

Recycled commodities update

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Fiber prices remain steady through mid-May

- Q1 containerboard production, box shipments decrease
- Export prices fell in April/May
- Fewer boxes needed at retail level
 - Affects both demand for and supply of OCC



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Aluminum prices softening

- Should be rising now with seasonal increase in beverage consumption
- Tariffs mostly helping support pricing
- Younger people drinking less beer than older generations

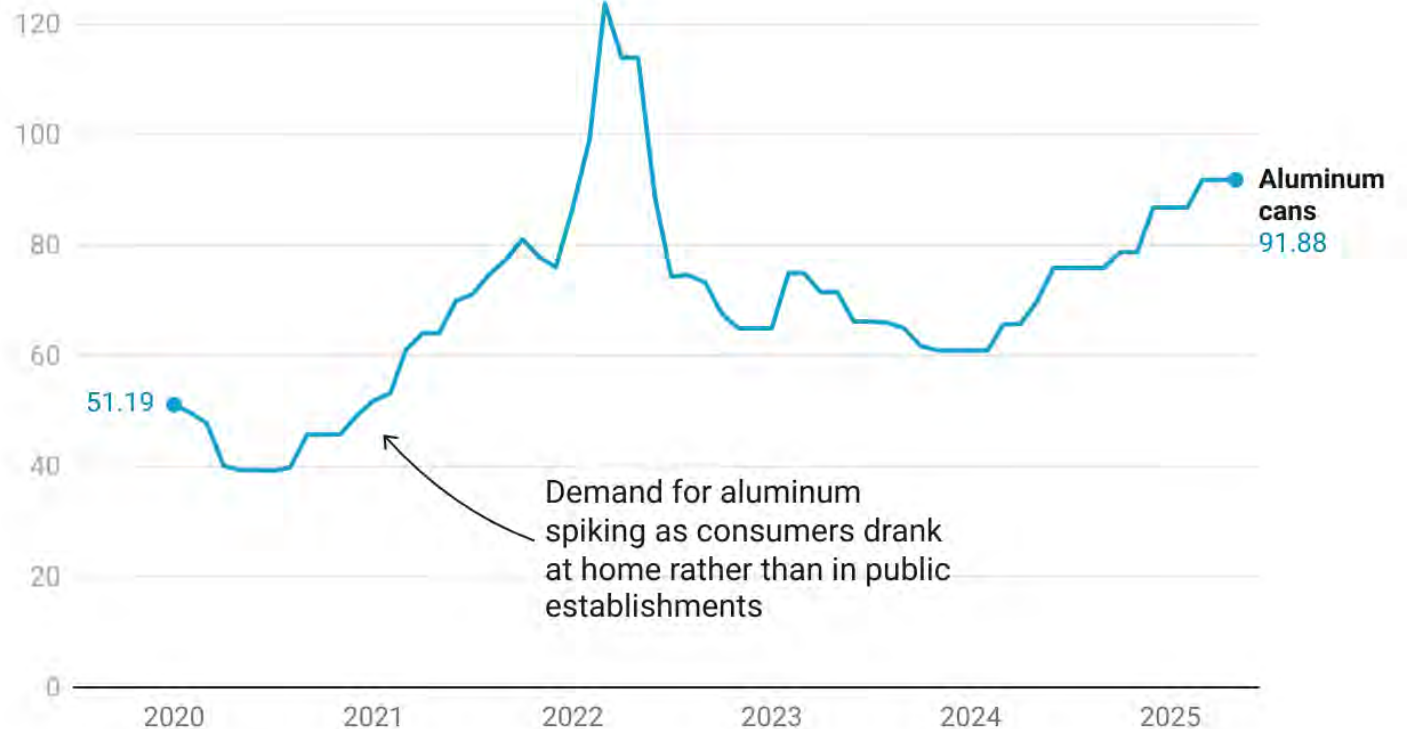
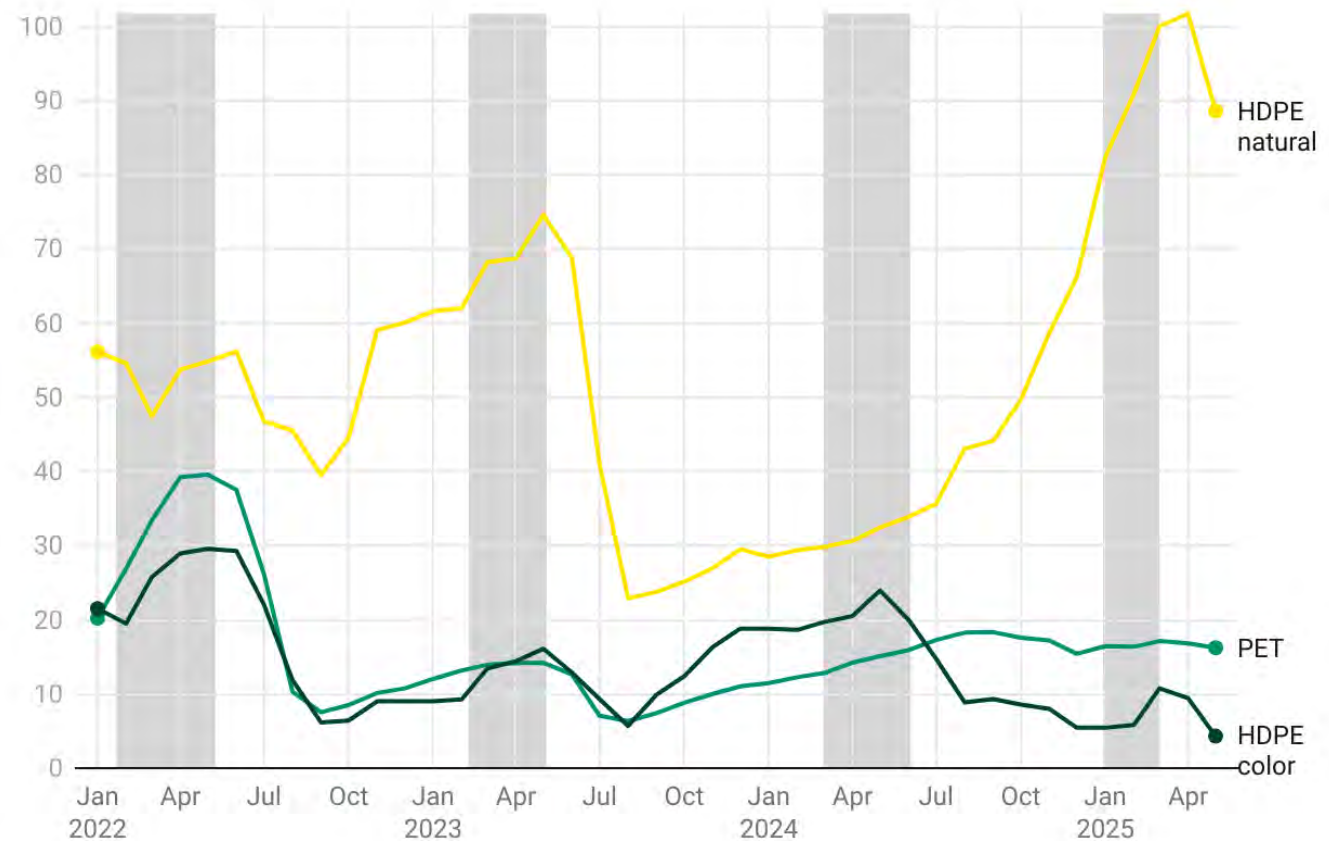


Chart: Antoinette Smith | Resource Recycling Inc. • Source: RecyclingMarkets.Net • Created with Datawrapper

May plastics prices deviate from seasonal trend

- Post-consumer bale pricing was flat to softer
- Seasonal run-up in pricing was shorter
- Q1 trade volumes drop



Prices are in cents/lb

Chart: Antoinette Smith / Resource Recycling Inc. • Source: RecyclingMarkets.Net • Created with Datawrapper

Q1 plastic scrap trade drops amid tariff threats

- Exports of plastic scrap dropped by 10%
- Scrap imports dropped by 25%

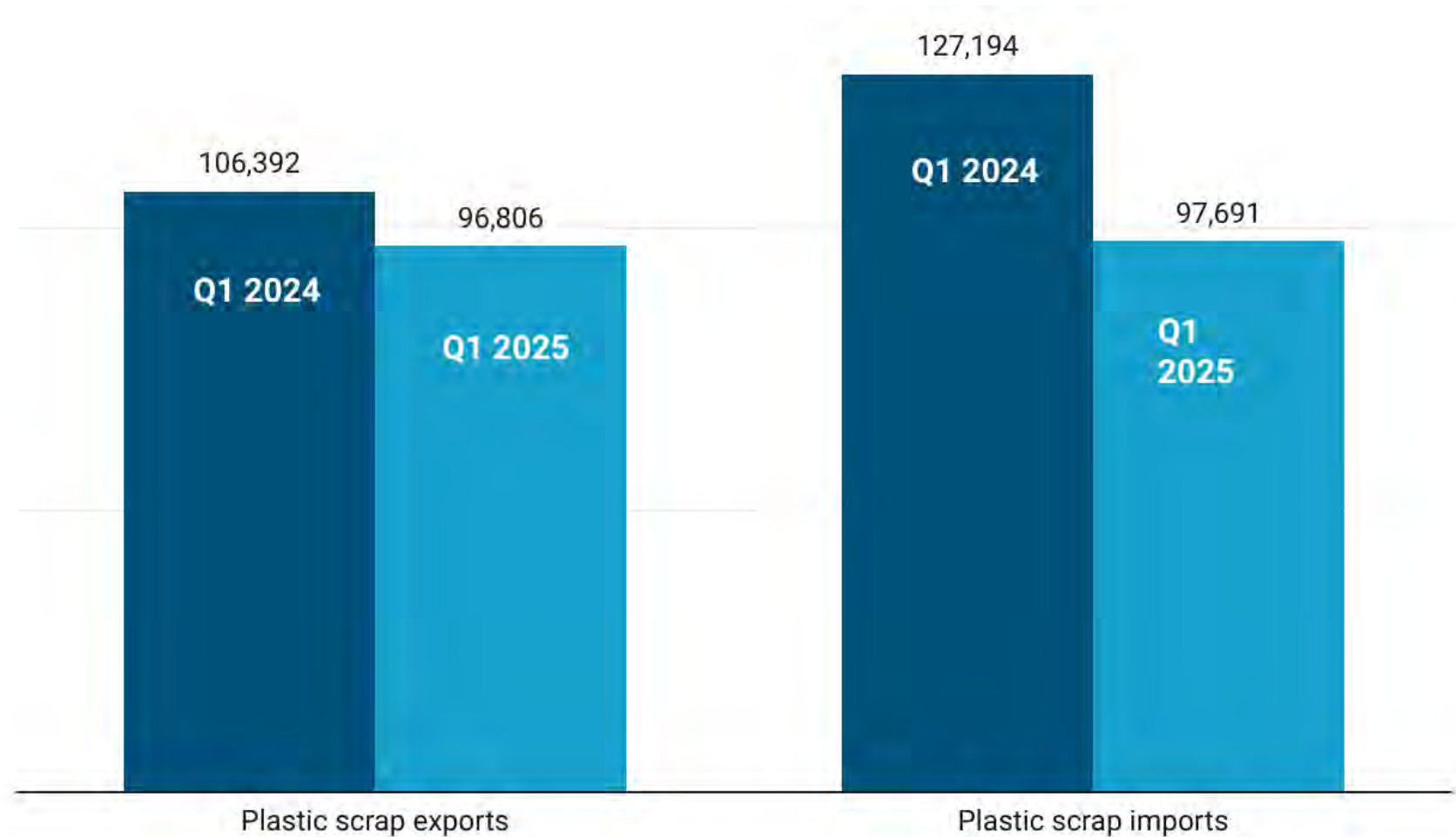
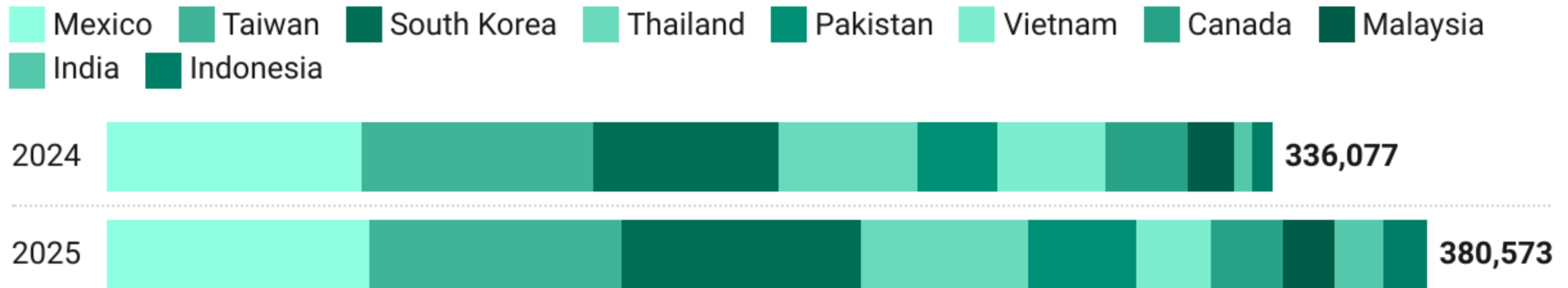


Chart: Antoinette Smith | Resource Recycling Inc. • Source: US International Trade Commission • Created with Datawrapper

Q1 PET imports rise by 13% on the year

- Global oversupply of virgin resin
- US is net importer of VPET
- HTS code includes both virgin and recycled PET
- Inexpensive deep-sea freight improves margins



H1 2025 PET pricing drivers

- Seasonal runup usually starts in mid-late March for summer bottling season
- Reduced consumer spending
- Tariff-related uncertainty
 - Tariffs do not (yet) apply to recycled or virgin materials
 - Bale buyers, end users more cautious
- Cheap imports
 - Rose by >10% in Q1 from Q1 2024
- Cooler and/or rainy weather also dampens demand for bottled beverages



Economic indicators

PET

- April consumer spending slows
- Consumer confidence down 32% since January; CEO confidence also lower
- Alpek closes second PET plant in two years, includes RPET production

HDPE

- April housing starts down 1.7% on year
- April building permits down 3.2% on year
- Home builder confidence at 34 in May: pessimism due to higher materials costs
- Mortgage rates remain relatively high, discourage home buying, remodeling
- Virgin PE exports affected by tariff chaos

H1 2025 HDPE pricing drivers

HDPE natural

- Oversupply of virgin/off-spec material
- Republic Services buying bales starting July 2024
- Correction after rapid pricing runup

HDPE color

- Weak agricultural market
- Weak export demand for bales due to tariff fears
- Smaller buyers enter the market and push up prices for a month or two, then withdraw



What to watch

Shorter/medium term

- Republic Services: third/fourth Polymer Centers siting
 - Northeast announcement in Q4?
 - Southeast
- Effects of Alpek plant closure in North Carolina
 - Clear Path to redirect RPET volumes to other sites
- Retaliatory tariffs yet to come
 - EU, Canada excel at picking items that hurt red states the most
- Companies have no idea what to expect, forgoing financial guidance
- Economists, Fed have no idea what to expect

Longer term

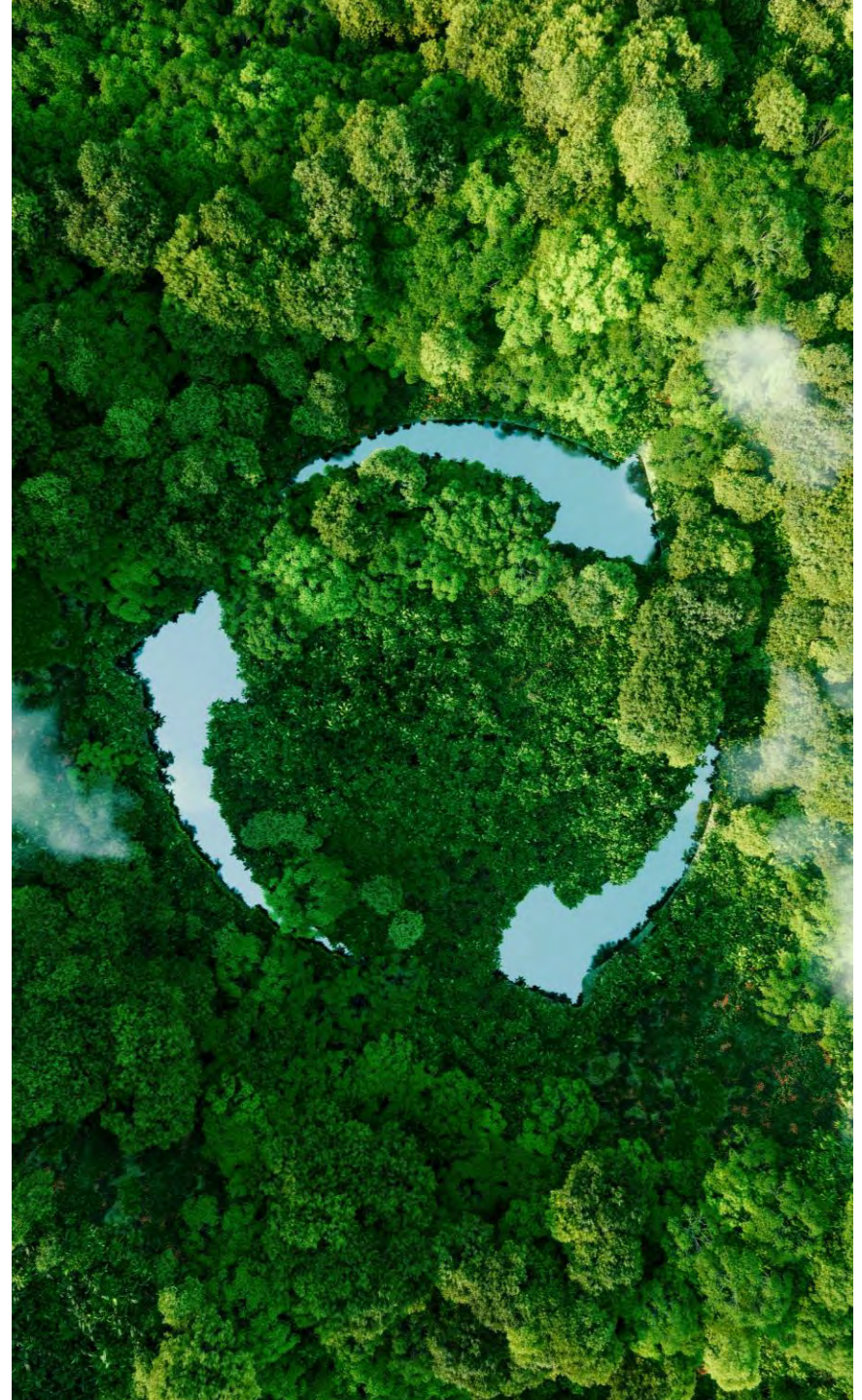
- Maryland, Washington pass EPR bills for packaging
 - So far 7 states have passed EPR law
- PepsiCo, others announcing lower plastics targets
- Reliability of federal economic data?



See Resource Recycling publications online



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Thank you!

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