

Recovered Paper Monthly

January 2026



The Short Story—January 2026

- TTO December SOP indices held steady across all domestic regions, averaging \$137. West Coast and East Coast exports were approximately \$169 and \$176 respectively.
- TTO December OCC indices fell again, down \$1 domestically to average of \$78. Export prices rose slightly to \$109 West Coast and \$107 East Coast.
- TTO December domestic MP indices held at \$52.
- TTO December light print indices rose \$1 to \$211.
- TTO December pulp substitutes indices rose \$2 to \$364.
- RCP prices appear to have found a floor as supply and demand has become balanced due to low generation
- TTO December pulp indices were up approximately \$20 in China for both BHK and NBSK.
- January price increases are taking hold; anecdotally, BHK is trading at \$580-590/mt.
- TTO's December recycled bath and towel indices were generally stable, rising 0.4% and 0.2% respectively.

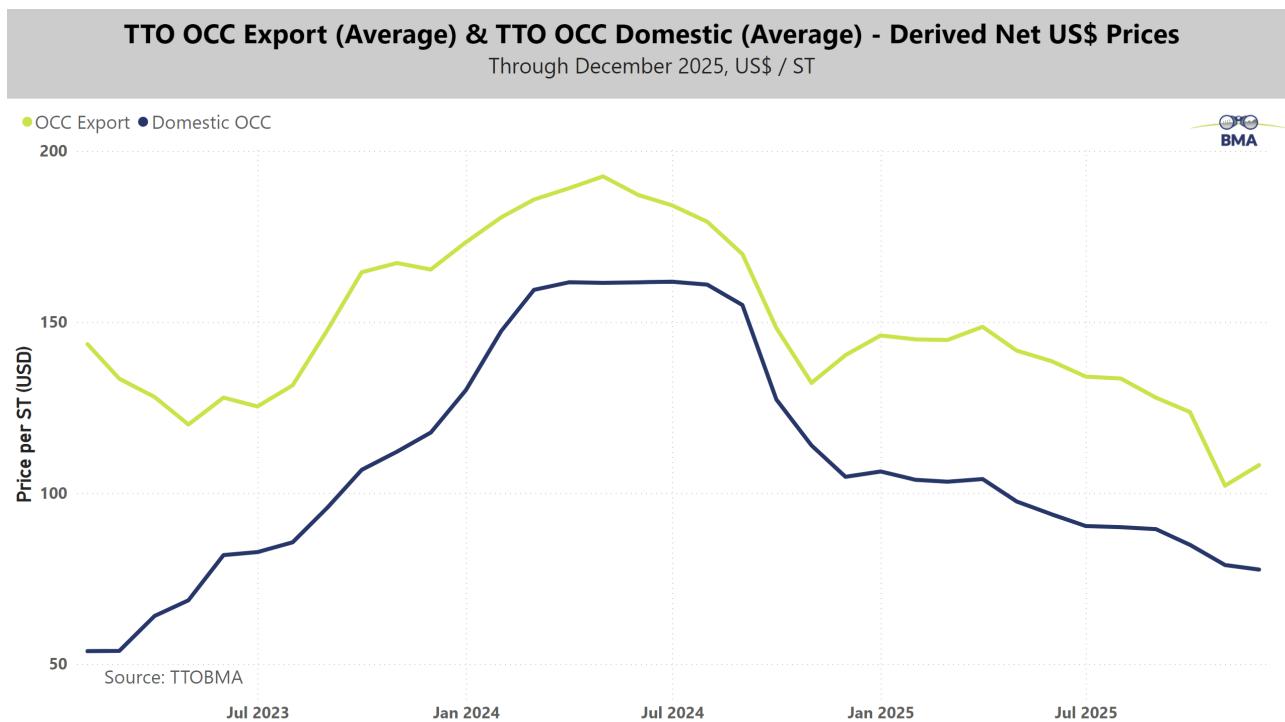
TTO Indices / Prices - Recovered Paper - December 2025

MP - WCE Derived \$ \$66.83 \$3.09 	MP - ECE Derived \$ \$74.76 \$0.10 	MP - NAE Derived \$ \$51.78 \$0.11 	OCC - NE & EC Derived \$ \$79.83 -\$1.64 	OCC - MW & CC Derived \$ \$79.86 -\$1.01 
OCC - SE Derived \$ \$82.80 -\$0.70 	OCC - SW Derived \$ \$67.95 -\$2.04 	OCC - WCE Derived \$ \$108.86 \$7.49 	OCC - ECE Derived \$ \$107.46 \$4.55 	SOP - NE & EC Derived \$ \$139.67 -\$0.35 
SOP - MW & CC Derived \$ \$141.55 \$1.76 	SOP - SE Derived \$ \$128.95 \$0.03 	SOP - SW Derived \$ \$139.58 \$0.03 	SOP - WCE Derived \$ \$168.66 -\$8.96 	SOP - ECE Derived \$ \$175.77 -\$7.28 
LP - NAE Derived \$ \$211.47 \$1.93 	PS - NAE Derived \$ \$363.82 \$2.21 			

Recovered Paper Markets by Grade

Old Corrugated Containers (OCC)

- All TTO domestic OCC indices declined for December (see illustration).
- TTO's December average U.S. OCC price is around \$78.
- Most spot prices for domestic OCC are \$70-90 depending on region.
- Export spot prices remain flat, around \$115-120 West Coast and \$120-125 East Coast. #12 OCC exported to India is around \$130-132 FAS.
- Freight rates off the West Coast are expected to tighten as carriers implement blank sailings in response to softening demand. Space to Southeast Asia will be more constrained, some carriers mention.
- Overall and as expected, the market seems lethargic coming out of the holiday season.



- The upcoming Lunar New Year (February 17) will likely slow export orders in the coming weeks.
- A winter storm system currently threatening the Mid-South and Southeast may impact collection, transportation, and power availability, and further depress generation.
- There is continued caution in both the packaging sector and overall economy. Corrugated box shipments fell to their lowest Q3 volume since 2015. Trends like lightweighting boxes and use of other material (e.g., paper mailers) have contributed to this.
- With all containers now being inspected, shipments of recycled unbleached pulp (RuP) to China face delays of 15 days or longer and additional costs (e.g., demurrage, inspection, unloading/reloading containers). These hurdles are not stopping the flow of material, but have prompted a review of alternatives—specifically domestic wood pulp.
- Rumors continue about a “whitelist” being developed for trusted RuP suppliers to China, but no concrete details or list has emerged. Potentially, those on the list would be eligible for preferential treatment, like reduced inspection rates.

All prices USD/ST FOB seller's dock unless otherwise noted

China Monthly Recycled Unbleached Pulp Imports

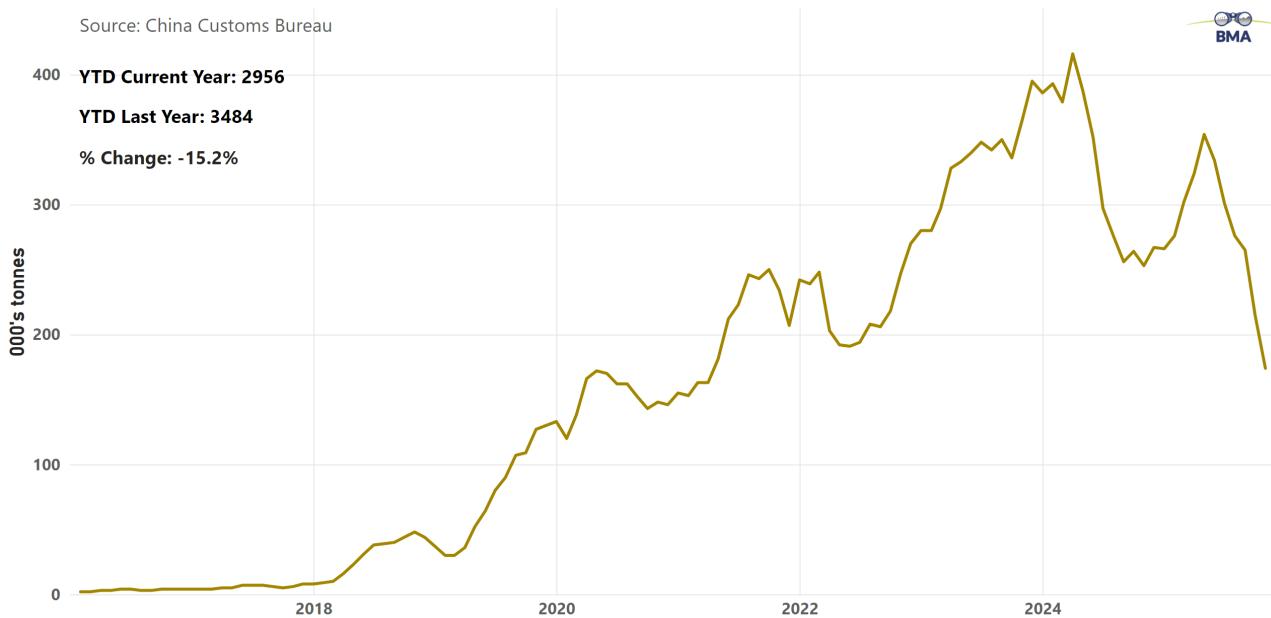
3-month moving averages through November 2025

Source: China Customs Bureau

400 - YTD Current Year: 2956

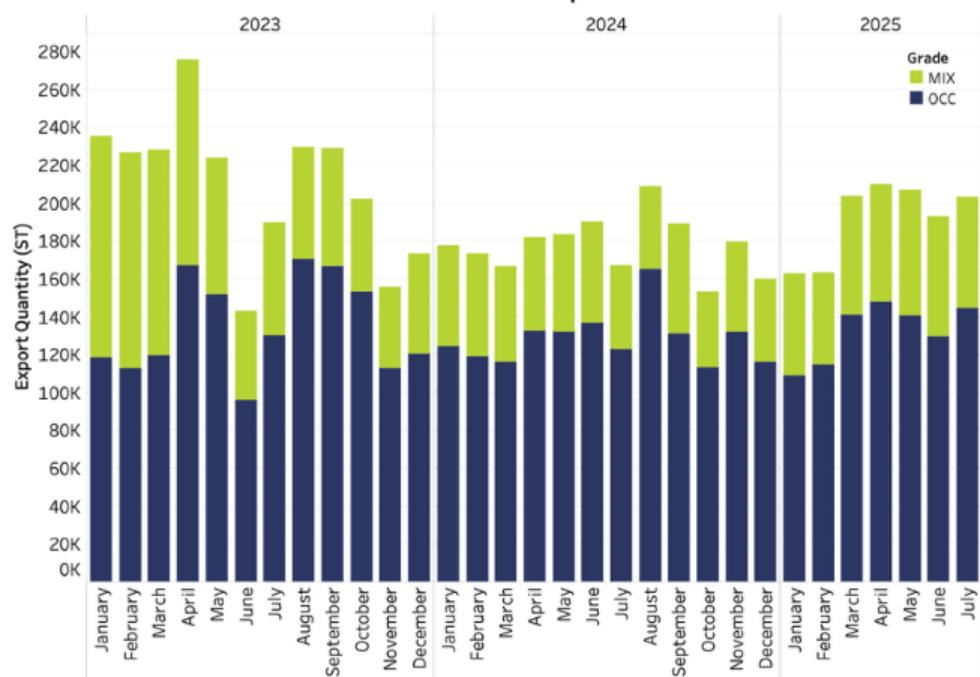
YTD Last Year: 3484

% Change: -15.2%



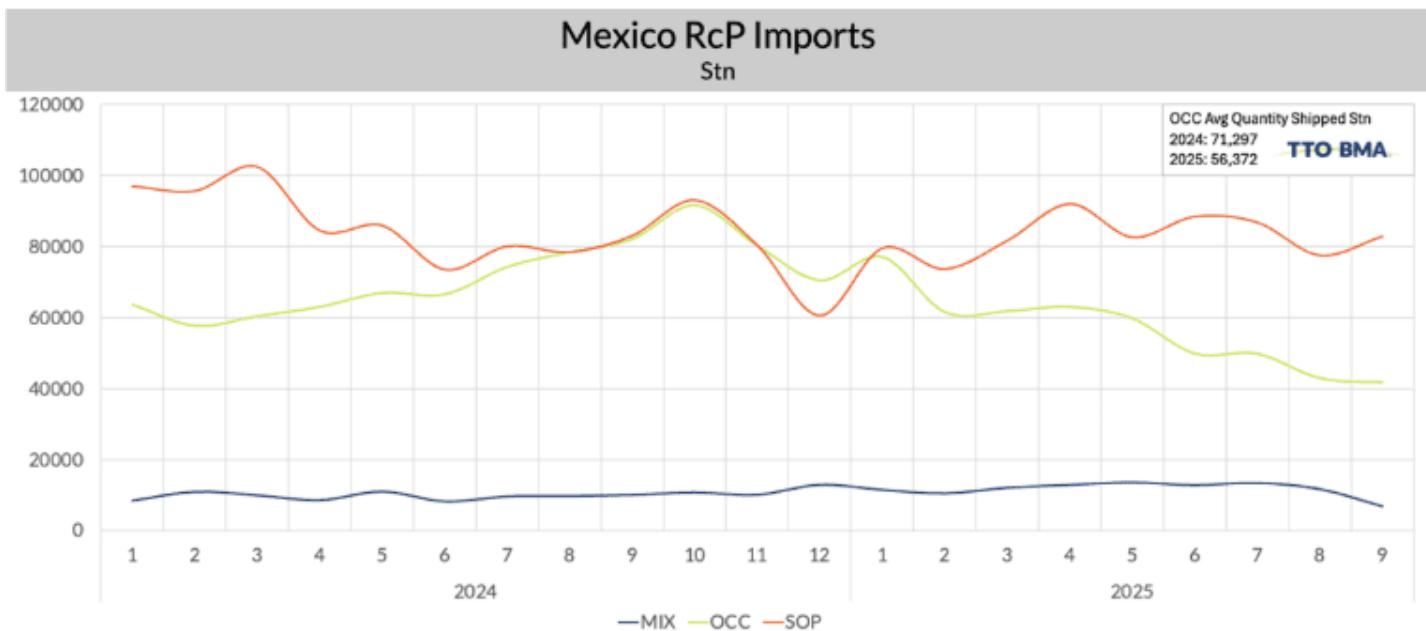
- India continues to appear to be an advantageous buyer. Roughly 75% of India's total fiber demand is met by recovered fiber. Roughly half of their recovered fiber is imported, leaving them at risk to changes in export availability, quality specifications, and policy shifts in supplying regions.
- India's recovered paper (RcP) demand fluctuates, but is expected to grow based on recent surges in e-commerce and bans on plastics.

United States RCP Exports to India

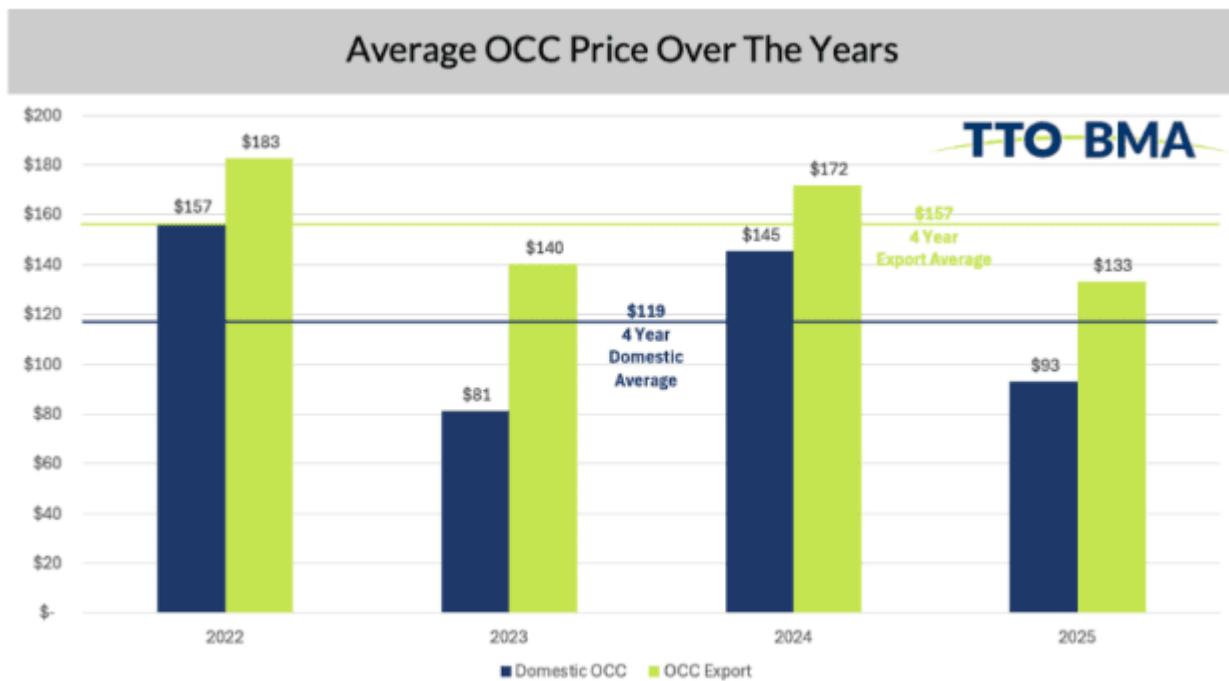


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- Mexico's OCC imports dropped in H2 2025 due to several factors: a weakened economy, the government's domestic collection incentivization, and mills taking downtime. However, it appears that Mexican imports of both white and brown grades are ramping back up at the start of 2026.



- Previously, Mexico only recycled or reused less than 1% of the materials feeding their economy, well below the world average of roughly 7%. Their National Development Plan for 2025-2030 includes promotion of a circular economy, including incentives and credits for companies investing in infrastructure to support this goal.



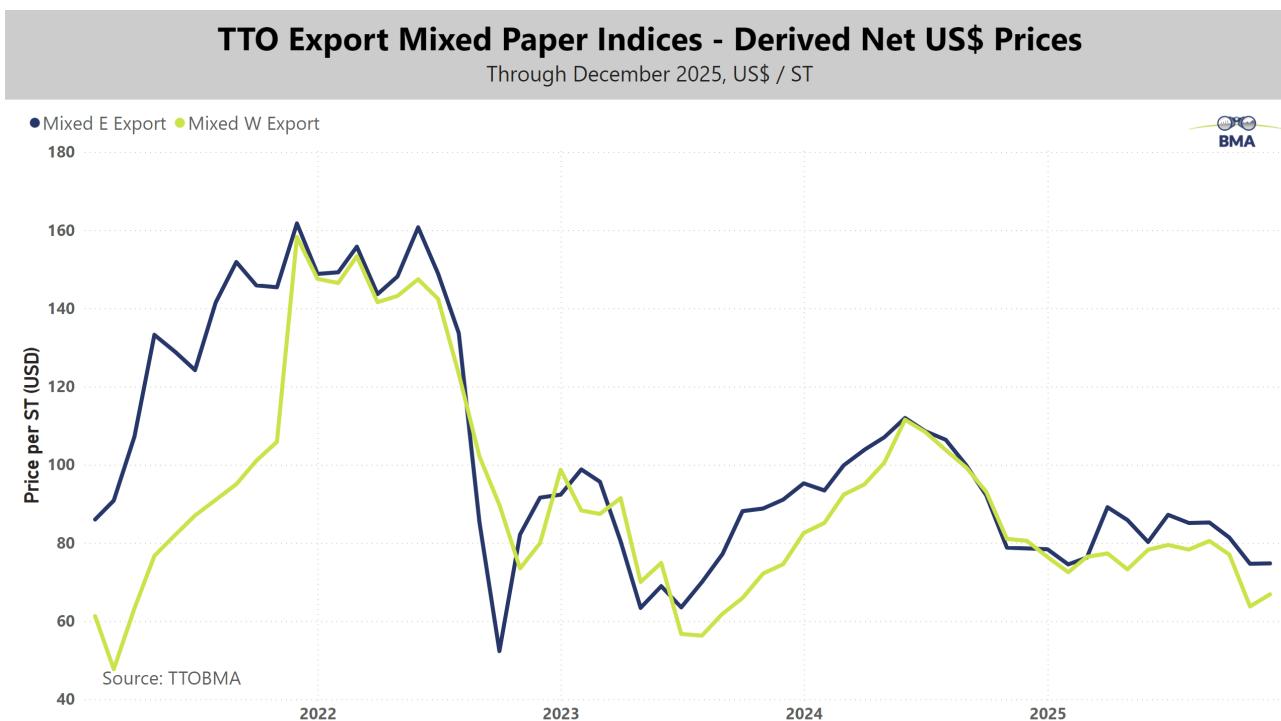
- Q4 2025 marked a low point indicating the price to be at or near a floor. An uptick in 2026 appears likely.
- In 2025, OCC pricing in all regions trended downward. H2 exhibited the sharpest decline.
- Exports reflected softer global demand and faced increased uncertainty with the China RuP drama in late fall.

Mixed Paper (MP)

- TTO's December North America-East MP index stayed almost flat at \$51.78.
- TTO's December MP export indices increased to \$66.83 FAS West Coast and \$74.76 FAS East Coast.
- Current export spot pricing is around \$67-72 FAS West Coast and \$74-80 East Coast.
- Domestic MP is \$35-65 depending on freight, region, and quality.
- Dual-sorted MP may get a \$10 premium over regular MP. This grade, predominantly used by tissue manufacturers as a low-cost alternative in away from home (AfH) products, often has quality issues due to excessive groundwood and other contaminants.
- Domestic MP demand appears more balanced, with mills taking normal volumes and potentially seeking additional volume in the Southeast, Northeast, and Midwest.
- Quality remains a priority for all consumers.
- There is also concern about the supply of MP shrinking due to the high sorting costs incurred to make a marketable product. On the flip side, as materials recovery facilities (MRFs) upgrade equipment and shift to AI and advanced optical sorting systems, higher-value fiber will be extracted from the stream and could decrease the availability of traditional MP.



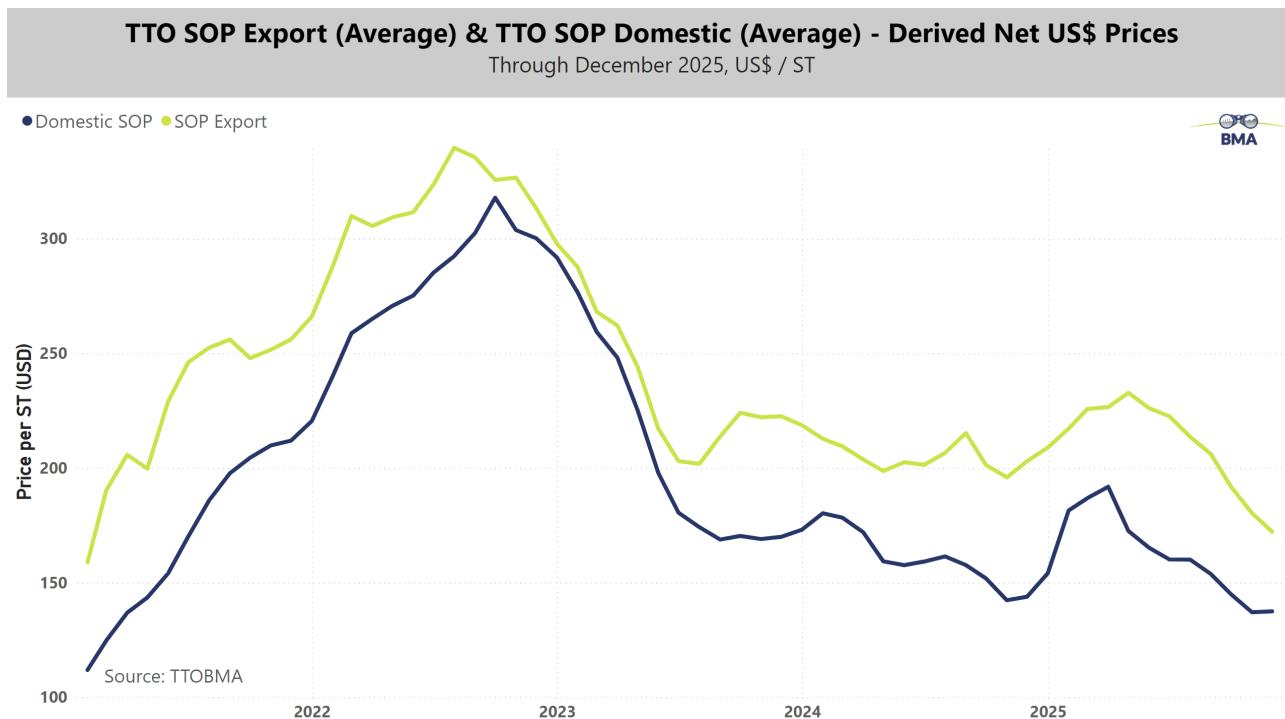
- MP prices have declined domestically since Q2 2024. Although 2025 was a weak year, we expect the decline to level off in 2026.
- India's roughly 40% share of the market has been shrinking due to increased freight costs, economic slowdown, and domestic demand issues.
- However, demand for MP by India's paperboard mills remains strong due to bans on plastics and demand for green packaging alternatives.



All prices USD/ST FOB seller's dock unless otherwise noted

Sorted Office Paper (SOP) (SOP, CBS, PMX, PWE, HPSBS)

- TTO December SOP indices remained steady in all regions—the Northeast and Southwest stayed at \$140, while the Midwest rose to \$142. The Southeast remains lower at \$129. West Coast export decreased to around \$169, while East Coast export held stronger at \$176.



- Downtime may play a role in demand coming out of the holiday season. Winter weather will almost certainly impact collection and provide logistics challenges. As of now, however, these challenges appear lower than previous years.
- Kruger Products announced plans to build a new state-of-the-art tissue plant with 75,000 t/y capacity. The location has not been solidified, but is expected to be in the western U.S. Startup is planned for 2028.
- The Arcadia mill in St. Helens, OR, is moving forward with a projected early-2026 start up.
- ST Paper in Barnwell, SC, continues to ramp up to projected 30,000-40,000 t/y RCP consumption.
- Export is now around \$195-198 FAS East Coast, with West Coast port prices slightly lower. Coated book stock (CBS) is still struggling, with spot prices around \$150-170 FAS.
- Domestic SOP spot prices vary \$150-165, depending on region. Mills in the Midwest and Mexico seem to have slightly more demand this month after inventories were depleted over the holiday season.

All prices USD/ST FOB seller's dock unless otherwise noted



- SOP has seen a dramatic shift in recent years: from increased collection and consumption (notably the pandemic's tissue surge, see illustration) to current concern over weakened printing and writing (P&W) demand because of digitization and remote work. In all, we have seen a nearly \$120 drop in domestic prices between 2022 and today.
- Even with digitization, it is estimated that office workers still use roughly 10,000 sheets per year.
- TTO BMA forecasts SOP prices increasing due to less office waste being generated and collected. With the rise of remote work, paper may still be recycled, but not to the extent, efficiency, and quality it once was.

De-Inking (LPSBS, LPP, MWL, SWL) & Pulp Substitutes (Unprinted SBS, Hard White)

- The TTO December pulp substitutes indices derived price was \$364.
- The TTO December light print indices derived price was \$211.
- Holiday-based generation appears to be lower than previous years. While net spending increased, it has been attributed to higher prices rather than unit sales.
- Mexican and domestic demand appear to be increasing for these grades.
- The TTO December North America bleached hardwood kraft (BHK) index increased \$1/mt. However, softwood continued falling—down \$14/mt for northern bleached softwood kraft (NBSK) and a much bigger drop of \$49/mt for southern bleached softwood kraft (SBSK).
- Hard white envelope cuttings (HWEC) are trading around \$340-370 depending on region, consumer, and grade.
- Some mills have reported increased demand for pulp substitutes, with slight upwards price pressure.
- Lightly printed solid bleached sulphate board (LPSBS) is around \$210-240 depending on region and quality.
- Sorted white ledger (SWL) is currently \$265-280 depending on region, consumer, and freight.
- Manifold white ledger (MWL) is around \$240 depending on region, consumer, and freight.
- Unprinted solid bleached sulphate (UPSBS) is around \$290-330 depending on region.

All prices USD/STFOB seller's dock unless otherwise noted

TTO Pulp Substitutes & TTO Light Print - Derived Net US\$ Prices

Through December 2025, US\$ / ST

● Pulp Sub NA E ● NA East Light Print SBS
600



Price per ST (USD)
500
400
300
200
Source: TTOBMA

2022 2023 2024 2025

Average Light Print & Pulp Sub Prices Over The Years



- De-inking grades showed resilience compared to 2024, despite ongoing economic challenges, lower pulp prices, and soft demand.
- Much like SOP, consumption reached historic highs during the COVID-19 pandemic, and higher prices—a near-\$150 shift from where we are today.
- As demand increases for premium packaging and pulp prices continue to rise, TTO BMA projects price increases for these grades.

All prices USD/ST FOB seller's dock unless otherwise noted

Downstream or End-Use Markets

Tissue

- TTO pricing for recycled tissue grades rose \$3-5 in December.
- The recycled tissue market is currently under more pressure than virgin.
- Virgin grade tissue continued to drop—down \$16 for bath and \$5 for towel.

Tissue and Towel Prices

USD per short ton, through December 2025

Indices	Latest Price	MOM Change	% Change	Last Month
NA Virgin Towel	1,301	-5	-0.38%	1,306
NA Virgin Bath	1,299	-16	-1.23%	1,316
NA Recycled Towel	1,257	3	0.26%	1,254
NA Recycled Bath	1,284	5	0.41%	1,279
NA Recycled Napkin	1,317	-2	-0.14%	1,318
NA Unbleached Towel	1,123	6	0.52%	1,117

Source: TTOBMA

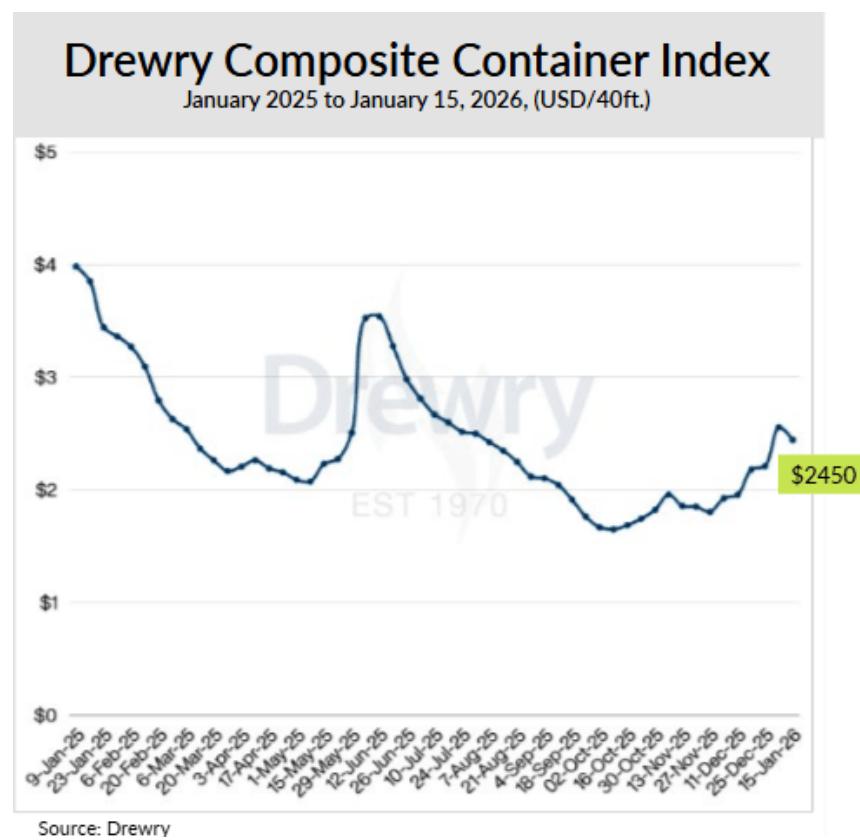


- New recycled tissue capacity at ST Paper (33k t/y) in South Carolina continues to ramp up.
- Arcadia Paper Mills' new machine (40k t/y) in Oregon is expected to startup in Q1 2026.
- TTO expects modest growth in domestic tissue producer orders during Q1 and rising tissue prices through at least mid-2026.

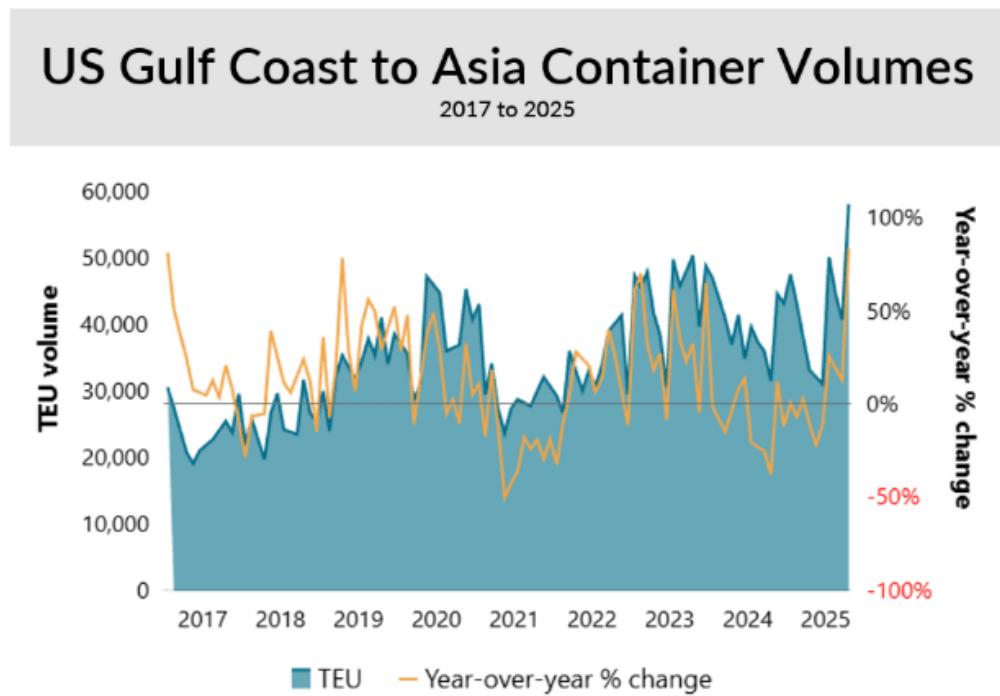
Global Logistics

- Global container rates have begun rising in early 2026 due to the seasonal impact of the Chinese New Year.
- Carriers have been pushing for rate increases due to high current demand.
- Since the end of November, composite freight rates are up \$650 to \$2,450/FEU.
- These increases are primarily on China routes.
- Rates normally peak 2-4 weeks before the Chinese New Year (towards the end of January this year).

All prices USD/ST FOB seller's dock unless otherwise noted



- In contrast to the U.S. East and West Coasts, container volumes from U.S. Gulf Coast ports to Asia were up significantly in 2025.
- Softer volumes in 2025 have kept U.S. West Coast ports running smooth in early 2026.



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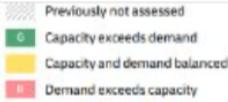
- According to DHL market intelligence, North America to Asia routes will have excess capacity in January but become more balanced in February-March.

Key Regional Trade Lane Expectations

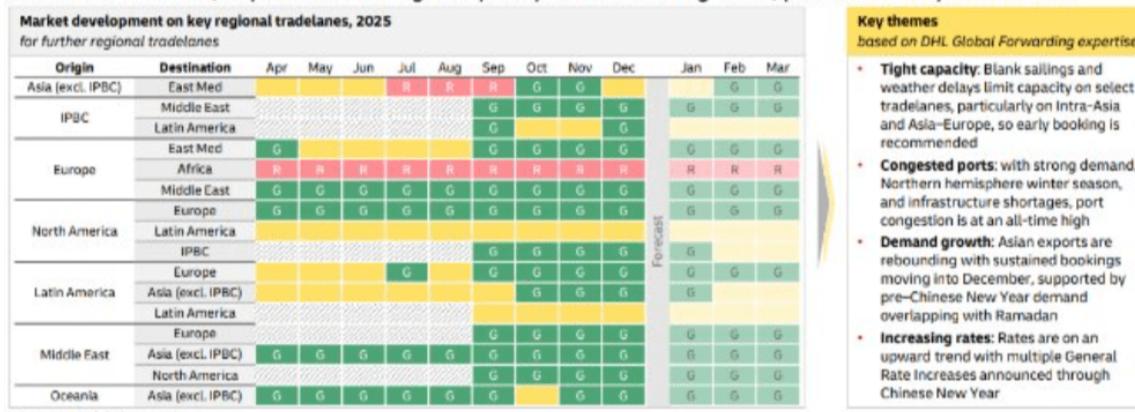
Mid 2025 to Q1 2026

Capacity vs. Demand | Short-term outlook: Additional trades

Volumes are picking up, with peak expected in February



As volumes are picking up, peak expected in early February 2026 prior to Chinese New Year; with sustained demand, expectation for tight capacity and increasing rates, predominantly out of Asia



Key themes based on DHL Global Forwarding expertise	
• Tight capacity:	Blank sailings and weather delays limit capacity on select tradelanes, particularly on Intra-Asia and Asia-Europe, so early booking is recommended
• Congested ports:	with strong demand, Northern hemisphere winter season, and infrastructure shortages, port congestion is at an all-time high
• Demand growth:	Asian exports are rebounding with sustained bookings moving into December, supported by pre-Chinese New Year demand overlapping with Ramadan
• Increasing rates:	Rates are on an upward trend with multiple General Rate Increases announced through Chinese New Year

- Overall, market analysts believe that freight rates should stabilize in 2026 compared to the turmoil of recent years.
- Routing through the Suez Canal is expected to restart in earnest in H2 2026, adding capacity to the global container market.

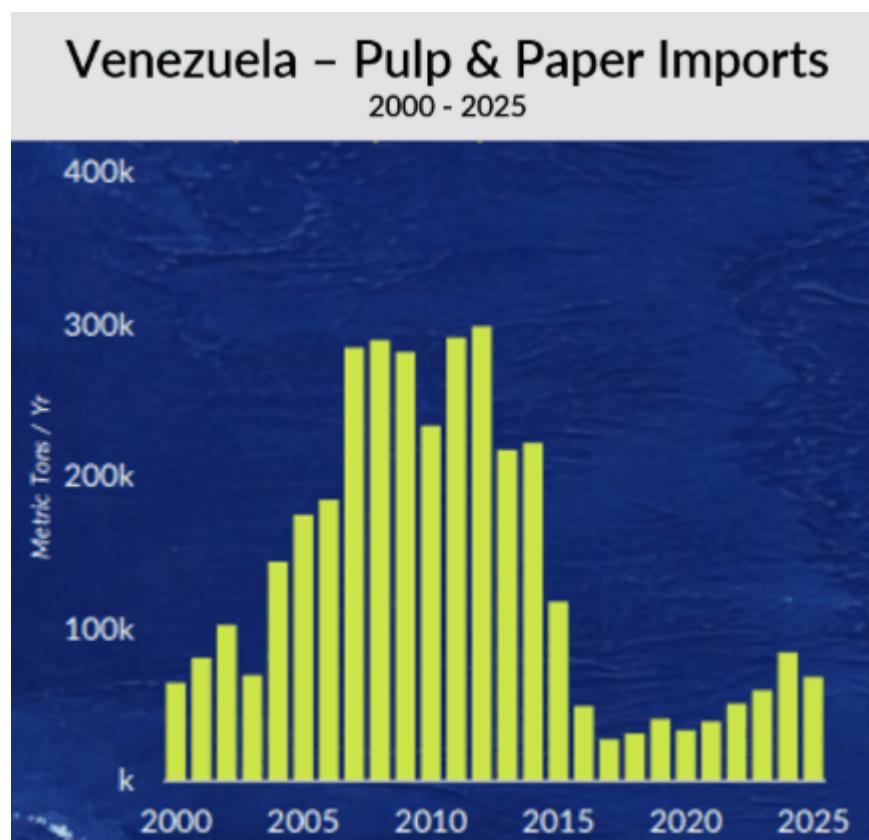


Sources: DHL Global Forwarding, Drewry, Container Trade Statistics, SCFI; 1) Year over year, 2026 vs. 2025; 2) Year to date: cumulative Jan-Oct 2025 volume vs. cumulative Jan-Oct 2024 volume; 3) Shanghai Containerized Freight Index;
DHL Global Forwarding | OFR Market Update | January 2026

All prices USD/STFOB seller's dock unless otherwise noted

U.S. Macroeconomic Update

- The current U.S. administration continues to be unpredictable.
- In recent weeks, the U.S. removed Nicolas Maduro from leadership in Venezuela, threatened acquisition of Greenland, threatened military strikes on Iran, withdrew from 66 international organizations, and threatened Federal Reserve Chair Jerome Powell with criminal charges.
- These actions are weakening the dollar and elevating the risk premium for U.S. assets.
- Many investors and fund managers fear that President Trump is looking to take control of the Federal Reserve, ending its independent role and leading to global interest rates being set at the whim of the U.S. president and his political interests.
- As a result of the announced investigation of Federal Reserve Chair Powell, the dollar weakened and U.S. bond yields rose precipitously.
- Most investors continue to price in two 0.25% rate cuts for 2026, even with a new Federal Reserve Chair expected to be installed by summer 2026.
- The removal of Nicolas Maduro was particularly impactful for extraction industries such as oil and natural gas. However, the impact on the pulp and paper sector is expected to be muted.
- Since 2013-2014, Venezuela has seen a profound drop in pulp and paper consumption and production, as well as general impoverishment under Maduro.
- A change in economic direction could release some pent-up paper demand.
- However, it remains to be seen whether any tangible change will occur—the ruling leadership, save Maduro, is basically unchanged.
- U.S. intervention in Venezuela and Iran could disrupt oil prices, impacting energy costs in China. China is a significant importer of oil from both countries.
- Changing trade flows could increase prices in China and effect mill economics.



All prices USD/ST FOB seller's dock unless otherwise noted

- To force acquiescence to his whims, U.S. President Trump announced new 10% tariffs on Europe starting February 1. These tariffs would rise to 25% by June 1 if a deal is not reached allowing the U.S. to buy Greenland.
- The tariffs would be in addition to existing negotiated tariffs.
- Europe has promised a “bazooka” response to the U.S., with reciprocal tariffs and trade blockades. Denmark and the larger EU bloc maintain that Greenland is not for sale.
- President Trump has not ruled out military action to acquire Greenland.
- Any escalation could lead to severe tension between the U.S., Europe, and NATO allies in 2026 and beyond.



Source: SBS News

- On January 14, the U.S. Supreme Court decided to again delay ruling on President Trump's tariffs enacted via the International Emergency Economic Powers Act (IEEPA).
- The tariffs applied under IEEPA include the “reciprocal tariffs” enacted in early April 2025.
- Most pulp tariffs have been applied under IEEPA. However, since H2 2025 most pulp—especially imports from South America and Europe—have been exempted from tariffs.
- Tariffs on Canadian imports have been removed under the USMCA exclusion.
- Even though IEEPA tariffs could be ruled unconstitutional, the Trump administration has a host of other laws it could use to enact or retain tariffs going forward.

Trump Administration Tariff Options

IEEPA Overturned

- **Section 232 (Trade Expansion Act 1962):** Allows the President to impose tariffs on imports that threaten national security, following an investigation by the Department of Commerce. While effective for sector-specific actions, it cannot easily support broad, across-the-board tariffs.
- **Section 301 (Trade Act 1974):** Empowers the US Trade Representative to investigate and remedy unfair trade practices, including through tariffs. These actions are country-specific where there is evidence of trade violations, offering flexibility but not universal coverage.
- **Section 338 (Tariff Act 1930):** Enables the President to impose additional tariffs on imports from countries that discriminate against US commerce. Its lack of precedent makes it a risky but potentially powerful tool.
- **Section 122 (Trade Act 1974):** Allows for the imposition of temporary import surcharges or quotas to address serious trade deficits, subject to caps of 15% and 150 days. It could serve as an interim measure while longer investigations are conducted.

Together, these authorities form a "plan B" for maintaining tariff leverage. The administration could deploy Section 232 for strategic sectors, use Section 301 to target specific countries and practices, explore Section 338 for counter-discrimination, and activate Section 122 for short-term coverage. However, none of these statutes permit the kind of sweeping, universal tariffs attempted under IEEPA.

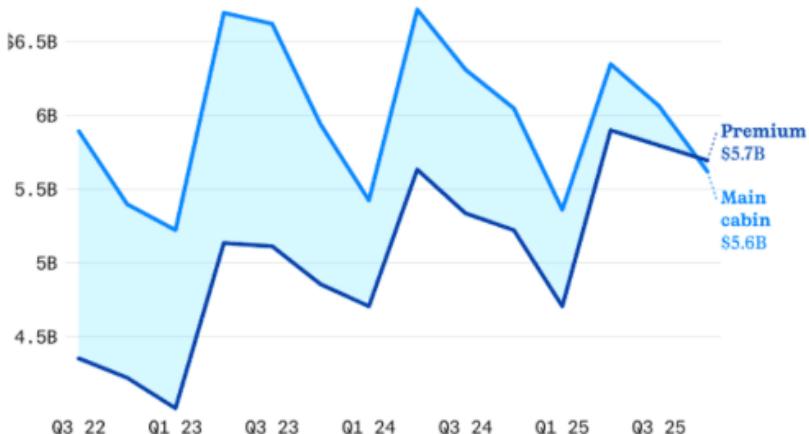
Consumer Spending Update

- Given tariff uncertainty and forecasts of recession in 2025, most were surprised by signs of broad economic growth and resilient asset prices.
- The S&P 500 had its third consecutive year of double-digit percentage gains.
- Though broad statistics of economic health remain steady, working-class families are struggling to make ends meet and facing an ongoing affordability crisis.
- Across the 160 largest U.S. metropolitan areas, 20% of middle-class earners cannot afford to live in that place, according to Brookings.
- Weakness in the lower- and middle-class impacts industries such as recycled paper, which rely on a high volume of durable good demand.
- Some consumers are cutting back on travel and dining out.
- However, for the first time in its history, in Q4 2025 Delta airline's premium ticket sales revenue eclipsed its main cabin sales revenue. Premium ticket sales grew 9%, while main cabin sales fell 7%. This is one example of how high-end consumers remain bullish about travel and discretionary purchases.
- Growth in premium ticket sales have outpaced main cabin sales every quarter for three straight years.

Delta Airlines – Premium vs. Main Cabin Sales

It's a big boarding group, and you ain't in it

Delta's premium ticket products eclipsed the revenue generated by its main cabin ticket products for the first time in Q4.



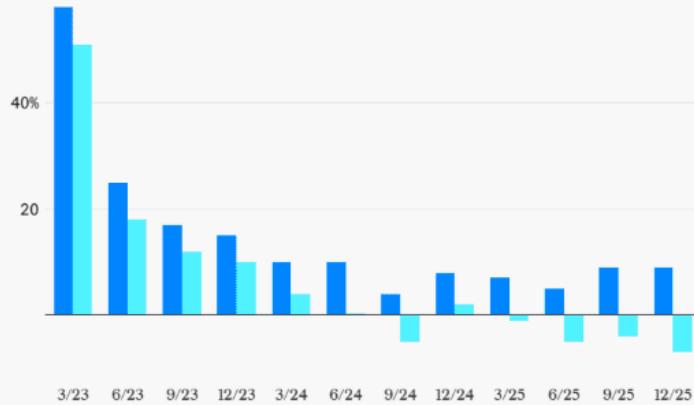
Sherwood

Delta Airlines – Premium vs. Main Cabin Sales

First class, first prize

Delta's premium ticket sales are growing faster than its main cabin tickets. It's leaning into the trend.

■ Premium growth ■ Main growth



Sherwood

Construction Market Outlook

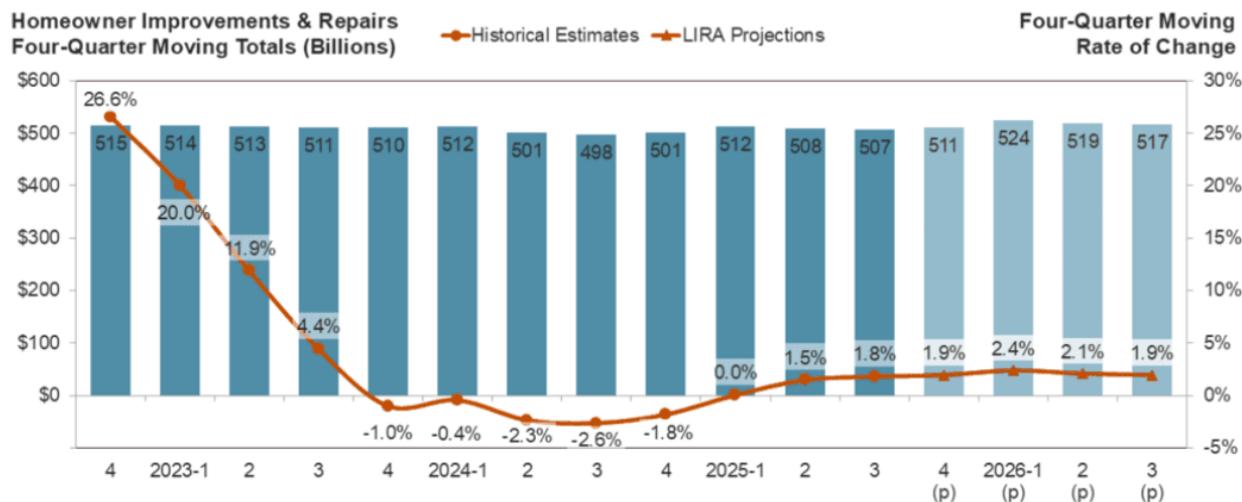
- Recycled paper is used in cellulose insulation, gypsum board facing, and roofing underlayment/tar paper.
- Cellulose insulation is a significant end use for recycled paper in construction, and is primarily used in retrofit and weatherization applications.

Cellulose Insulation



- As a result, recycled paper demand in construction is more highly correlated with remodeling.
- According to the Harvard LIRA indicator, residential remodeling is expected to continue experiencing steady 2% growth in 2026.
- Remodeling activity has been increasing since early 2025, after slumping in late 2023 and 2024.

Harvard – Leading Indicator of Remodeling Activity



Notes: Improvements include remodels, replacements, additions, and structural alterations that increase the value of homes. Routine maintenance and repairs preserve the current quality of homes. Historical estimates since 2023 are produced using the LIRA model until American Housing Survey benchmark data become available.

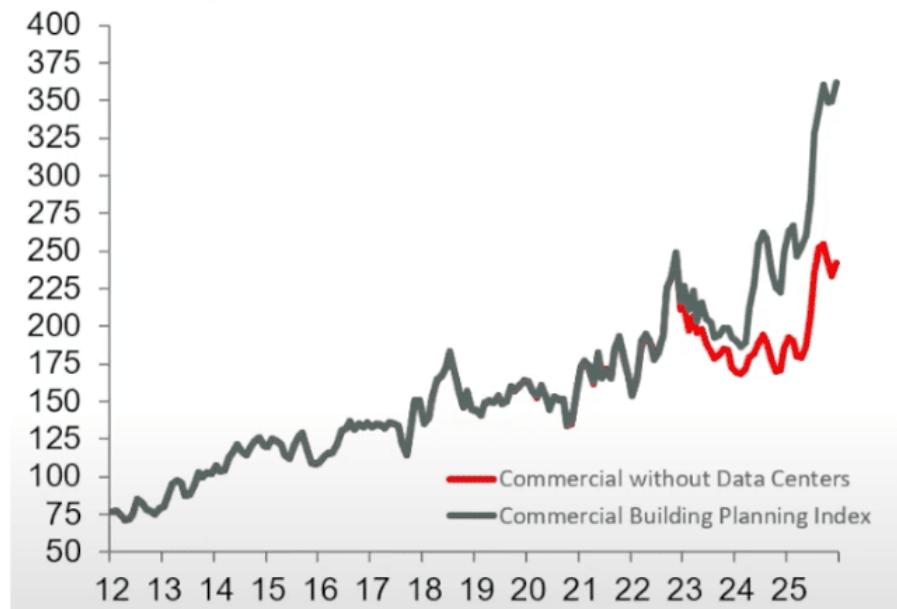
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Joint Center for Housing Studies of Harvard University 

- One additional positive is that commercial construction in the U.S. continues to strengthen.
- The Dodge Momentum Index is a leading indicator of nonresidential construction activity and is published monthly.
- It is designed to project where construction spending will likely be in 9-12 months.
- Dodge tracks projects in the initial planning and design stages, before breaking ground.
- Data centers, warehouses, and healthcare projects are driving the index higher.
- The manufacturing sector construction has been stagnant.

US Construction Activity – Commercial

Dodge Momentum Index



Sustainable Packaging Shifts

- Demand for fiber-based packaging is increasing, with brands raising requirements for responsibly sourced fiber. This is leading mills and converters to strengthen their sourcing practices and increase transparency throughout the supply chain.
- There is also a noticeable shift toward "paperization" (i.e., the substitution of fiber-based alternatives for plastics), driven by regulations and consumer preferences.
- We are also seeing growth in recyclable/compostable packaging, molded fiber, and barrier coatings.
- Rollout of Extended Producer Responsibility (EPR) laws continues in several states, with a focus on recycled content and reduced waste.

Containerboard

- AF&PA Q3 containerboard numbers reflected a 3% decline versus Q2. Recycled production was down more than virgin.

North America Containerboard Capacity Changes

Company	Location	Containerboard Capacity Changes - Kt/Y	Date
International Paper	Red River, LA	-800	1H 2025
Greif	Fitchburg, MA	-100	1H 2025
Smurfit Westrock	Forney, TX	-280	1H 2025
Georgia Pacific	Cedar Springs, GA	-1030	2H 2025
Cascades	Niagara Falls, NY	-200	2H 2025
International Paper	Savannah, GA	-1000	2H 2025
International Paper	Riceboro, GA	-430	2H 2025
ND Paper	Biron, WI	200	2H 2025
PCA	Wallula, WA	-250	1H 2026
PCA	Other Locations	250	2H 2026
International Paper	Selma, AL	260	2H 2026
Net Totals		~3.4 million MT Removed	

- Mill closures, consolidation, and downtime burdened generators with excess inventory this year. Export has provided a higher return outlet for those who are able and meet quality requirements.
- Production continues to migrate toward recycled grades and overall sustainability.

North America Recycled Boxboard Capacity Changes - Timeline

Company	Location	Coated Recycled Board (CRB) - Kt/Y	Uncoated Recycled Board (URB) - Kt/Y	Date
Greif	Austell, GA		40	March 2025
Greif	Fitchburg, MA		50	May 2025
Greif	Los Angeles, CA	50	22	June 2025
Graphic Packaging	Middletown, OH	170		June 2025
Smurfit Westrock	St. Paul, MN	155		July 2025
Graphic Packaging	East Angus, Quebec	100		2H 2025
Graphic Packaging	Waco, TX	550		2H 2025
Net Totals		~75 Kt/Y	~110 Kt/Y	

- Consolidation in packaging and containerboard continues to accelerate.
- The industry is trending towards recycled fiber-based packaging.

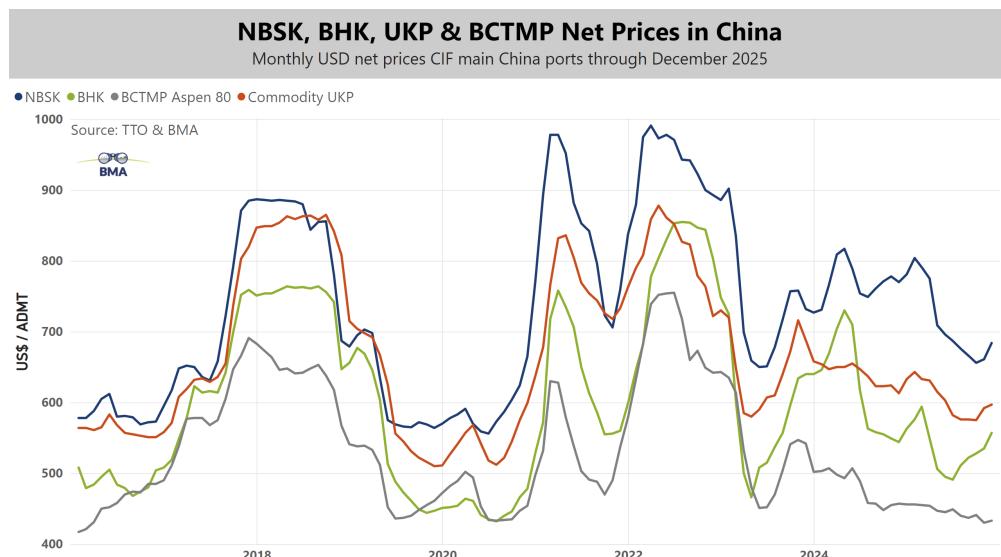
M&A Recent Deals

- The pulp and paper industry entered 2025 amid an aggressive consolidation cycle driven by demand shifts, cost pressures, tariffs, and the transition toward sustainability.
- Companies shut down older, high-cost mills to redirect investment toward modern, energy-efficient facilities.
- North America, Europe, and Asia all saw increased closures and consolidation due to inflation, energy pressure, and declining demand. The year reshaped capacity and geographic reach, especially in containerboard, tissue, specialty packaging, and among waste haulers.
 - GFL executed multiple high-impact acquisitions in MI, GA, OK, and IL.
 - Waste Connections acquired Florida Express Environmental.
 - Waste Pro completed 24 acquisitions and \$520 million in municipal contracts across FL.
 - FCC Environmental Services waste-to-energy and transfer station operations expanded their footprint, including growth in NY and FL.

Transaction	Deal Type	Industry	Close Date	Deal Value(s)	Strategic Reason
Smurfit Kappa + WestRock	Merger	Containerboard	2H 2024	\$12.7 Billion	Create world's largest Containerboard company with global reach; leverage complementary geographic footprints and product portfolio; achieve \$750M+ in synergies
Sofidel Buys Clearwater Paper Tissue Business	Acquisition	Tissue	2H 2024	\$1.1 Billion	Sofidel acquires Clearwater's tissue business. Clearwater narrows focus to paperboard segment to improve operational efficiency. Sofidel advances expansion in North America
Sonoco Buys Evirosys Metal Packaging	Acquisition	Non-Paper Packaging	2H 2024	\$3.8 Billion	Expand metal packaging capabilities; strengthen position in food and beverage packaging; diversify beyond paper products
Suzano Buys Pacтив Evergreen Arkansas Facilities	Acquisition	Cartonboard	2H 2024	\$0.11 Billion	Create product diversity away from market pulp and gain exposure to US; advance fiber to fiber initiatives in Cartonboard
PCA Buys Greif Containerboard Facilities	Acquisition	Containerboard	2H 2025	\$1.8 Billion	Strengthen PCA asset profile via well-located mills and downstream converting capacity; offers operational synergies in PCA and Greif
International Paper Buys DS Smith	Acquisition	Containerboard	1H 2025	\$7.2 Billion	Expand capacity to compete with Smurfit Westrock. IP gains competitive position in Europe packaging market; combine complementary geographic strengths [Europe + North America]; achieve \$534M+ in synergies; scale corrugated packaging operations
Novolex Buys Pacтив Evergreen Outright	Acquisition	Cartonboard	1H 2025	\$6.7 Billion	Consolidate flexible packaging and foodservice operations; Integrate complementary product portfolios; reduce competitive fragmentation
Suzano Buys Stake in Int. Tissue Assets of Kimberly Clark JV (51% Ownership)	Tissue	1H 2026	\$1.7 Billion	Suzano combines pulp production footprint with KC's established tissue business lines in growing markets; helps Suzano push fiber to fiber initiatives towards hardwood pulp adoption; Suzano has call option for remaining 49%	
AIP Buys International Paper Fluff Business	Acquisition	Fluff-Absorbent Products	1H 2026	\$1.5 Billion	AIP acquires IP's Global Cellulose Fibers business; allows IP to focus on core packaging operations; strategic divestiture following DS Smith merger; AIP acquires profitable business at a relative discount with opportunity to restructure assets

Global Market Pulp

- TTO December indices were up approximately \$20 in China for both hardwood and softwood pulp.
- Price increases are also taking hold in January; hardwood pulp in China is now trading in the \$580-590/mt range.



All prices USD/STFOB seller's dock unless otherwise noted

- Strong demand due to the Chinese New Year and a weakening U.S. dollar to renminbi (RMB) exchange rate are supporting higher pulp pricing in China.
- Pricing in the EU and North America was relatively flat in December, but hardwood and softwood pulp prices are rising in January.
- China's import restrictions on RuP are still providing a minor boost in demand for unbleached kraft pulp (UKP).

China Monthly Recycled Unbleached Pulp Imports

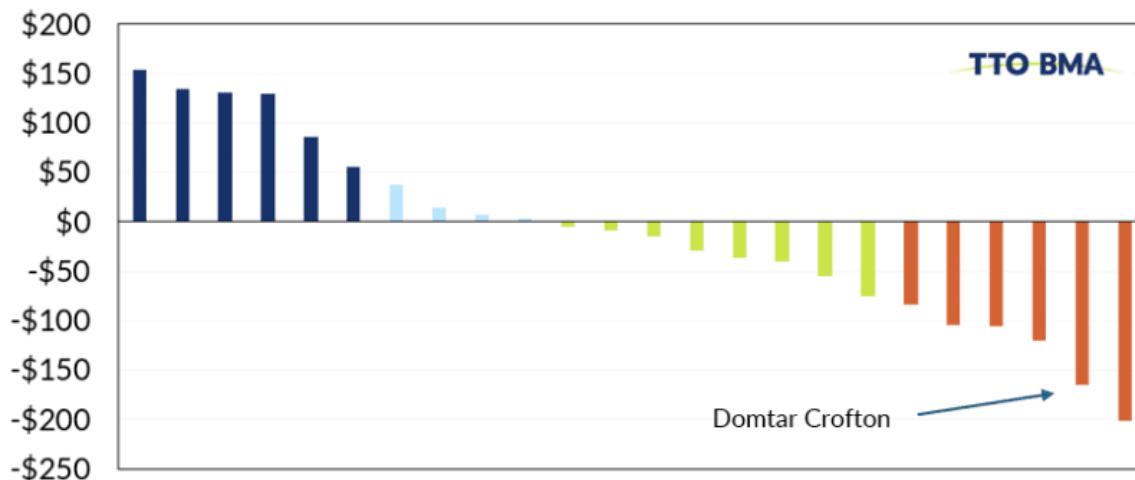
3-month moving averages through November 2025



- Domtar's 380k t/y NBSK mill in Crofton, British Columbia, ceased operations in early January 2026. More Canadian mill closures are possible.
- Most Canadian pulp producers are experiencing negative margins because of low pulp pricing.

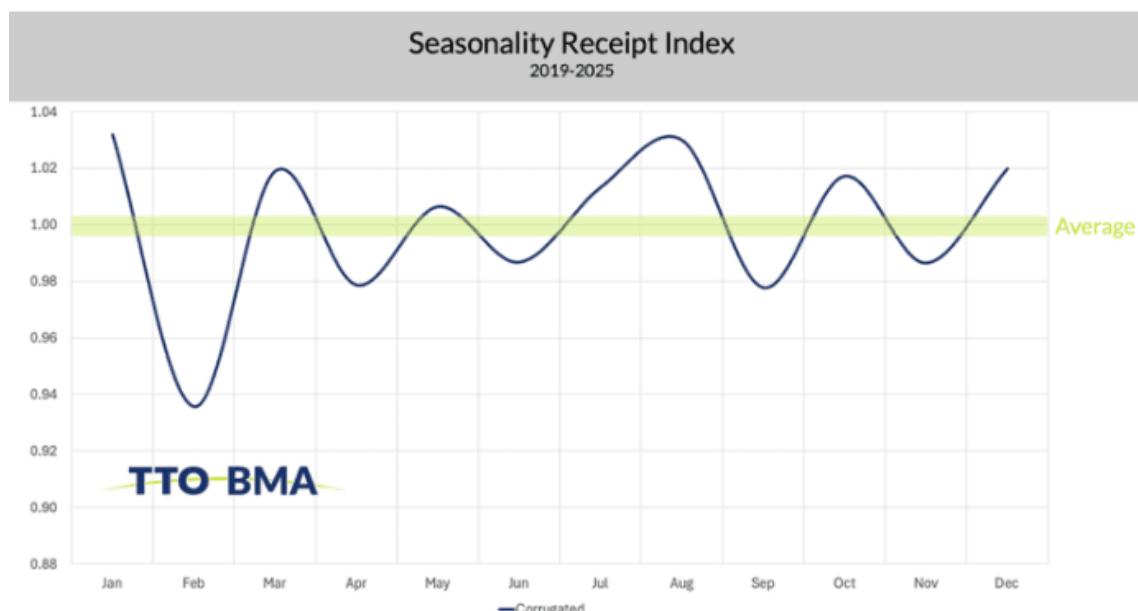
Canadian Mills – Estimated Margins

\$USD/admt, October 2025



Outlook

- The main drivers and themes of the Outlook are consistent with previous months.
- The Outlook has not been adjusted to account for the recent U.S. push to acquire Greenland or the resulting European response. TTOBMA is assuming this will not result in a massive trade war and/or economic disruption with Europe. However, the possibility exists and would exert downside risk on the price levels forecast.
- China's RuP inspection issue continues, but the market has recovered in anticipation of these volumes continuing. Even with the added cost and delay of inspections, material is still being shipped as it remains cheaper than alternatives. After a momentary price shock when the issue first arose, pricing has now recovered close to its October levels.
- The market was quiet over the holiday season—buyers had built sufficient inventory and no major disruptions occurred. Coming out of the holidays and into early January, the OCC market was balanced and experienced minimal price movement. Export was a slight exception, as prices continued to rise closer to October (pre-China RuP situation) levels.
- Market participants are assuming prices are at, or close to, a bottom. The Outlook has minor (\$0-5) price decreases in January, before starting to rise again in March-April.
- The end of January and February are seasonally weak months for generation; down 6% on average 2021-2025. Even without strong improvement on the board side, pricing should at least stabilize further, if not see the increases TTOBMA is assuming.



- Export pricing is rising as anticipated, but more quickly.
- TTOBMA still believes poor box demand in Q2-Q4 will limit generation moving forward and provide strong upside price pressure when containerboard demand returns—projected as early- to mid-2026.
- The forecast is for abnormal winter weather in the central and southern U.S. next week. This could limit generation and push prices up earlier than forecast. The 2026 forecast is flat from last month, averaging \$108. This is built on the assumption that Southeast Asia will continue to import OCC and double lined kraft (DLK) from the U.S. and ship volumes to China. This also assumes a new round of trade and tariff-related uncertainty and disruption does not arise or is short-lived. There is more downside than upside price risk to the forecast, as most assumptions lean towards the price increase side.

- MP pricing is marginally tighter than OCC and the forecast has been increased.
- Buying has been good and is forecast to continue.
- MP has a risk profile similar to OCC.
- The 2026 MP forecast is \$65, \$6 higher than last month.
- SOP and pulp substitutes pricing was flat to down in December.
- Generation has been down, but demand has also been down.
- After a month or two of depressed buying in Mexico, in part due to end of year inventory concerns, buying in January has so far been strong. The need to restock, as well as higher pulp prices, is helping push demand back to white RCP grades.
- Domestic tissue is okay, but holiday travel did not provide a significant boost.
- Domestic pricing is flat coming out of New Years' but appears poised to increase.
- The 2026 Outlook is unchanged from last month.
- LPSBS and hard white both fell in December, catching up to the decreases already experienced by SOP. Demand from new tissue machines in Mexico that are ramping up should keep pricing at or above December levels for 2026.
- The forecast is very similar to last month, though down slightly as December declines were a bit more than anticipated.

Forest Products Transport Symposium 2026

Registration for the much-anticipated Forest Products Transport Symposium opens on Monday, January 26, 2026. Please reach out to conferences@ttobma.com for more information or if you would like to become an inaugural sponsor.



All prices USD/ST FOB seller's dock unless otherwise noted