

---

## Materials Report

---

# PRNs are off to a flying start

*Duncan Frearson*, material markets director at scrap-ex, gives an optimistic overview of the PRN market.

THE FIRST few weeks of 2011 saw good volumes of PRNs traded for both 2010 and 2011 compliance years.

Much of the focus was on 2010 vintage glass PRNs as prices hit a high of £45 on scrap-ex fuelled by concerns over lack of availability as a result of the bad weather in December and issues surrounding a large Welsh re-processor.

Prices for the 2010 glass had traded as low as £2 back in November and this move up was a genuine price 'spike'.

The 2011 also firmed up on the back of this nervous sentiment as prices moved up from £10 to over £15.

There was also strong buying interest on some of the other PRN classes perhaps most notably when it came to plastic and steel.

Plastic for 2011 was still available below the £2 mark as late just before the Christmas break, but last traded levels are now at £3+.

On the steel market prices started off the year around the £4-£5 mark and are now firmly supported above these levels.

The main focus of attention over the last week has been on the supply side with industry commentators suggesting that there had been around a 20% drop in year-on-year accreditations.

Some argued that this was the supply side response to the low PRN levels we had seen for much of 2010.

It will be interesting to see how much of this is 'timing' and how many become accredited as the year progresses.

We are currently in a bit of a data void as far as packaging waste goes so we aren't going to be in a position in the immediate future to make any conclusions until the Q1 data is released towards the end of April.