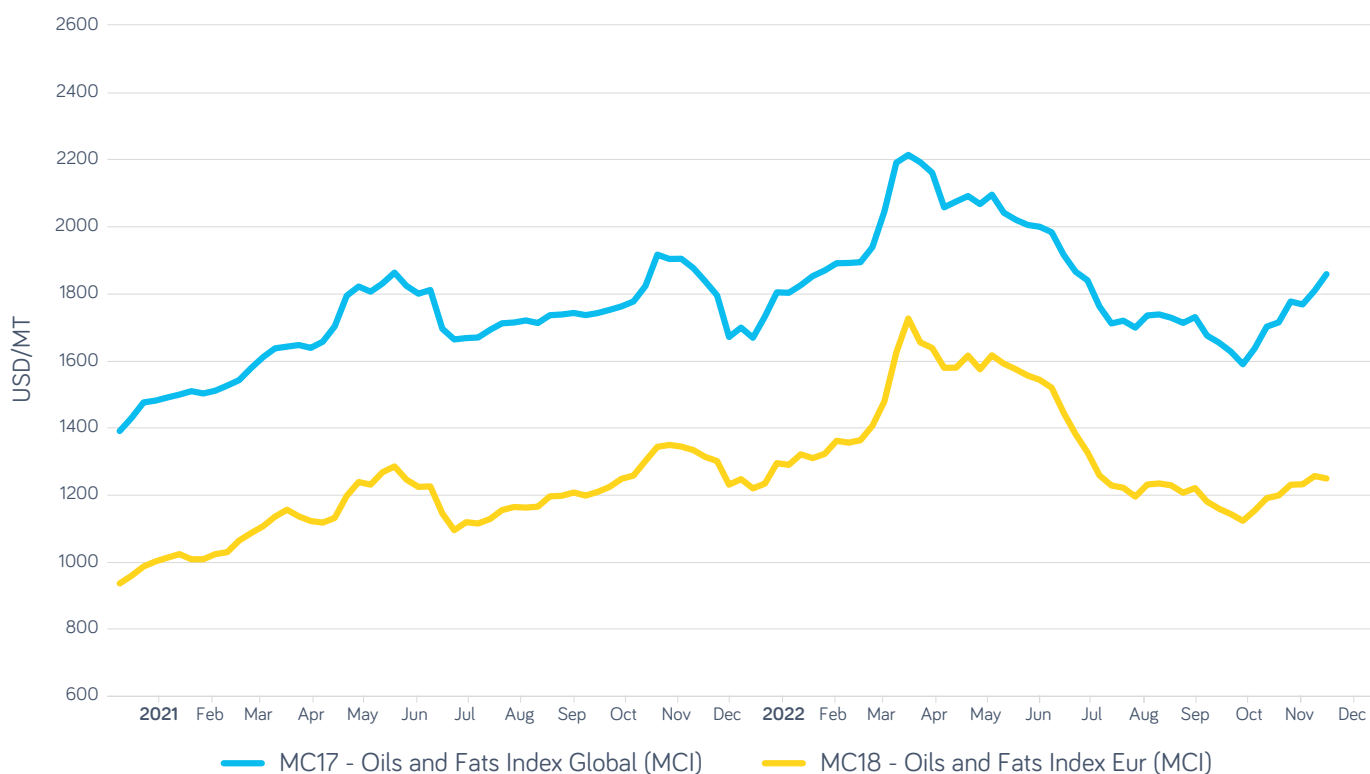
During the first month of the new marketing campaign, in September 2022, the US exported 5.8 million lbs of pecans compared to 8.3 million lbs exported during September 2021. Commitments to ship (sold but not yet shipped) were up 60% y-o-y during September for kernels, and up 254% for in-shell pecans.

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The Mintec Benchmark Prices for US pecans (junior mammoth pecan halves) were down by 9% in the four-week period to the 17th of November, at USD 5.35/lb (CFR EU).

OILS AND OILSEEDS

Oils and Fats Index Global (MCI)



Price Oils and Fats Index Global (MCI)	M-O-M	Q-O-Q	Y-O-Y
1855.9 USD/MT	8.4 % 1712.15	7.53 % 1725.97	1.15 % 1834.75

Rapeseed Oil: Prices Decline to Levels Last Seen in August 2021

The Mintec Benchmark price for Rapeseed Oil FOB Rotterdam [Mintec Code: RSOR] was assessed at €1,200.50/mt on 1st December 2022 the lowest price seen for the commodity since 9 August 2021. The price decline was attributed to ample supply from key producing nations such as Canada and the EU and good overall coverage for market players until early 2023 meaning that they do not need to dip into the market. This is causing sellers to offer the product for less in an attempt to attract buying interest.

In addition, the supply of rapeseed oil has increased, on the back of significant crushing within the EU. This has led to a rapeseed oil supply glut within the EU, with no ready buyers for the material. Besides, the biodiesel sector, which usually has ready buyers of rapeseed oil at this time of year, is currently importing Used Cooking Oil (UCO) from China at prices far below

rapeseed oil to use as biodiesel feedstock. However, the purchase has not been without controversy. Industry sources told Mintec that the supply is at least 70% palm oil, rather than the supposed UCO, which is why it was priced so competitively. Despite this, if the price of the material remains cheap, it could be a viable alternative for the biodiesel sector, meaning that rapeseed oil purchases may not be seen for some time, thereby potentially lowering prices from current levels in the coming weeks and months.

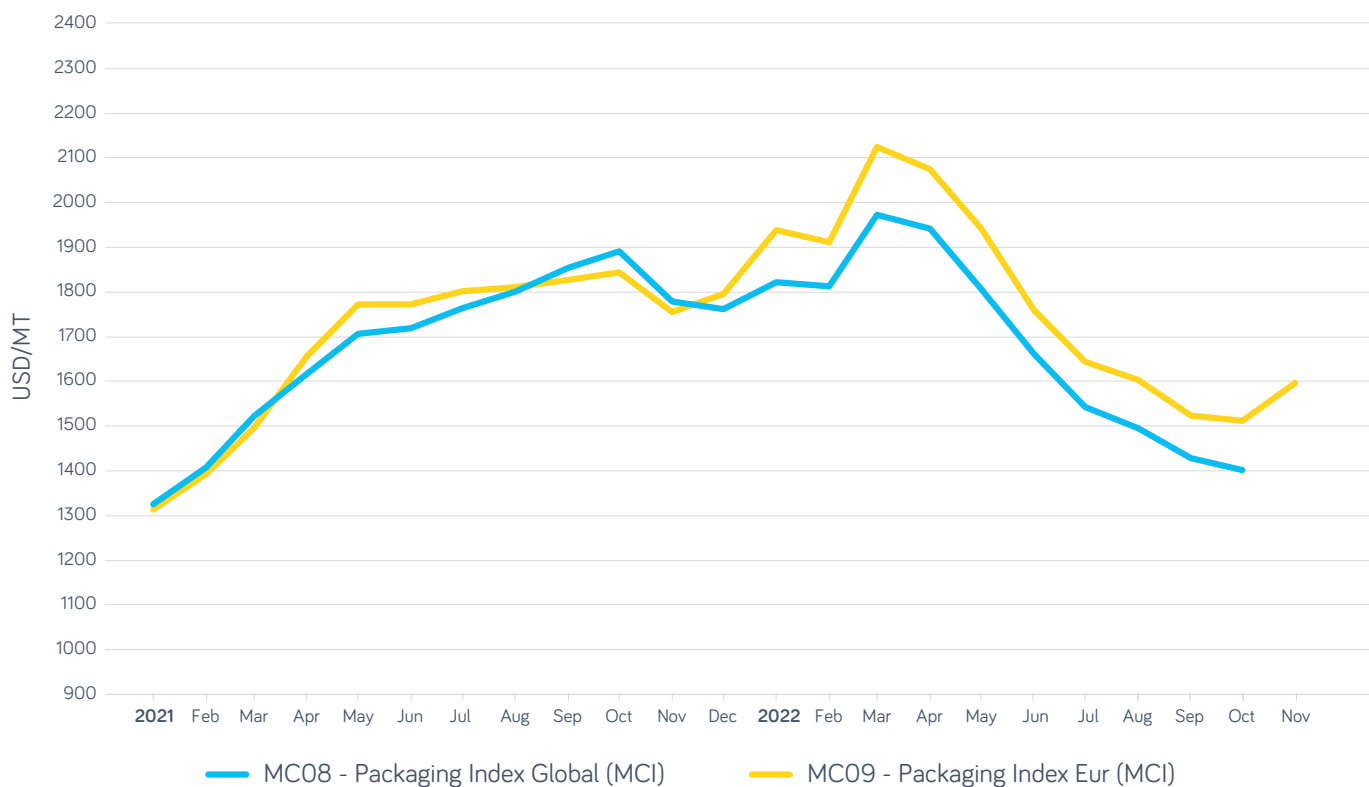
A trader told Mintec, "The market has pretty much all the volumes it needs until the end of 2022. There is no need for players to dip into the spot rapeseed oil market. Coverage in 2023 is much more lacking, and for the first time in a long time, we saw rapeseed oil enter a contango state [spot prices lower than those for forward delivery]. This is unusual but suggests an oncoming strong supply and no real bullishness to be found. We have also seen significant crushing, much like sunflower oil, as market players have tried to cash in on the high prices".

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The Mintec Benchmark price for
Rapeseed Oil FOB Rotterdam
[Mintec Code: RSOR] was assessed
at €1,200.50/mt on 1st December
2022 the lowest price seen for the
commodity since 9 August 2021.

PACKAGING

Packaging Index Global (MCI)



Price Packaging Index Global (MCI)	M-O-M	Q-O-Q	Y-O-Y
1402.47 USD/MT	1.86 % 1429.02	9.13 % 1543.46	25.87 % 1892

Mintec Global Packaging Index Declined by 1% m-o-m in October

The Mintec Global Packaging Category Index (MCI) declined in October 2022, down 1% month-on-month (m-o-m) to USD 1,414/MT. The decline in the index appears to be slowing and seems close to hitting a price bottom. However, it is still possible that there may be a further decline in the price of raw materials, combined with lower demand. Energy prices, which have fallen slightly since September, may begin to rise during the winter months.

Plastics Market

In October, prices in the plastics market in the EU and the US showed a decline. Prices in the US fell at a sharper rate. What stood out was price stabilisation and fixing deals in the European PP market.

EU HDPE and LDPE prices in October followed the same downward trend. HDPE declined 2% m-o-m and 5% y-o-y, to EUR 1,678/MT. The LDPE price was EUR 2,043/MT, down 1.4% m-o-m and 7% y-o-y. Prices have fallen for five consecutive months, but the rate of decline has been slowing. Production cuts have led to a more equal balance between supply and demand, and this has been reflected in prices. Lower demand has also forced suppliers to reduce prices. However, producers no longer appear willing to make serious concessions, having realised that prices are close to a bottom. PET prices in the EU fell 3% m-o-m in October, to EUR 1,613/MT, but it is worth noting that this is a slower rate of decline compared to the 7% decrease in September. The price is up 26% y-o-y. Weak buying activity reflected poor demand amid fears of a recession, even for cheaper imported products. Full warehouses also meant that buyers could afford to pause and wait for prices to fall. The PP price in October stabilised and, due to increased consumer activity, there may be a slight price increase in November. The average PP price in October was EUR 1,605/MT, down 13% y-o-y. There was buying activity in the market, which indicates that a balance has been reached between supply and demand.

The US HDPE price in October decreased to USD 1,687/MT, falling 4% m-o-m and 35% y-o-y. Additionally, the US LDPE price in October declined to USD 2,116/MT. This constituted a fall of 7% compared to the previous month, and a 37% decline compared to the same period in 2021. These downward price movements are largely due to weak market demand. Also, high inventory levels have been putting pressure on prices. A gradual increase in interest rates is negatively impacting consumers and market sources expect prices to fall in November.

In October, US PET prices collapsed by 21% m-o-m to USD 1,907/MT. This was the sharpest price drop among the packaging material prices this month. Producers have accumulated large stocks and are now eager to sell, although demand remains weak and purchasing activity is minimal. However, the price is still almost 2% higher compared to the same period in 2021.

In October 2022, PP prices in the US fell below levels recorded in 2021/22. The average US PP price in October was USD 2,094/MT, down 10% m-o-m and 47% y-o-y. On a weekly basis, the price plummeted at the end of September, and it has remained stable since the 6th October.

Metals

Aluminium prices appear to have bottomed as a result of high electricity costs. Consequently, prices have been stable for two consecutive months. Steel prices have continued to fall, because of cheaper raw materials.

The LME aluminium (3-month) October price was flat m-o-m, with a monthly average price of USD 2,249/MT. Rising electricity prices have been reflected in the reduction of some aluminium production capacity in the EU. Therefore, almost one million tonnes of European primary aluminium production capacity has now been shut down. Production of aluminium is an energy-intensive process, and in spite of the fact that energy prices have started to decrease in Europe since September, costs for producers remain high compared to the beginning of 2022. It is not economically feasible to maintain normal production levels at current market prices. Traders may see a slight stabilisation in prices and start buying LME stocks, because they have been rising for two consecutive months.

The global market is now characterised by oversupply. Demand for steel in all regions of the world is at a low level, therefore producers with competitive production costs that did not want to cut production redirected steel to exports. Thus, importing countries are now under pressure

from large volumes of cheap imports. The CME's US steel hot-rolled coil (HRC) price decreased by 10% m-o-m and 53% y-o-y, to a monthly average price of USD 798/MT in October. The performance of the consuming industries in the US is showing optimistic figures in comparison with other countries around the world. From a demand perspective, therefore, the situation in the US looks relatively solid. But the global downward price trend and worsening industry expectation indices have significantly constrained purchasing activity in the country.

The Northern Europe HRC price dropped by 7% m-o-m and 30% y-o-y, to EUR 725/MT. EU steel-consuming sectors are in decline. The EU Construction Confidence Indicator turned negative for the first time in 19 months in October, and steel consumption in the automotive sector fell in Q3 and is expected to fall by 3.6% in Q4. In addition, the costs of steel production in the region began to drop in October and there was a decline in iron ore prices. Furthermore, steel scrap prices and energy costs in Europe also fell in September and October.

Iron ore prices fell by over 6% m-o-m in October 2022, and it is worth noting that the quote broke the 2021 low at USD 87/MT CIF China in the last week of the month. This decline had a fundamental impact on steel production costs, especially for flat steel. Flat steel is predominantly produced in converter furnaces where pig iron, made from iron ore, is used as the main raw material.

Paper

Paper prices in October on the EU market were relatively stable. Only French Kraftliner prices decreased, following weak demand and lower prices for brown recovered paper.

The October price for French Kraftliner 175g was down by 3.1% m-o-m, to EUR 925/MT, a decrease of 2.3% y-o-y. This was in contrast to a trend of rising prices in September. According to market participants, the lower cost of energy and recovered paper will put upward pressure on prices. However, a downward trend in energy prices is not visible, as the region enters the winter period. It is possible that gas prices could begin to rise. The price of semi-chemicals fluting in October remained unchanged from the previous month, but is up 5.6% y-o-y to EUR 928/MT. The market has not yet responded to the general trend of lower production costs. Demand and supply were balanced, therefore supporting a flat price trend.

The October GD2 price remained at the same level as September, at EUR 1,785/MT, but showed a 53% y-o-y increase. EU GC2 price increased by 31% y-o-y, to EUR 2,045/MT, but remained stable m-o-m. Both prices have consolidated at historically high levels. Cartonboard producers had a five-to-six-week backlog of orders and undertook price increases in a bid to pass on the high production costs to consumers. However, market sources said that demand had started to fall in all European regions by the end of October and that sales were sluggish. Consumer demand fell and cardboard makers were forced to lower prices to the September level.

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This report focuses on plastics and energy prices in general while going through a few specific commodities as examples. This should give you food for thought in your own approach to your 2023 budget and help you to understand how you should be responding to the commodity price developments within these categories.

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- A recap of Mintec's forecasts from the previous year
- The 'Masterplan' for 2023 price forecasts
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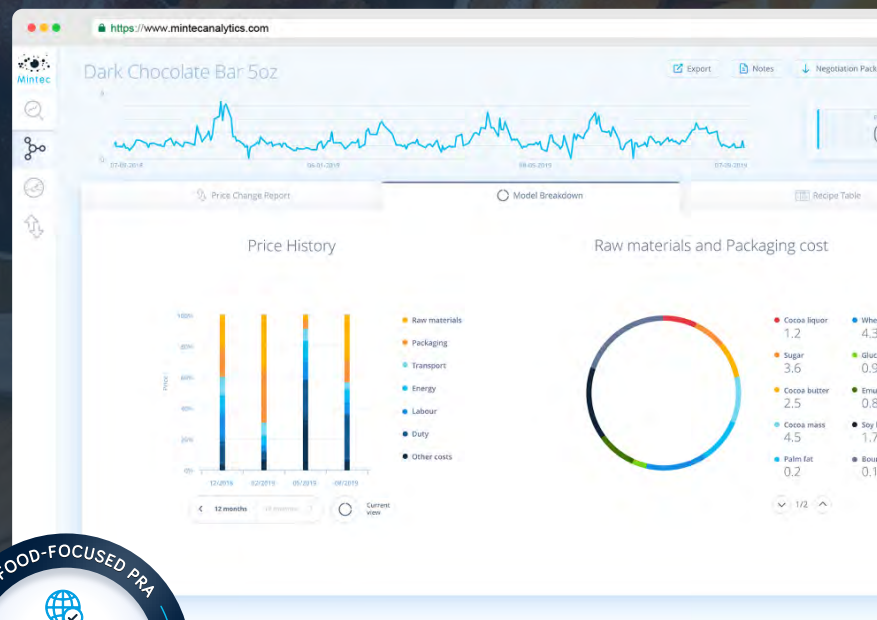
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