

Recycled commodities update

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About Antoinette Smith

- 25+ years writing and editing in wide variety of fields
- 10+ years in plastics, chemicals and energy
- Specific interest in economic drivers for commodity markets

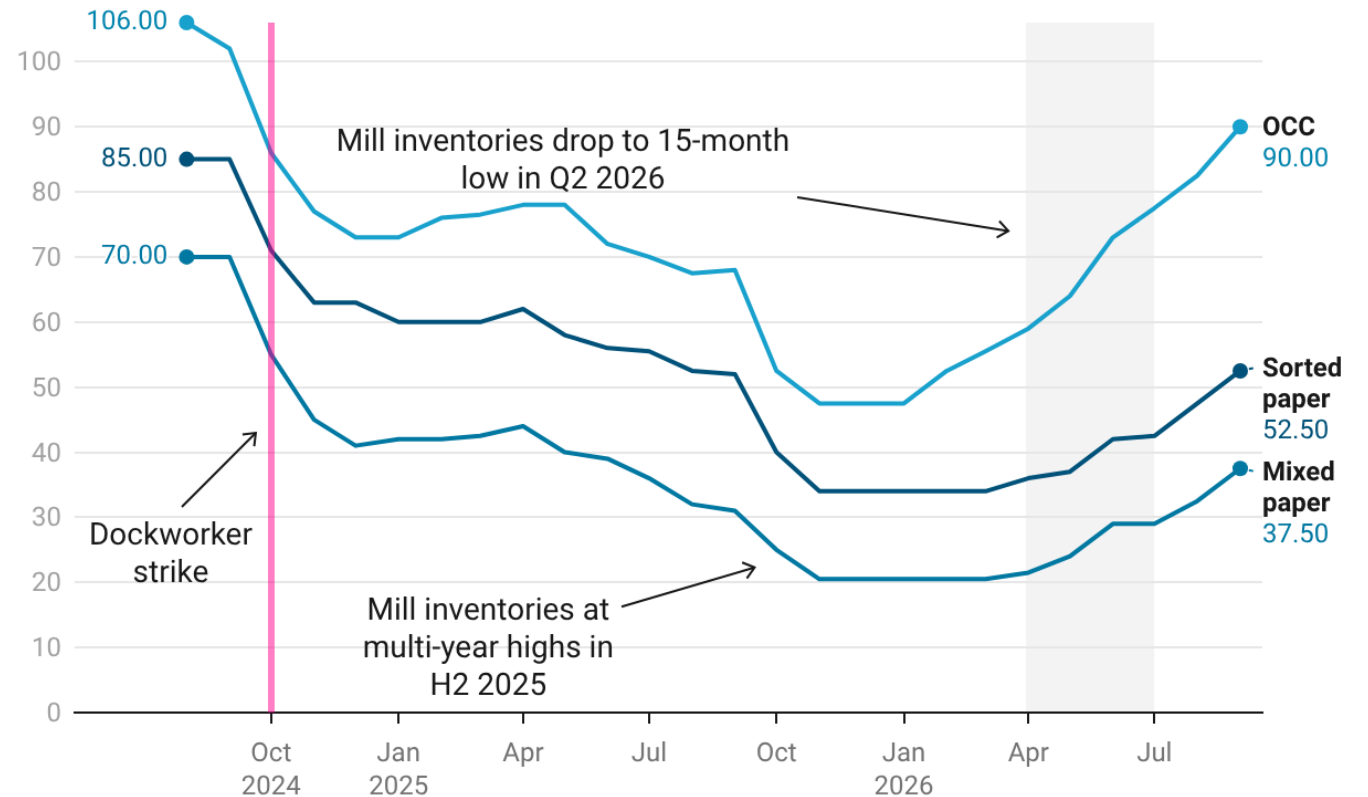
About Resource Recycling

- **News publishing**
 - Resource Recycling
 - Plastics Recycling Update
 - Policy Now
 - E-Scrap News
- **Events**
 - Plastics Recycling Conference
 - Resource Recycling Conference
 - Textile Recovery Summit
 - E-Scrap Conference
- **Owned by Association of Plastic Recyclers (APR)**



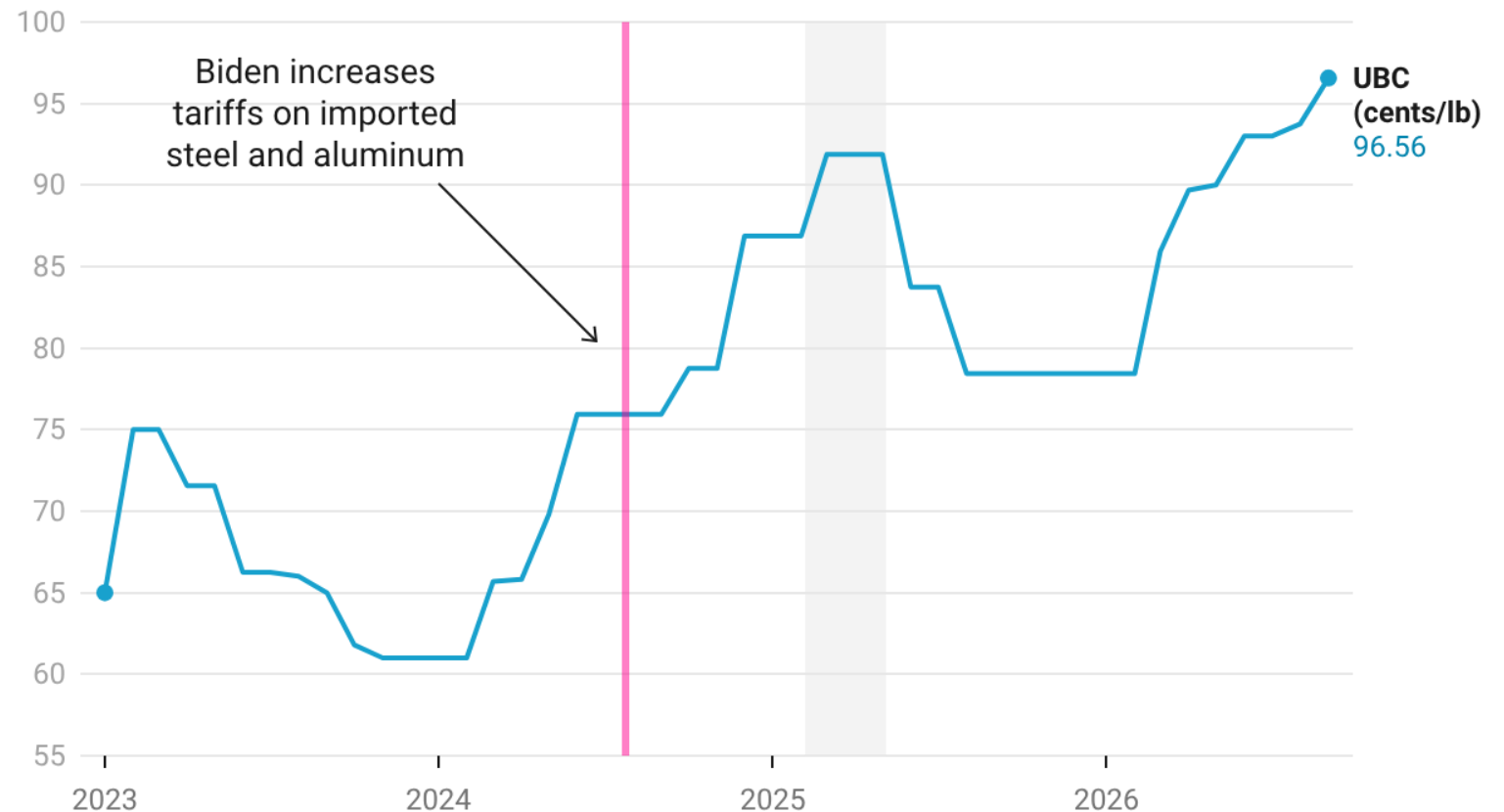
Fiber soars with high mill run rates, low stocks

- **Capacity consolidation** to newer plants
- **Q2 operating rates**
 - Containerboard surges to 95%
 - Boxboard slightly lower at 88.8%
- **Mill inventories** dropped to 15-month low in Q2 2026
- **Q2 2026 production**
 - **Containerboard** down 2% on year
 - **Boxboard** up 4%
- **Demand in Q2 2026**
 - Domestic up 1% on year
 - Exports fell 19% on year, contributing to production decline



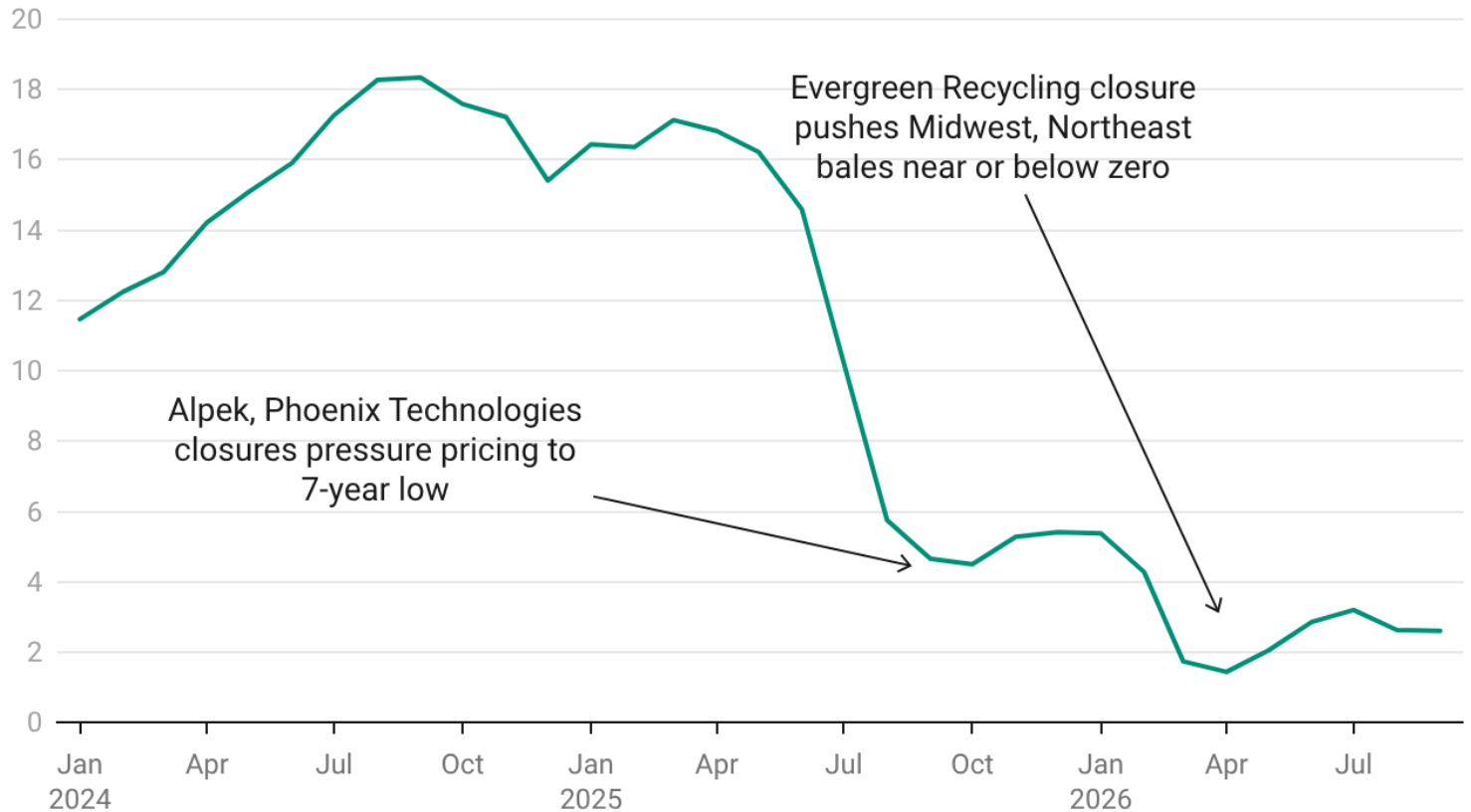
Aluminum prices climb to 4-year high

- Prices are at highest level since June 2022
- Tariffs helping support pricing
- New domestic downstream capacity
- Summer increases demand as well as supply; but no drop-off yet

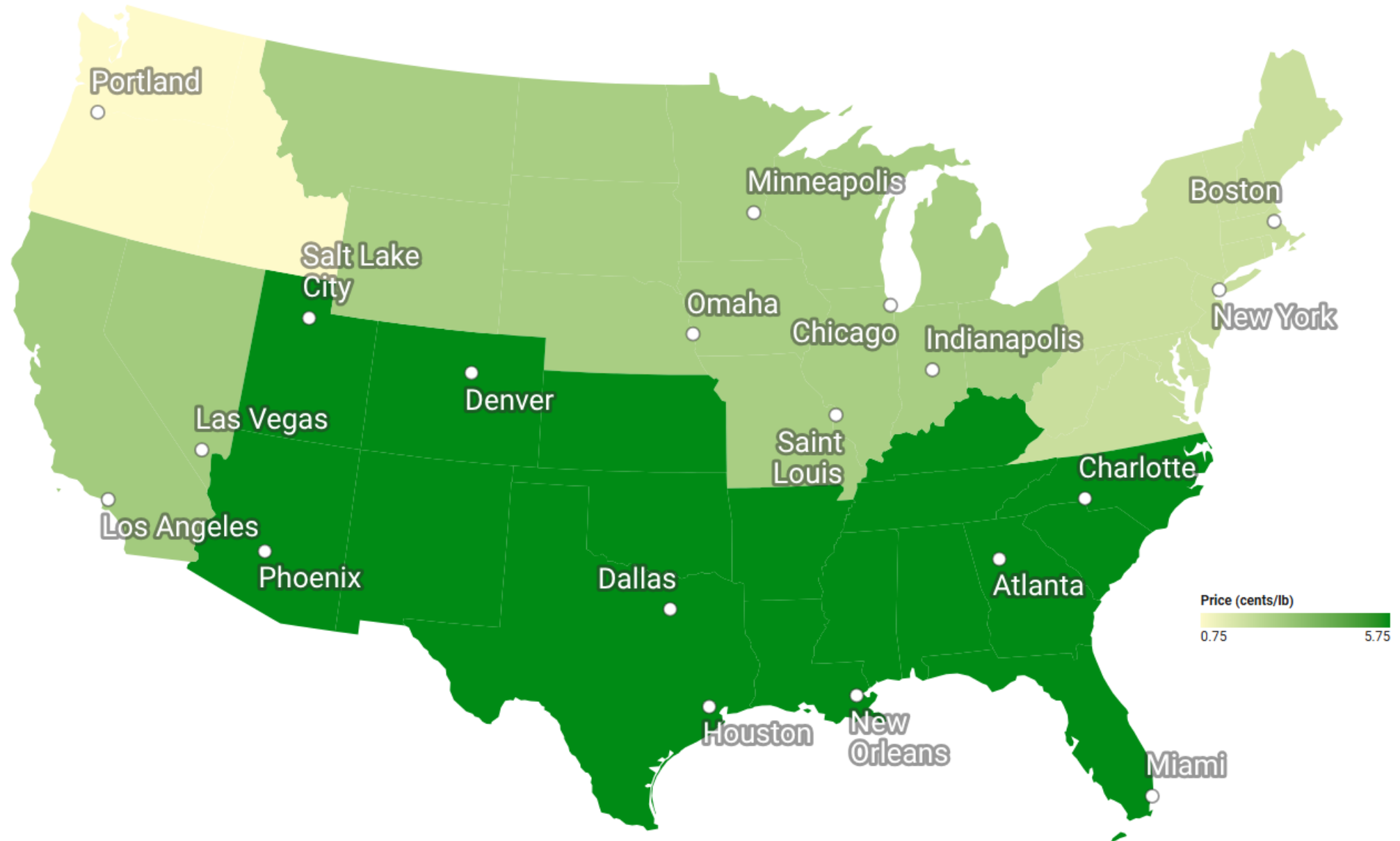


PET bales see mild summer bump

- Peak seasonal pricing ~80% lower y-o-y
- Fewer buyers, more material
 - 25% of total downstream closed
 - Cheap imported virgin PET and RPET
- Consumer spending still muted

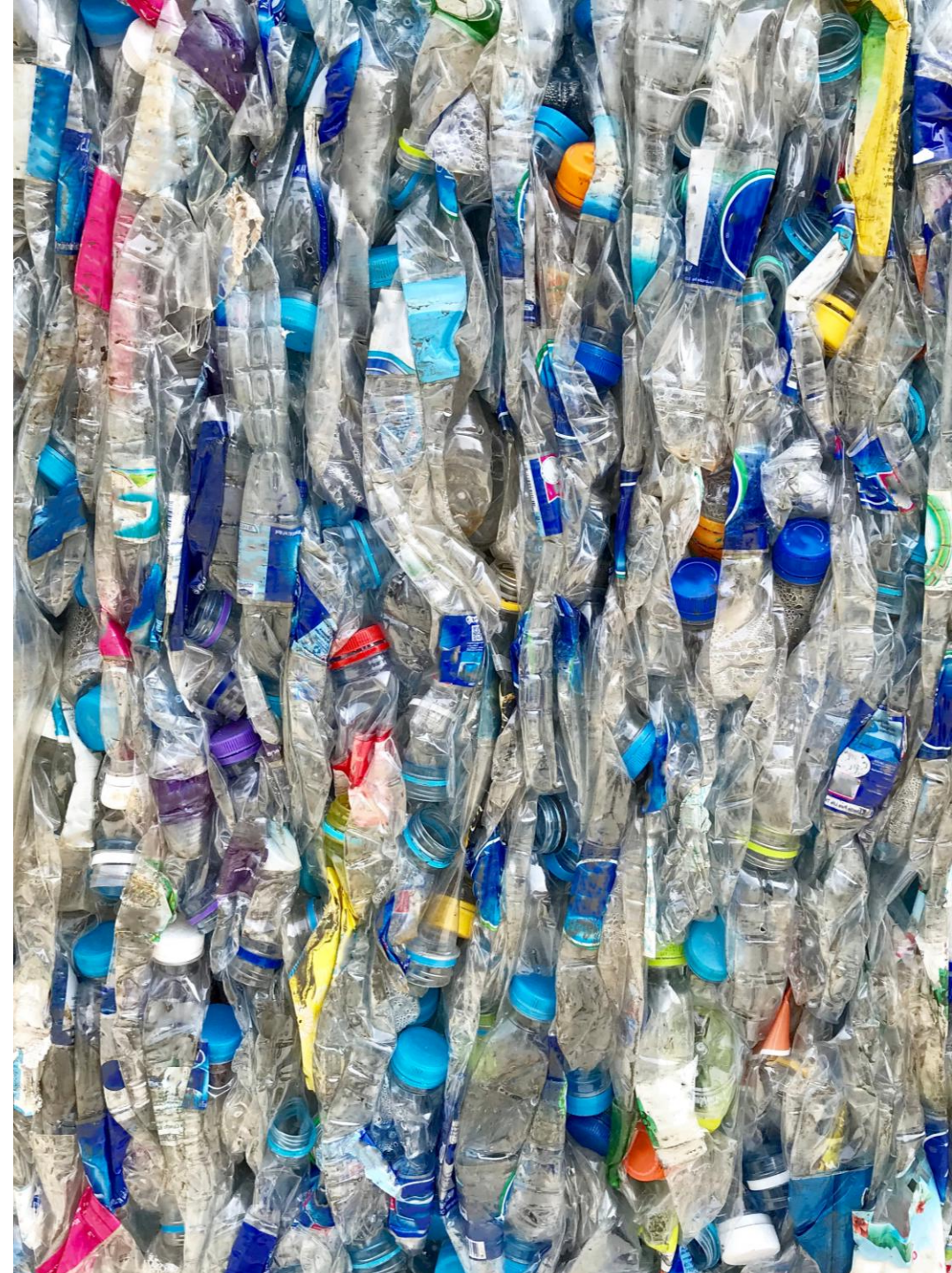


PET prices are highly regional



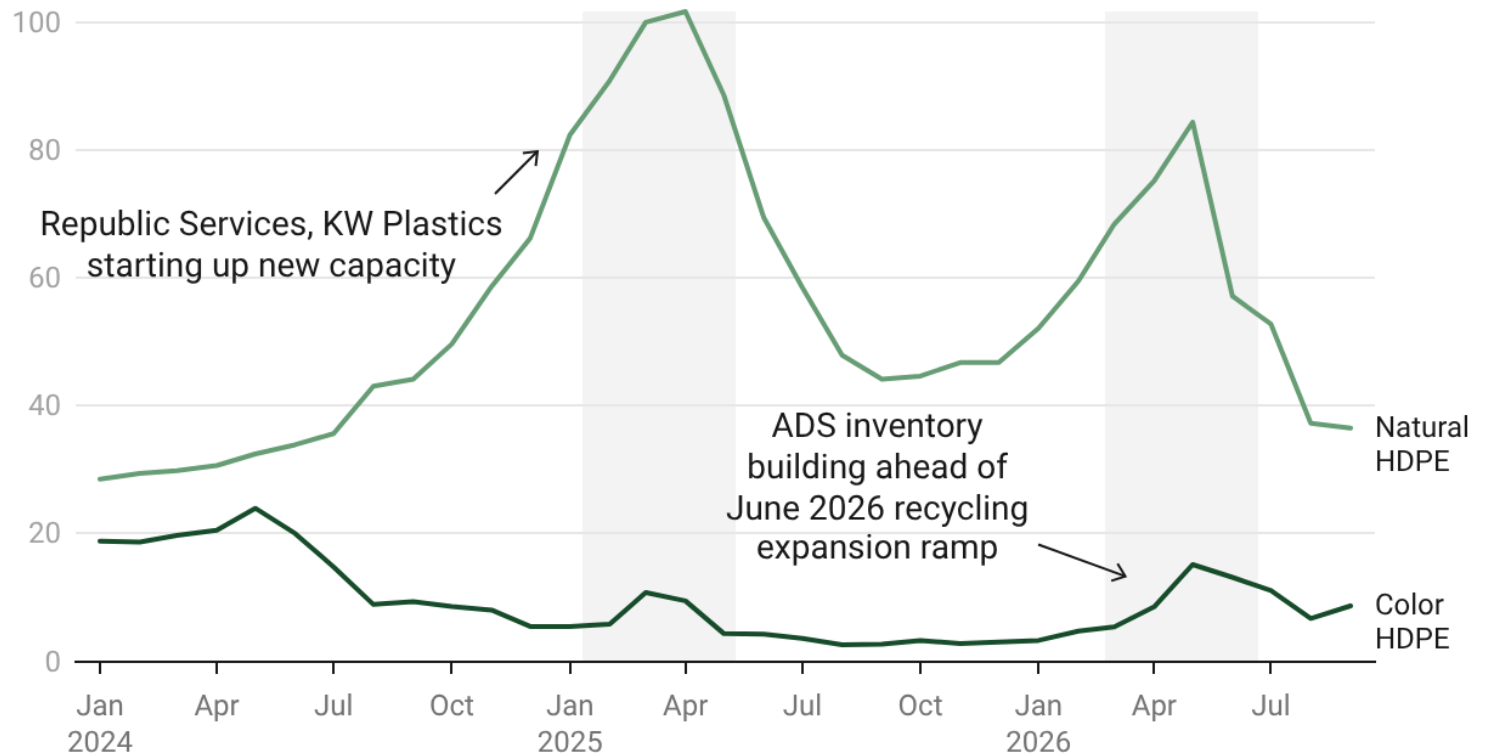
PET pricing drivers

- Hesitant consumer spending
 - Bottled beverages consumed during outdoor events, travel
- Tariff-related uncertainty
 - Tariffs mostly do not apply to recycled or virgin materials
 - Bale buyers, end users more cautious
- Cheap PET imports
- Cooler and/or rainy weather also dampens demand for bottled beverages



HDPE bales respond to the war in Iran

- Natural bales tracked a spike in virgin PE
- Color bales supported by new capacity, higher virgin prices
- September natural pricing is -20% y-o-y
- September color pricing is 3x higher y-o-y





Polyolefins drivers

HDPE natural

- Oversupply of virgin/off-spec material
- Tracking virgin price spikes
- Sluggish housing/construction

HDPE color

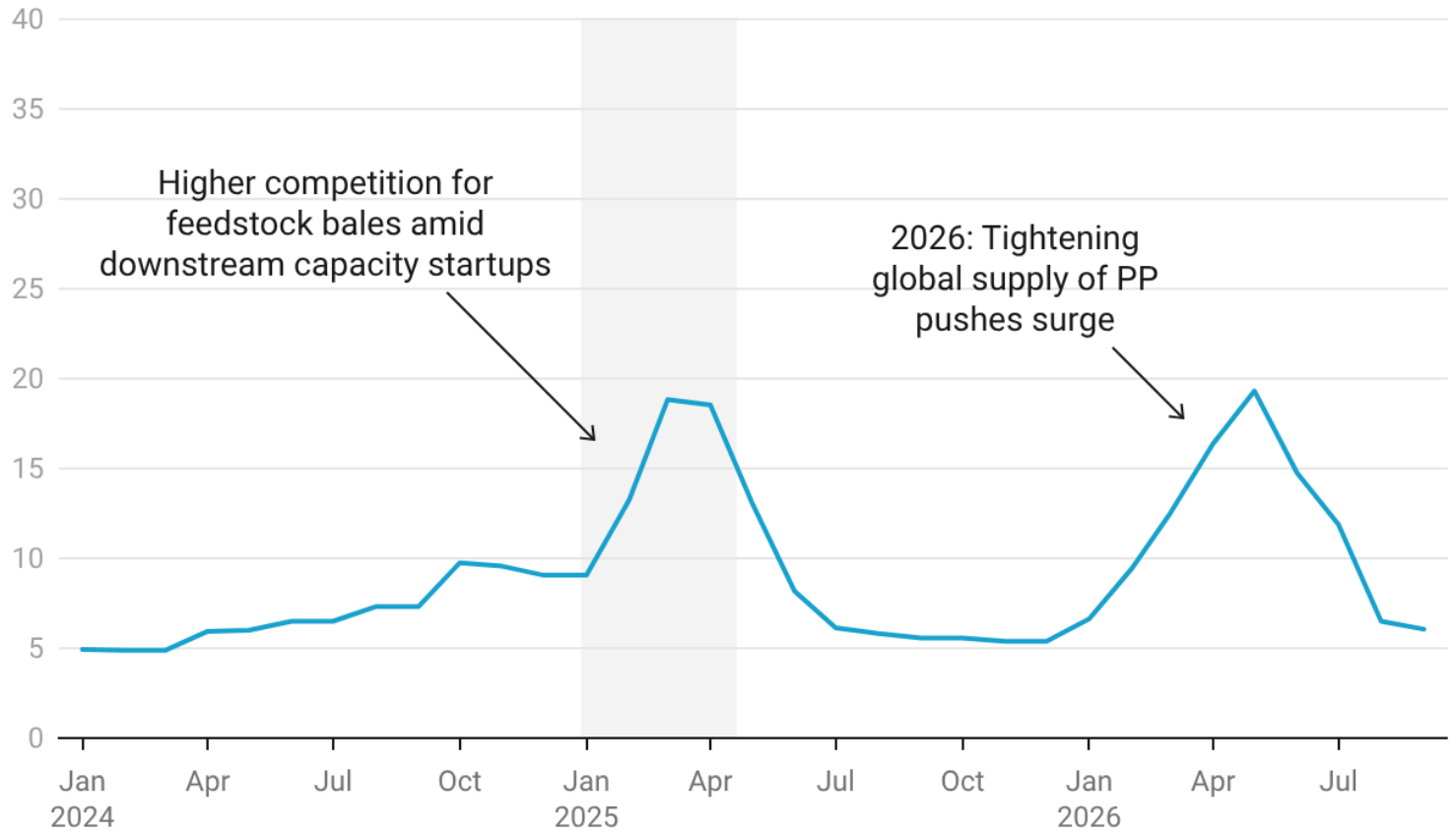
- Weak agricultural market (drainage)
- Smaller buyers enter the market and push up prices briefly, then withdraw
- New ADS recycling capacity in Georgia

Polypropylene (#5)

- Demand from PureCycle in Ohio, Republic in Indiana
- Increasing push for food-grade, **RESOURCE** RECYCLING, INC. to replace polystyrene

Exciting times for PP bales!

- Pricing spikes correlate with new capacity
- “One to watch” among post-consumer plastics



What to watch

Shorter/medium term

- More reclaimers shutting down?
- On-again, off-again tariffs
- Winter weather hampering collection
- Republic Services, Pennsylvania polymer center startup

Longer term

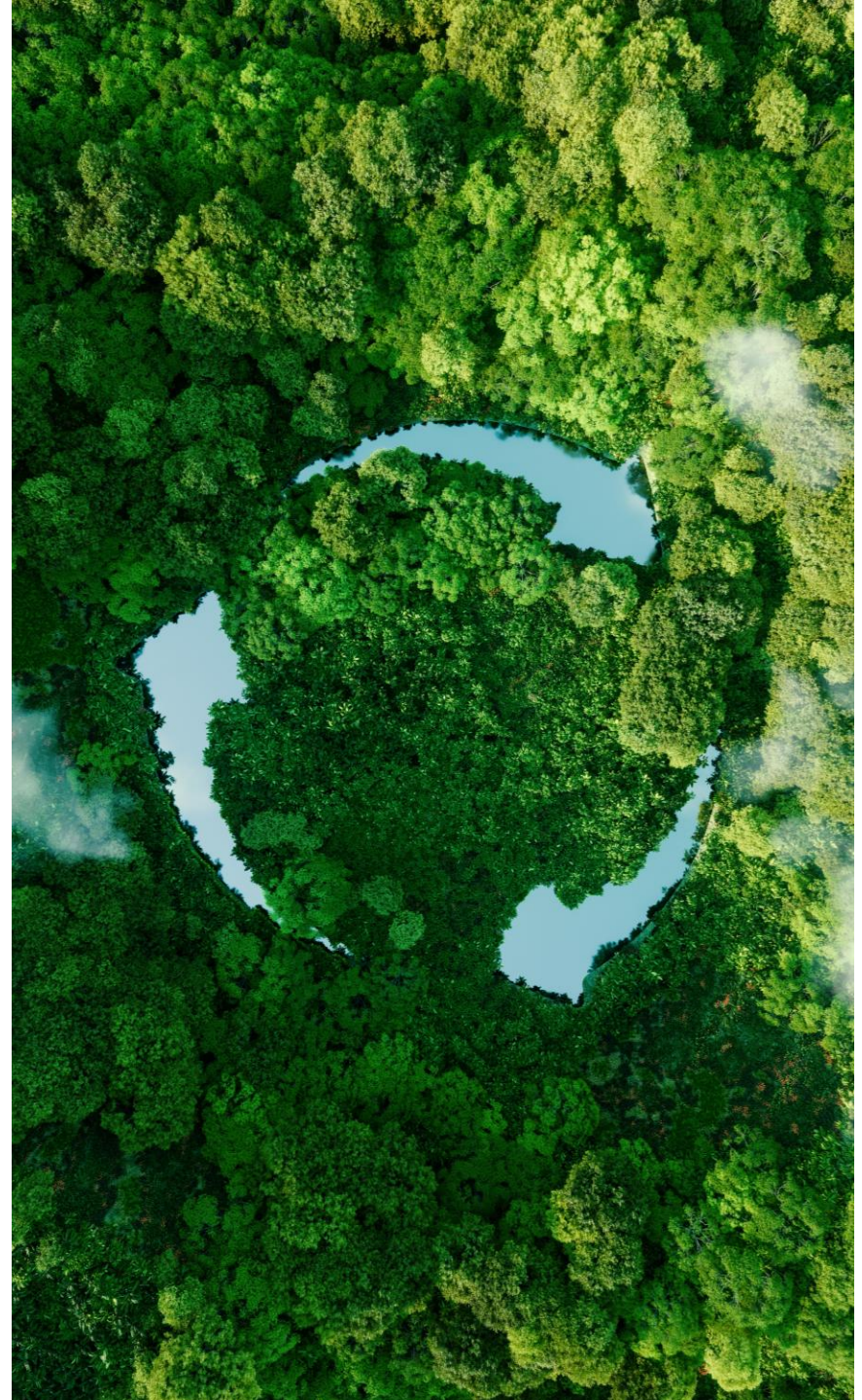
- Seven states have passed EPR bills for packaging – that addresses collection
 - 6 of 7 have recycled content mandates
 - Responsible end markets
- More collaboration in markets for survival
- Federal recycling legislation?



See Resource Recycling publications online



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Thank you!

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