



Triplewall Containers Limited

A very happy and prosperous 2021 from the whole team here at B&B.

We have been bringing you an unbiased view on the Kraft paper trends in the Indian and international markets from the last couple of years.

Here again we bring you our view based on market information and research.

You are aware that the prices of local paper had increased by Rs 11000 PMT across all grades by December 2020 and internationally KLB prices had increased by close to 140 USD.

Generally, the period between 15th December and 15th January is a very slow period in India where the demand is at its lowest after a prolonged festive season.

Most people expected prices to soften during this period but even though the demand was low and Papermills did not have enough orders the prices remained steady but stopped increasing. The reason for that was the shortage of waste paper which keep the prices steady.

Now that we have crossed the 15th January date, we are already noticing an movement in the market in terms of demand which is expected to continue increasing for the next 4-5 months.

On the other hand, prices of imported waste paper has continued to rise steadily and now DS OCC has touched 265-270 USD levels from 120 USD last year.

Indian waste paper market is pegged at the European waste paper prices which today is at the 240 USD levels which works out to about Rs 21000 landed. Local waste is between Rs 19000 to 20000 pmt at different regions but most importantly availability of Indian waste is an issue.

The biggest spoil sport has been the delay and non-availability of shipping containers across the world.

Waste paper being a low-cost item is affected very heavily by the 3-5X increase in freight cost and most indenters are backing out of contracts as the prices booked at are no more viable. This is resulting in lower imports of waste. With the double blow of container availability and high cost the overall availability of imported waste has become a matter of concern and we will see an severe shortage of fibre in India leading to a further increase in prices in the next 2-3 months.



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Added to this is the partial and complete lockdown in Europe leading to either very less or zero exports of waste paper from Europe to India.

China has stopped importing waste paper but has become a very big buyer of finished paper as well as pulp reels from India. They are offering very attractive prices to mills in India and placing orders for long term contracts at high prices.

Most mills situated at the coastal areas are focused on exports to China of pulp reels which is adding to the price build-up as the excess capacities of paper mills in India are getting occupied.

With the start-up of a new 100% fully recycled paper mill in Germany by Progroup with a capacity of 1 million MT pa the availability of European waste is going to get tougher and tougher.

The way we see the situation is that prices will remain bullish in India for the next 2-3 months and might increase by say 2-3 rupees over and above the current increase. This might start softening post April once container movement normalises and prices start to drop for freight.

We foresee a shortage of fibre in the immediate future and paper availability will be a big challenge. Good converters will have an edge over the habitual late pay masters as mills and converters are already facing severe working capital shortage issues.

We hope to keep bringing you updates on a regular basis and assure you the best in terms of quality and service.