



MARKET REPORT

ECONOMIC INDICATORS

- The Federal Reserve raised the target range for the federal funds rate by a quarter point to 1.25-1.5% during its December 2017 meeting
- Total housing starts rose 3.3% (12.1% Y/Y) during November to 1.297 million units (SAAR) from 1.256 million in October, revised from 1.290 million
- Pending home sales increased 0.2% (0.8% Y/Y) during November to an index level of 109.5
- The U.S. current account deficit narrowed sharply to \$100.6 billion during Q3 2017 from \$124.4 billion in Q2
- Goods exports strengthened 1.4% (4.6% Y/Y), but imports of goods eased slightly (+5.2% Y/Y)
- Initial unemployment insurance claims were steady at 245,000 (-5.0% y/y) in the week ended December 23
- Consumer Confidence fell 5.1% in December (7.8% Y/Y) to 122.1 following a downward revised 1.9% rise in November
- National average for Regular gasoline is \$2.48 per gallon; Diesel is \$2.84

POLYETHYLENE

- There are conflicting reports by the two major PE reporting agencies as to December pricing
- Chem Data is estimating a \$.03/lb decline, while CMAI reports no change
- December prices should be settled this week
- Unplanned outages and delayed startups of new PE capacity have kept supply levels in check

OUTLOOK

- While the market seems poised for a decline, supply conditions will dictate the timing
- 2018 is forecast to see price erosion, but when and if this will occur is still to be determined