



News and trends of the paper recycling markets

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The Market: Shiplines negotiating rates; ONP market is 'ugly'

By Ken McEntee

In a market described by a New York City broker as "mayhem," there are two things that most sources agreed on in early August: Steamship lines were beginning to negotiate some competitive shipping rates, and the market for old newspaper (ONP) is getting "ugly."

Domestic markets for deinking grades were sent into confusion when the *Yellow Sheet* published price increases substantially higher than most traders thought were warranted. As a result, mills with contracts tied to that index found themselves paying inflated prices as high as \$240 a ton for Sorted Office Paper (SOP).

"Some people have to pay it, but not me," said a buyer in the New York area. "I am turning away offers for \$240 and I am turning away white ledger too. I am hearing that things are a little tighter in the Southeast, but up here we have plenty of tons."

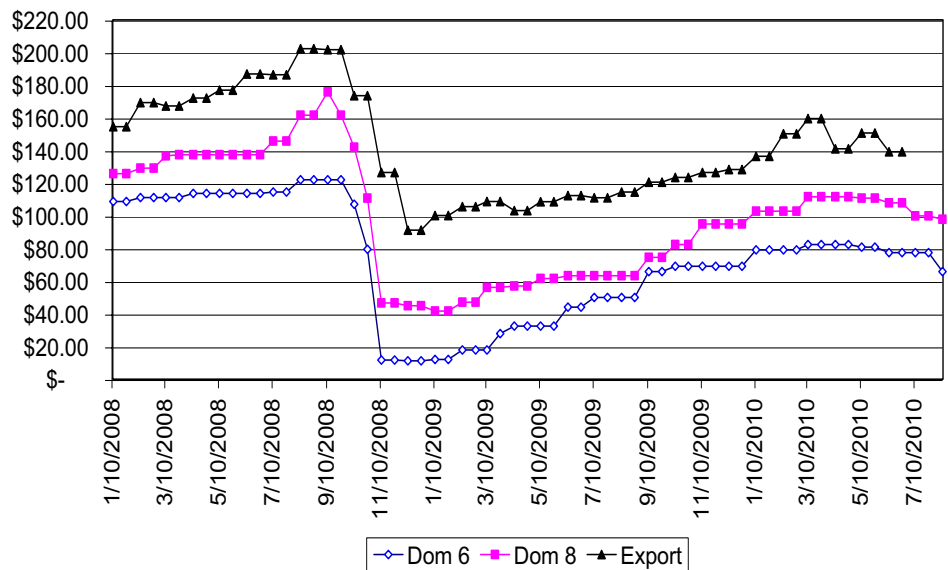
A buyer in Eastern Canada agreed.

"We're swimming in SOP," he said. "Some people are paying higher prices than necessary because they have contracts. There are mills paying \$240 to \$245 but we are paying quite a bit less than that. Realistically, the SOP price should be at \$200 to \$210 right now, and I am expecting to see things start to drop by next week."

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Old newspaper prices

Average national mill buying prices for No. 6 and No 8 ONP, dollars per short ton, FOB seller's dock, based on surveys by *The Paper Stock Report*, and export ONP prices, FAS, based on trade data from the U.S. Commerce Department



TD to participate in North American closed loop paper recycling system

TD Bank and its parent company TD Bank Financial Group (TD) will participate in Boise Inc.'s Closed Loop System, a paper recycling program that guarantees at least 1,500 metric tonnes of paper from TD's operations in Canada and the U.S. is diverted from landfills and used in the production of recycled office paper. TD then purchases the recycled paper for use in its operations - hence the closed loop system.

TD is the first Canadian company to participate in a closed loop recycling system and the first to have one that is North America-wide.

Each year, TD purchases about 3,500 metric tonnes of Forest Stewardship Council certified office paper for its North American operations. About 1,050 metric tonnes of recycled material is required to manufacture the 3,500 metric tonnes of paper used by TD. The bank delivers to its partners 1,500 metric tonnes to ensure adequate supply.

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Highlights

- FutureMark notes growing adoption of environmental paper
- Class action filed on behalf of Orient Paper shareholders