

Pulp & Paper

Short-Term Tailwinds for Pulp Prices; But Structural Headwinds Remain

Analyzing Global Pulp & Paper Data

Pulp prices continued the uptrend in Sep'25, with Chinese net BHKP prices negotiated at a ~US\$510-530/t level, reflecting a partial implementation of the [latest price announcement](#), in our view. Although the last price hike indication has met resistance from buyers, according to our channel checks, we believe that planned downtimes in 4Q25E could provide some room for further increases in the short-term. That said, with an increasing supply of low-cost woodchips in China, we believe that the acceleration on integrated pulp production may cap the upside for pulp prices in the medium-term (i.e.: structural prices below ~US\$600/t).

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Our take. In China, BHKP prices continued their upward trend for the third consecutive month in Sep'25, trading in the US\$510–530/t range, with a further US\$20/t price hike announced for Oct'25, reinforcing bullish sentiment in the short-term. Despite this recovery, we estimate that pulp prices have remained below marginal cost levels (~US\$620-630/t) for market pulp producers for seven consecutive months, still reflecting suboptimal pricing conditions.

In the short term, we believe that planned maintenance downtimes at major facilities (e.g.: Suzano's Aracruz, Limeira, and Suzano units, as well as Eldorado's Três Lagoas, Bracell's Lençóis Paulista, and others) should tighten supply, supporting additional price increases by year-end. Moreover, Suzano's indications to reduce production by ~4% in the next 12 months, along with the extension of Bracell's DWP campaign, have contributed to a better SxD balance. However, aside from planned downtimes, market-related curtailments remain limited, with most temporary shutdowns occurring in the softwood space, while hardwood curtailments have been virtually non-existent.

Structurally, cost dynamics remain a key consideration. The availability of low-cost imported woodchips (primarily from Vietnam, at ~US\$160-170/BDMT for over a year) and increasing supply of domestic wood are reshaping the cost curve. We estimate that [integrated breakeven costs for producers using imported wood are at ~US\\$510/t](#), while those relying on domestic wood benefit from even lower costs, at ~US\$400-450/t. We believe that this cost advantage among integrated players may cap the upside for pulp prices in the medium-term, with structural pulp prices expected to remain below ~US\$600/t until this high domestic wood availability in China normalizes at lower levels (if so, which is still unclear to us).

Regarding recent pulp data, we note (i) Brazil pulp exports increased by +11% MoM in Sep'25 (+10% YoY), while (ii) Uruguay and Chile pulp exports were -11% and +1% MoM (-1% and -2% YoY), respectively. On the demand-side, we highlight: (iii) global BCP shipments were up in Aug'25, mostly due to higher shipments from China (+3% MoM and +7% YoY), with (iv) Chinese port stocks decreasing by -5% MoM in Sep'25, but still at high levels (+17% YoY), while (v) European stocks were up by +8% MoM and +10% YoY in Aug'25.

For paper & packaging in Brazil, we note (i) kraftliner exports decreased by -18% MoM, despite +21% YoY in Sep'25, with prices up by +4% MoM in USD (-3% YoY), according to SECEX; and (ii) OCC prices in Brazil decreased by -6% MoM in Sep'25, according to Anguti, with OCC Type I and II prices decreasing by -6% and -7% MoM, respectively. Finally (iii) corrugated boxes volumes amounted to 371 kt in Aug'25 (-2% MoM and YoY), according to Empapel's data, reflecting a weaker economic activity in industrial and commercial sectors, despite more [favorable seasonal expectations for 2H25](#); and (iv) cardboard import penetration remained at elevated levels, at ~21% of apparent demand, with apparent demand increasing in Jul'25.

Pulp & Paper Coverage Summary

Company	Ticker	Current Price	Target Price	Upside	Rec.	P/E		EV/EBITDA		Mkt. Cap (R\$ mn)
						2025E	2026E	2025E	2026E	
Suzano	SUZB3	R\$ 47.83	R\$ 92.00	92%	Buy	4.7x	4.1x	5.0x	4.7x	R\$ 60,463
Klabin	KLBN11	R\$ 17.51	R\$ 29.00	66%	Buy	16.9x	12.7x	6.6x	6.1x	R\$ 21,759
Irani	RANI3	R\$ 8.86	R\$ 8.80	-1%	Buy	12.5x	10.1x	5.5x	4.9x	R\$ 2,042

Global Pulp & Paper – Key Indicators

BHKP Prices Up +US\$20/t MoM in Sep'25

Figure 1: Key Supply and Demand Indicators for Global Pulp & Paper

Supply & Demand	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
China Imported Wood													
Prices (US\$/BDMT)													
Non-Coniferous	182	186	183	175	188	182	180	185	176	182	180	180	
Vietnam	167	170	165	163	171	169	165	170	166	165	165	165	
Australia	234	254	232	230	230	247	238	228	237	227	221	240	
Others	203	231	220	226	174	175	213	181	185	207	225	210	
Coniferous	150	70	63	147	151	62	69	64	62	147	156	156	
Volumes (BDMT)													
Non-Coniferous	1,526	1,309	1,415	1,441	1,217	1,189	1,492	994	1,289	1,292	1,341	1,259	
Vietnam	1,064	1,009	967	1,084	754	840	1,126	652	1,028	894	977	951	
Australia	273	206	243	185	316	168	200	236	172	227	198	180	
Others	188	93	204	172	146	182	166	107	89	171	166	128	
Coniferous	35	14	25	79	41	19	9	9	21	72	57	57	
Pulp													
Prices (US\$/t)													
BHKP China	550	550	545	545	565	585	600	540	490	490	490	500	520
NBSK China	760	770	770	770	780	800	800	740	700	690	690	690	670
Spread NBSK-BHKP China (US\$/t)	210	220	225	225	215	215	200	200	210	200	200	190	150
Spread NBSK-BHKP China (%)	38%	40%	41%	41%	38%	37%	33%	37%	43%	41%	41%	38%	29%
BHKP Europe	1,160	1,060	1,000	1,000	1,100	1,160	1,220	1,180	1,120	1,060	1,000	1,000	1,060
NBSK Europe	1,530	1,510	1,500	1,485	1,500	1,550	1,600	1,600	1,550	1,510	1,495	1,495	1,510
Spread NBSK-BHKP China (US\$/t)	370	450	500	485	400	390	380	420	430	450	495	495	450
Spread NBSK-BHKP China (%)	32%	42%	50%	49%	36%	34%	31%	36%	38%	42%	50%	50%	42%
DWP	960	970	970	970	950	930	910	870	830	800	800	810	815
Spread DWP-BHKP China (US\$/t)	410	420	425	425	385	345	310	330	340	310	310	310	295
Spread DWP-BHKP China (%)	75%	76%	78%	78%	68%	59%	52%	61%	69%	63%	63%	62%	57%
Shipments (kt)													
By Country	5,085	4,985	5,060	5,775	5,070	4,960	5,625	4,595	4,665	5,690	4,920	5,070	
China	2,085	2,070	2,200	2,480	2,100	1,950	2,280	1,705	1,715	1,960	1,955	2,050	
Europe	1,290	1,225	1,205	1,405	1,225	1,210	1,620	1,215	1,210	1,580	1,220	1,195	
Others	1,710	1,690	1,655	1,890	1,745	1,800	1,725	1,675	1,740	2,150	1,745	1,825	
By Fiber	5,085	4,985	5,060	5,775	5,070	4,960	5,625	4,595	4,665	5,690	4,920	5,070	
BHKP	3,195	3,025	3,155	3,750	3,060	3,020	3,465	2,905	2,905	3,880	3,065	3,205	
BKSP	1,890	1,960	1,905	2,025	2,010	1,940	2,160	1,690	1,760	1,810	1,855	1,865	
Imports & Exports (kt)													
Imports													
China	2,016	2,034	2,151	2,202	2,461	2,619	2,509	2,167	2,227	2,320	2,160	2,022	
BHKP	1,239	1,219	1,360	1,393	1,540	1,605	1,470	1,199	1,293	1,435	1,351	1,258	
BSKP	620	652	658	681	727	798	798	758	722	678	646	614	
Others	156	163	133	128	194	216	241	210	212	207	162	150	
Exports													
Brazil	1,676	1,780	1,619	1,698	2,065	1,609	2,107	1,502	2,113	1,956	1,909	1,668	1,844
Chile	403	559	469	513	562	418	552	531	412	391	455	394	397
Uruguay	393	466	322	378	260	247	543	394	353	409	242	437	389
Inventories (kt)													
Ports (China + Europe)	3,241	3,171	3,049	3,115	3,094	3,661	3,550	3,402	3,681	3,708	3,628	3,694	
Producers	6,961	6,789	6,664	6,213	6,560	6,428	6,262	6,580	6,805	6,568	6,784	7,015	
Consumers (West Europe)	586	645	619	649	665	697	660	657	642	648	639	664	

Pulp & Paper - Prices & Margins

European Pulp Prices Spread at All-Time Highs

Figures 2-3: China Pulp Prices and Spread (US\$/t, %)

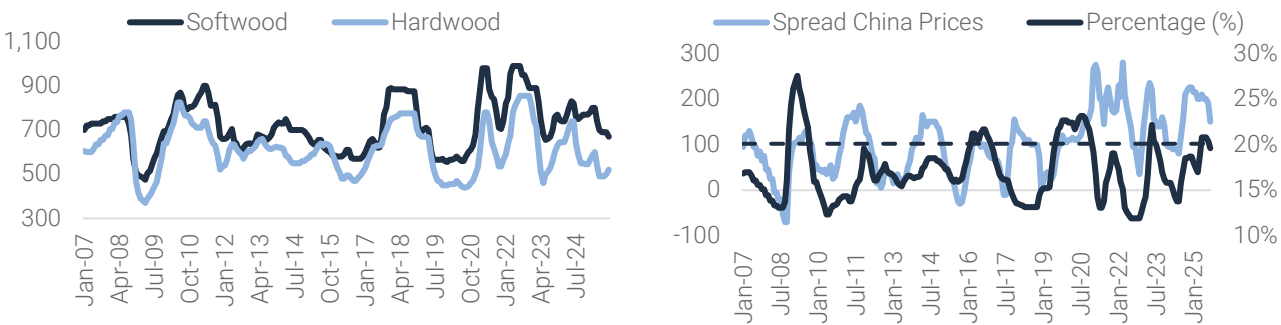


Figure 4-5: Europe Pulp Prices and Spread (US\$/t, %)

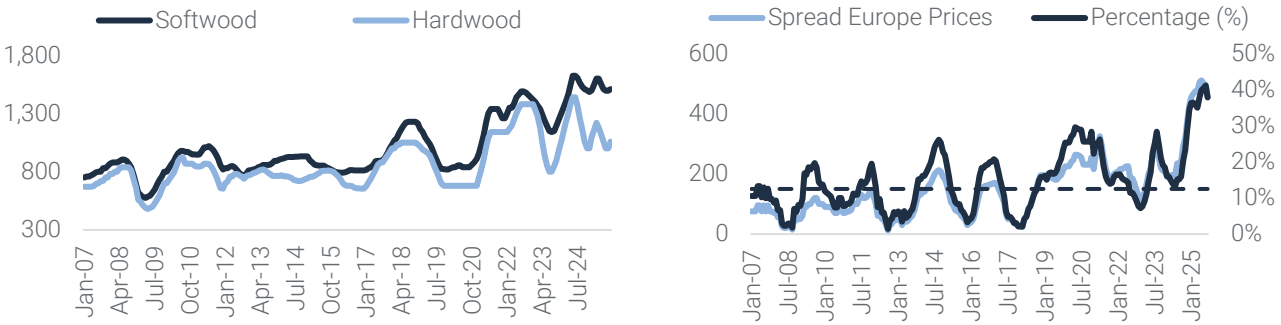


Figure 6-7: DWP Pulp Prices and Spread (US\$/t, %)

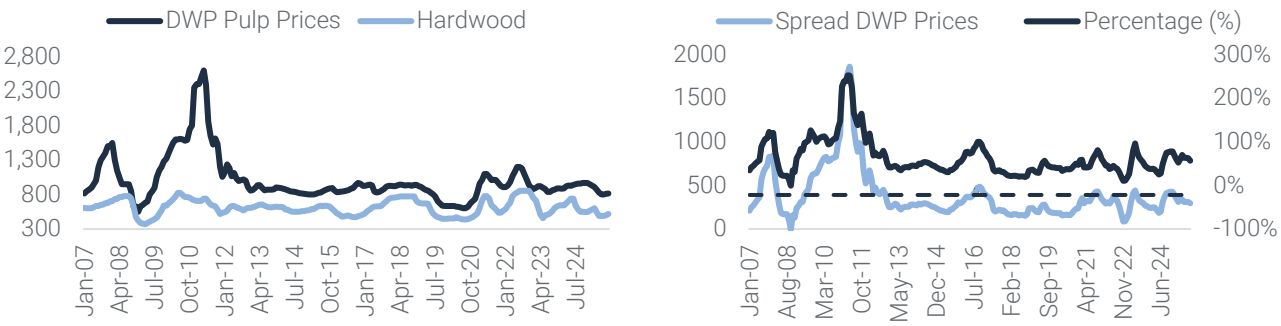


Figure 8: China Uncoated + Tissue Margins (RMB/t)

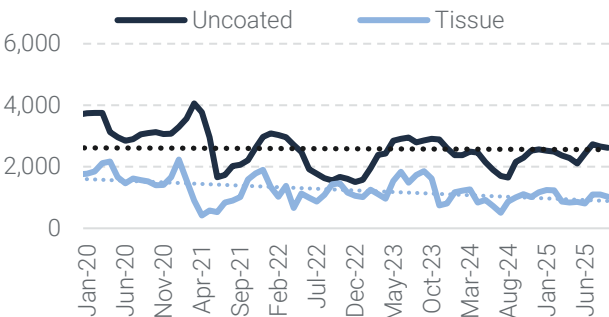
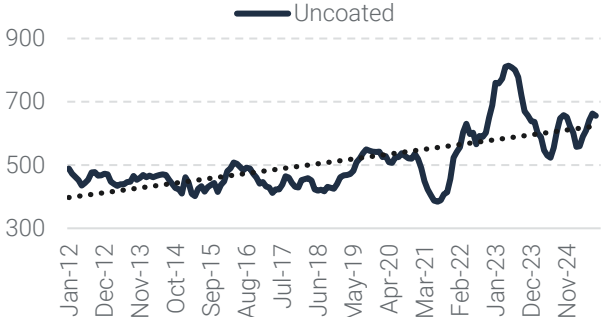


Figure 9: Europe Uncoated Margins (EUR/t)



Woodchip - Import Volumes in China

Annualized Woodchip Imports Down YoY

Figures 10-12: China's Woodchip Imports (kt)

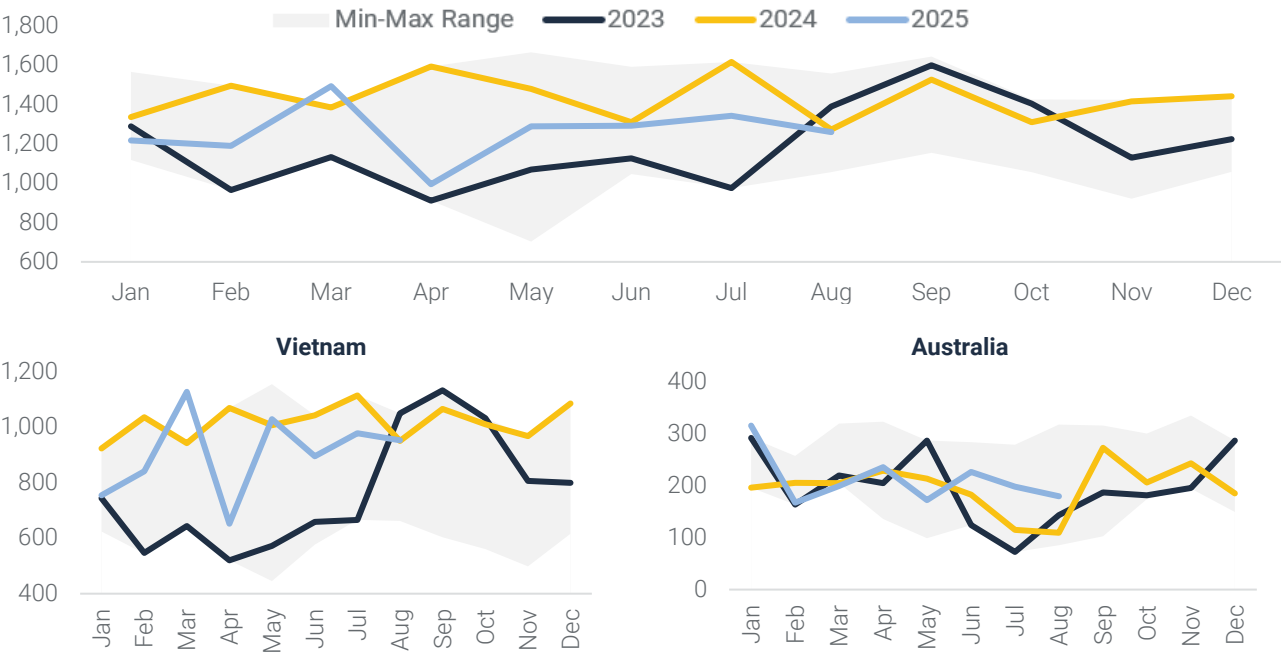


Figure 13-14: LTM Pulp and Woodchip Imports + BHKP China and Woodchip Imports as a % of Fiber Imports (%)

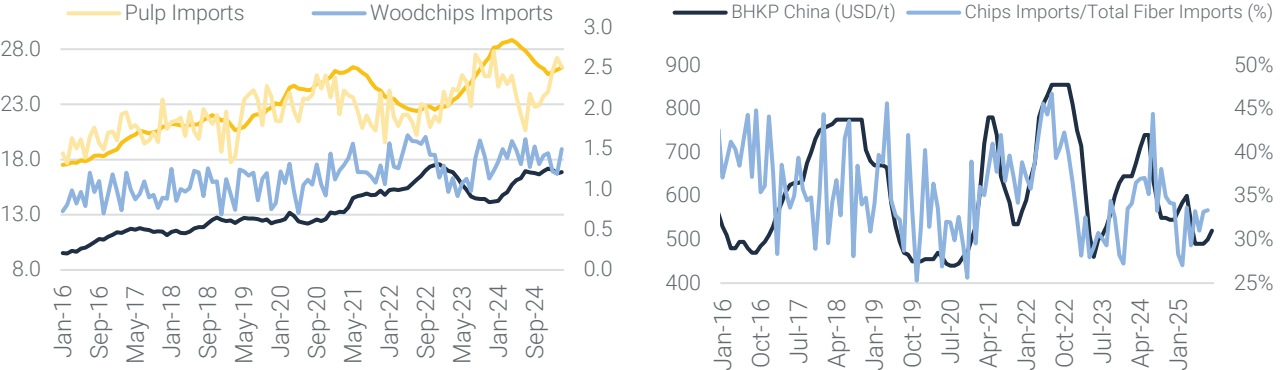
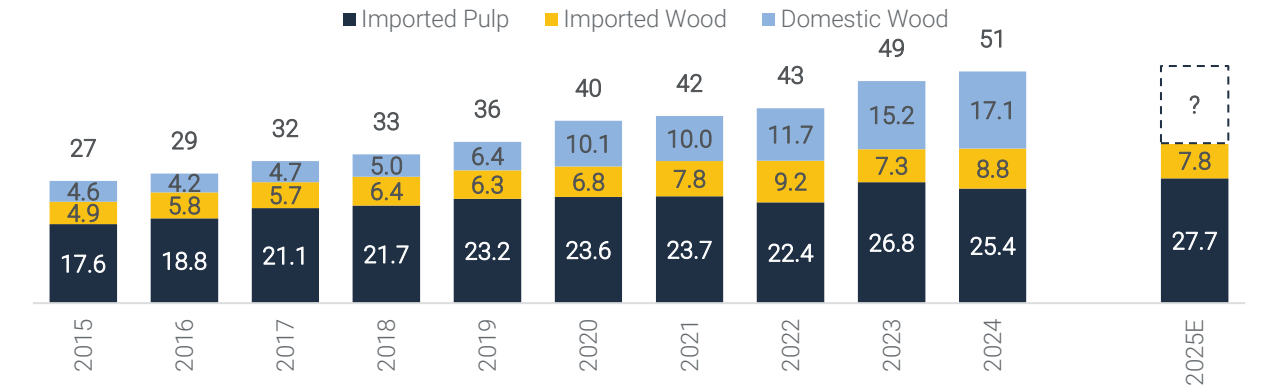


Figure 15: China Virgin Wood Pulp Consumption (Mt)



Breakeven & Marginal Costs

Integrated Breakeven Costs in China In-line vs. Pulp Prices

Figure 16: China BHKP vs. Integrated Breakeven (US\$/t)

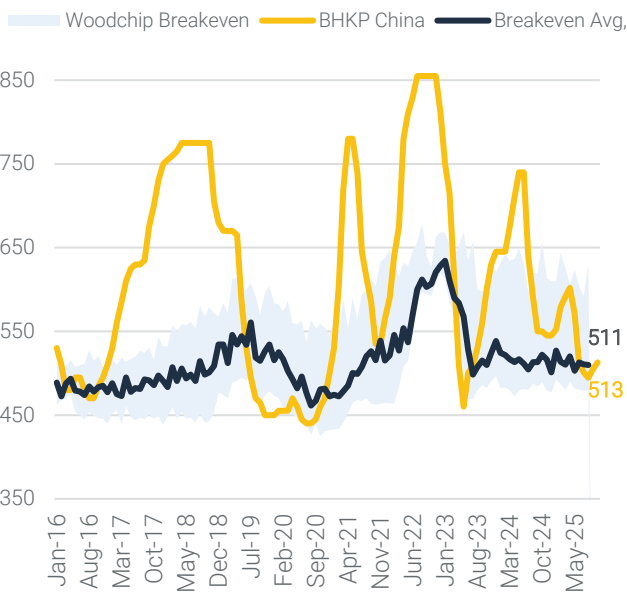


Figure 17: China's Woodchip Import Prices (kt)

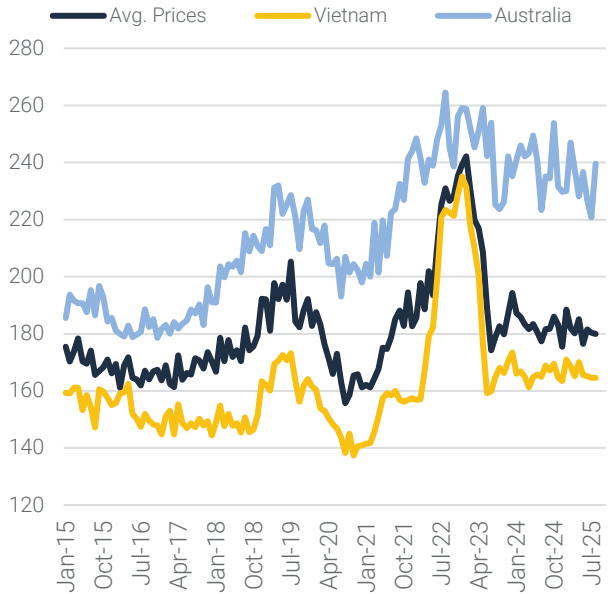


Figure 18: China BHKP Prices vs. Market Pulp Marginal Costs (US\$/t)

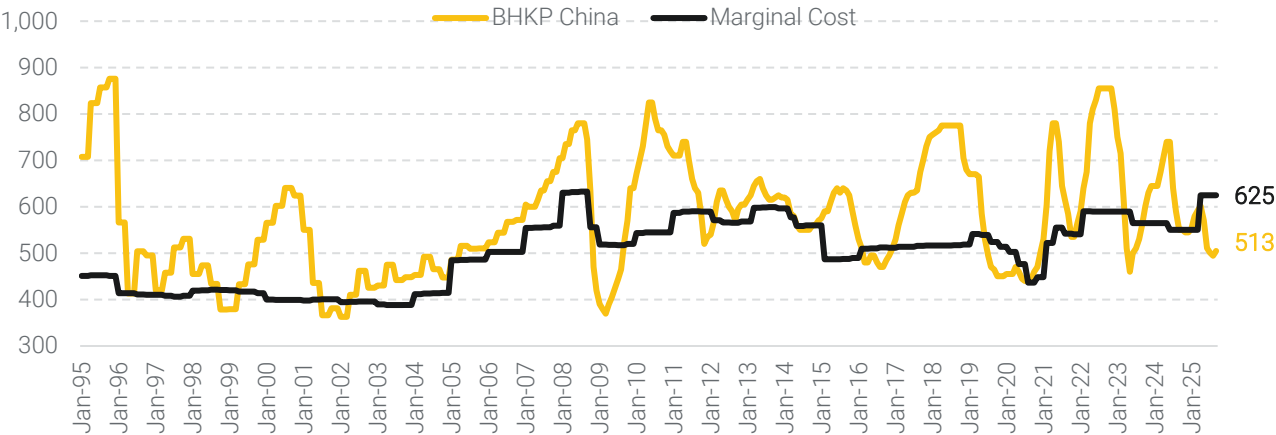
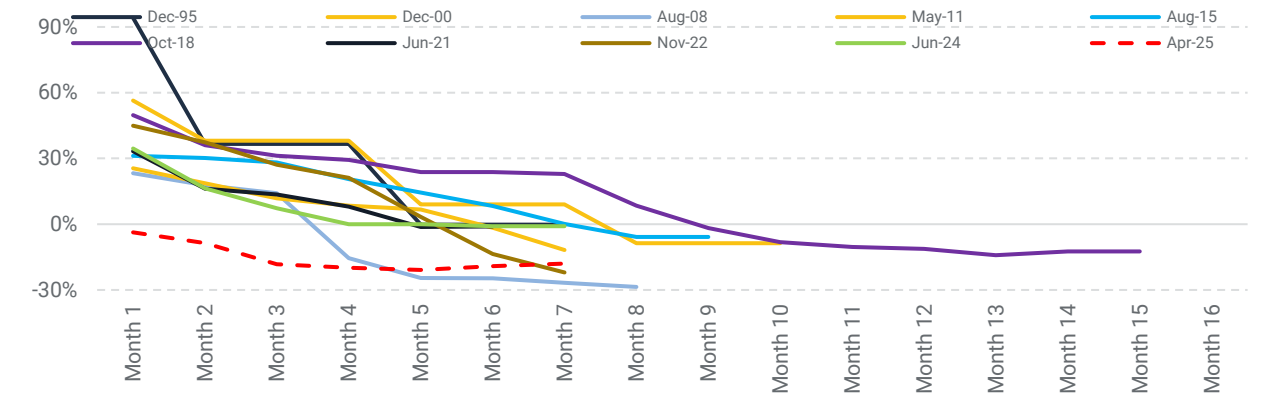


Figure 19: BHKP China Downturn vs. Marginal Cost (%)



Pulp & Paper - Supply-Side (LatAm Exports)

LatAm Pulp Exports Up YoY in Sep'25

Figure 20: Pulp & Paper Heat Map – LatAm Exports (Reference Jan'22 = 100)

LatAm Exports	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
Brazil Pulp Exports (kt)	97	108	98	103	126	92	125	86	125	117	116	102	111
Chile Pulp Exports (kt)	88	123	103	112	123	92	121	116	90	86	100	86	87
Uruguay Pulp Exports (kt)	228	270	186	219	150	143	315	228	204	237	140	253	225
Brazil + Chile + Uruguay (kt)	110	125	107	115	128	101	142	108	128	122	116	111	117

Figure 21: Chile + Uruguay Pulp Exports (kt)

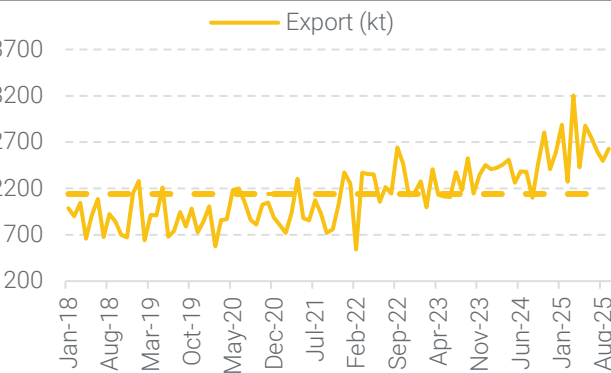


Figure 22: Brazil's Total Pulp Exports (kt)

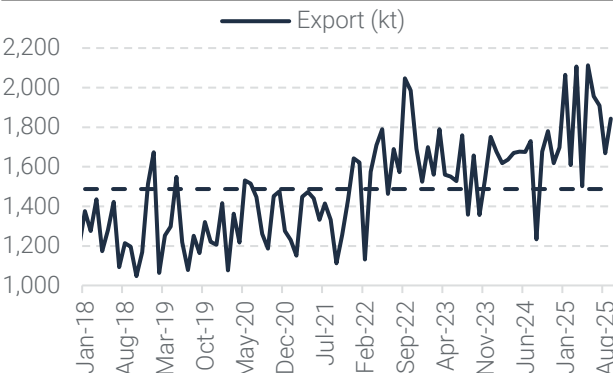


Figure 23: Brazil + Chile + Uruguay Pulp Exports (kt)

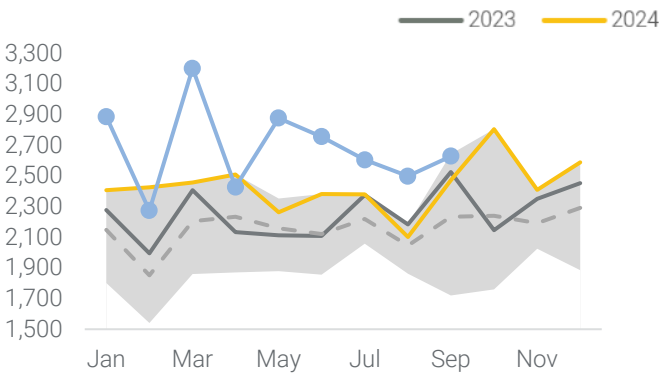


Figure 24: Brazil's Total Pulp Exports (kt)

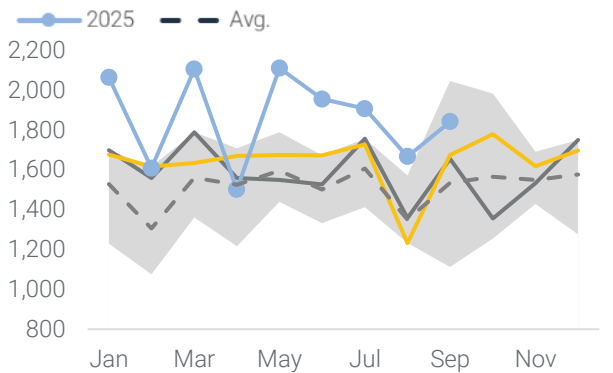


Figure 25: Chile Pulp Exports (kt)

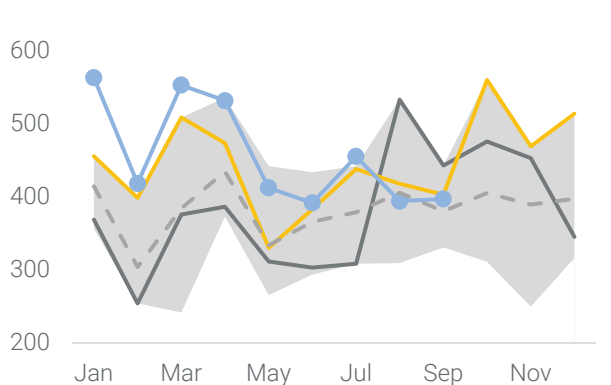
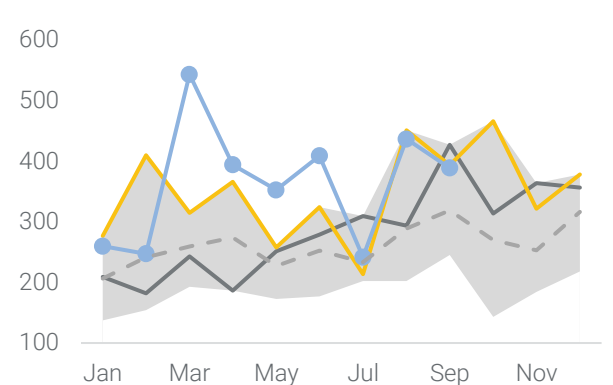


Figure 26: Uruguay Pulp Exports (kt)



Pulp & Paper - Demand-Side (Pulp Shipments)

Improved Shipments in Aug'25 Following A Better Seasonality

Figure 27: Pulp & Paper Heat Map – Shipments (Reference Jan'22 = 100)

Shipments	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25
By Region	102	109	107	108	124	109	106	121	98	100	122	105	109
China	118	137	136	144	163	138	128	150	112	112	129	128	134
Europe	84	90	86	84	98	86	85	113	85	85	110	85	84
USA	114	109	111	106	125	109	100	104	102	103	124	106	112
By Fiber	102	109	107	108	124	109	106	121	98	100	122	105	109
BSKP	99	102	105	102	109	108	104	116	91	95	97	100	100
BHKP	103	114	108	112	134	109	108	124	104	104	138	109	114

Figure 28: World Monthly BCP Shipments (kt)

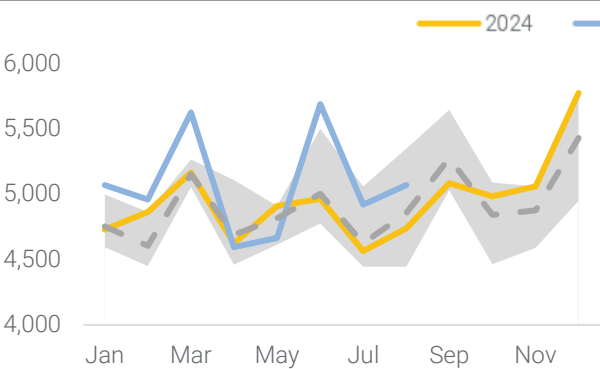


Figure 29: World Monthly BHKP Shipments (kt)

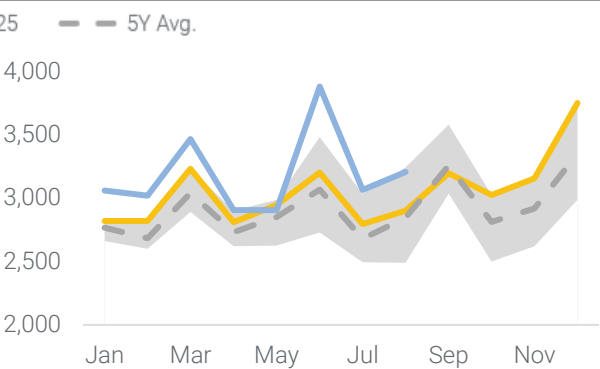


Figure 30: World Monthly BSKP Shipments (kt)

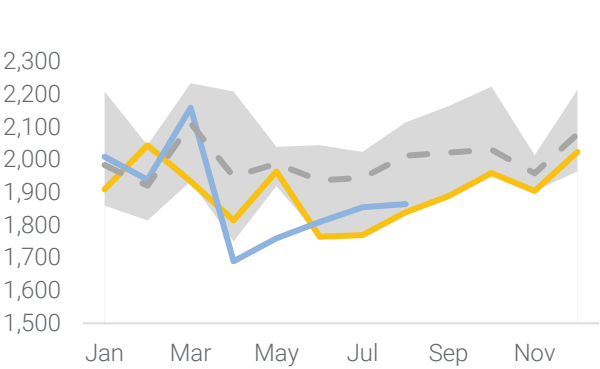


Figure 31: Chinese Monthly BCP Shipments (kt)

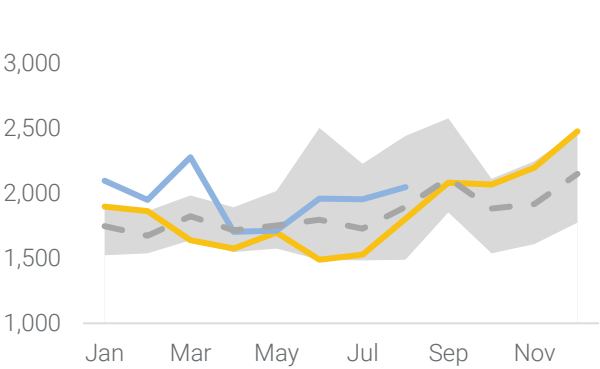


Figure 32: Europe Monthly BCP Shipments (kt)

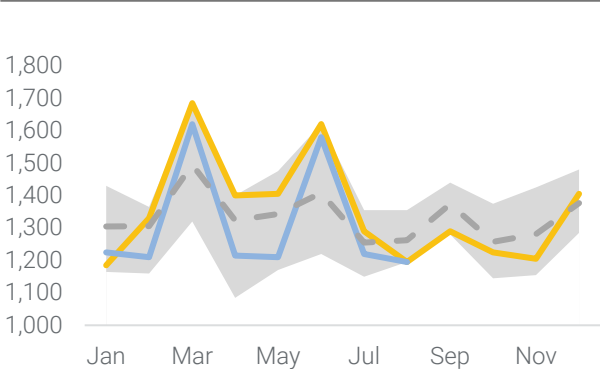
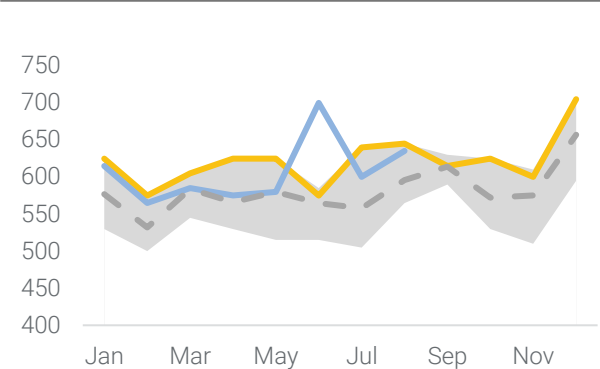


Figure 33: USA Monthly BCP Shipments (kt)



Pulp & Paper - Demand-Side (Inventories)

Pulp Inventories at Chinese Ports Slightly Down MoM in Sep'25

Figure 34: Pulp & Paper Heat Map – Inventories (Reference Jan'22 = 100)

Inventories (kt)	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
Ports + Producers	110	108	103	107	112	109	111	116	114	115	119	
Ports (China + Europe)	116	112	114	113	134	130	124	135	136	133	135	
China	103	100	103	102	137	123	127	133	133	130	127	120
Europe	135	128	130	130	129	139	121	138	140	137	148	
Producers	108	106	99	104	102	100	105	108	104	108	112	

Figure 35: China and Europe Pulp Port Stocks (kt)

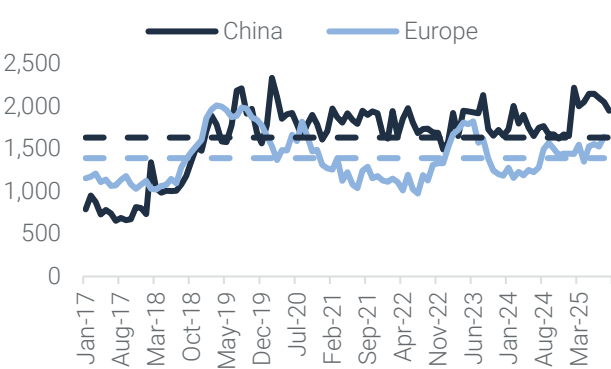


Figure 36: Global BCP Producer Stocks (kt)

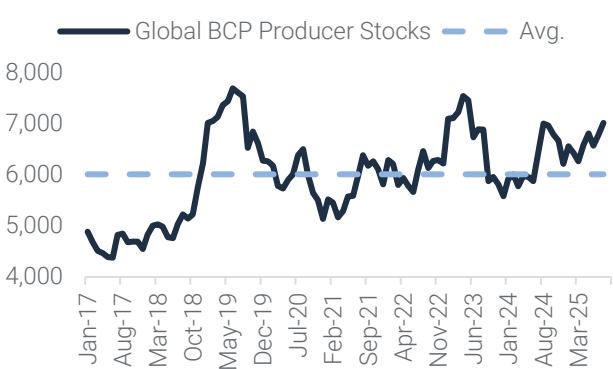


Figure 37: Pulp Ports + Producers Stocks (kt)

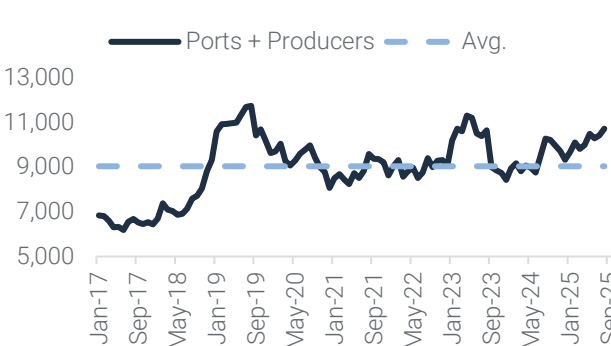


Figure 38: Pulp Port Stocks (kt)

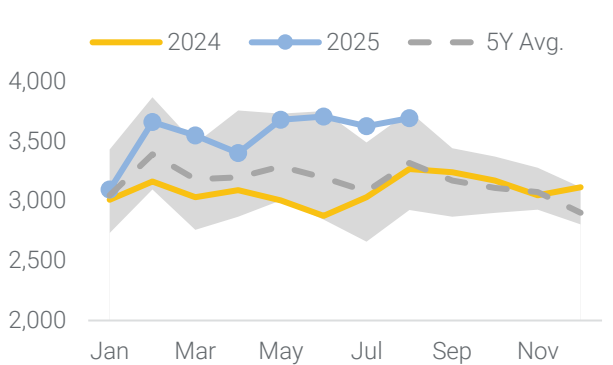


Figure 39: BCP Producer Stocks (kt)

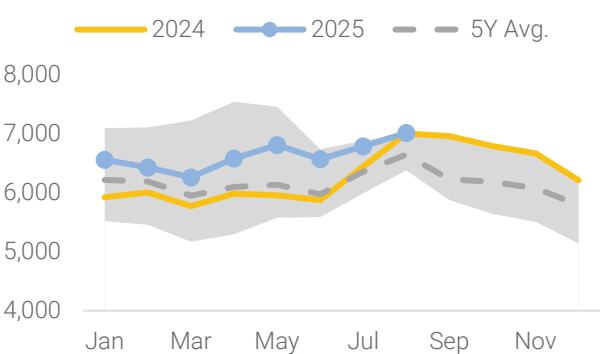
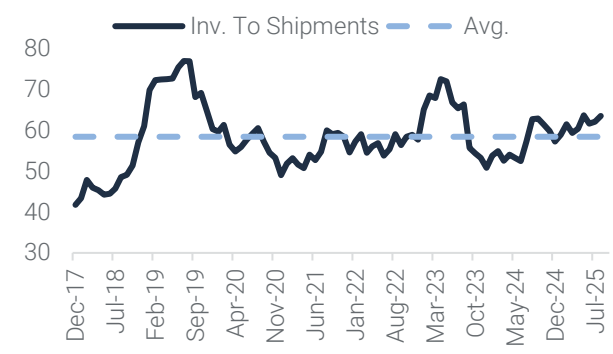


Figure 40: Global Pulp Inventory / Shipments (days)



Paper Industry in Brazil

Cardboard and P&W

Figure 41: Pulp & Paper Heat Map – Brazil Paper Data (kt)

Paper	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
Cardboard (lbá) - kt												
Apparent Demand	69	71	74	61	62	55	52	64	62	66	62	68
Production	71	68	68	60	66	46	56	66	59	67	62	65
Imports	12	12	15	10	7	16	9	11	13	13	10	14
Import Penetration (%)	17.4%	16.9%	20.3%	16.4%	11.3%	29.1%	17.3%	17.2%	21.0%	19.7%	16.1%	20.6%
Exports	14	9	9	9	11	7	13	13	10	14	10	11
Printing & Writing (lbá) – kt												
Apparent Demand	135	123	125	106	139	116	107	136	118	99	121	112
Production	184	182	184	174	191	179	162	194	176	165	178	187
Imports	16	12	15	9	15	14	10	11	16	12	12	11
Import Penetration (%)	11.9%	9.8%	12.0%	8.5%	10.8%	12.1%	9.3%	8.1%	13.6%	12.1%	9.9%	9.8%
Exports	65	71	74	77	67	77	65	69	74	78	69	86

Figure 42-43: Cardboard Apparent Demand and Import Penetration (kt, %)

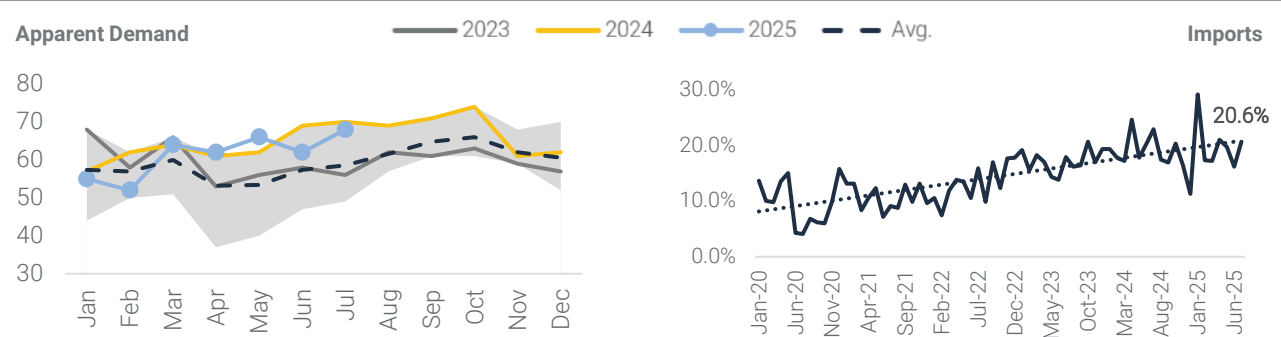
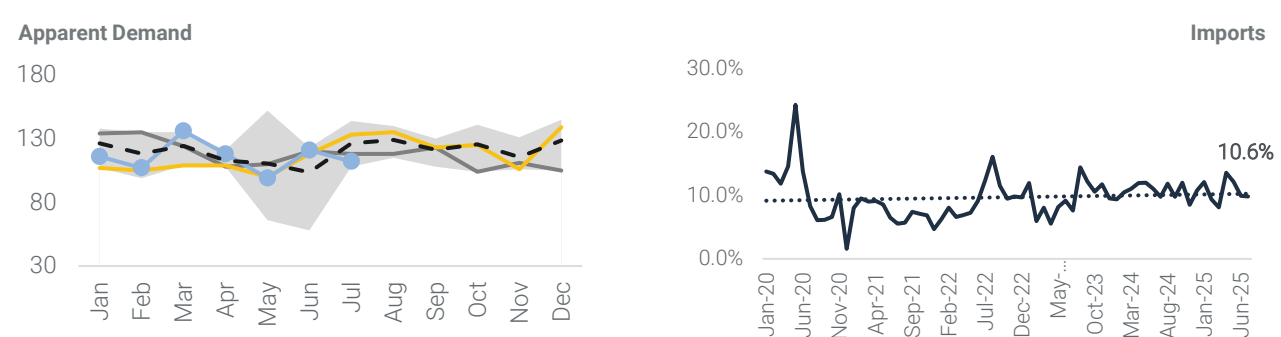


Figure 44-45: Printing & Writing Apparent Demand and Import Volumes (kt)



Paper for Packaging

Figure 46: Pulp & Paper Heat Map – Brazil Paper for Packaging Data (kt)

Paper	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
Brazil												
Kraftliner												
Export Volumes (kt)	34	40	39	36	31	40	40	50	42	47	53	44
Export Prices (R\$/t)	3,652	3,694	3,710	3,630	3,591	3,659	3,571	3,423	3,368	3,281	3,211	3,284
Packaging (lbá) - kt												
Apparent Demand	425	458	449	485	431	466	454	435	446	439		
Production	490	532	521	559	501	546	528	526	528	529		
Imports	4	4	4	7	3	3	3	3	5	6		
Exports	69	78	76	81	73	83	77	94	87	96		

Figure 47: Paper for Packaging App. Demand (kt)

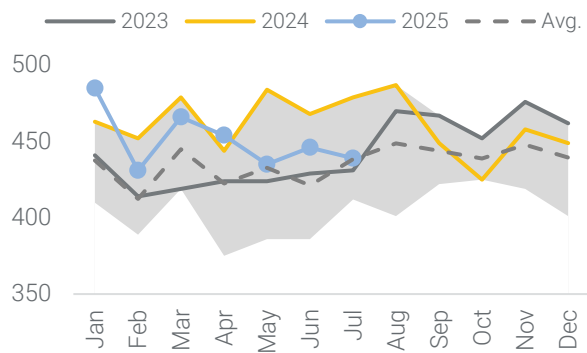
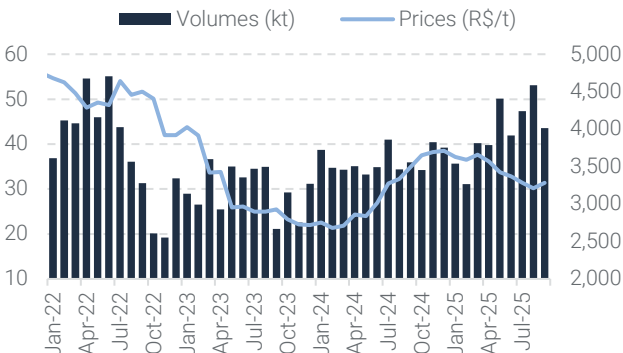


Figure 48: Kraftliner Exports and Prices (kt, BRL/t)



Packaging Industry in Brazil

Corrugated Boxes and OCC

Figure 49: Pulp & Paper Heat Map – Brazil Packaging Data (kt)

Packaging	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
Corrugated Boxes (Empapel) - kt												
Shipments (kt)	391	365	313	335	323	347	340	361	339	379	371	
Prices (R\$/t)	7,404	7,508	7,451	7,524	7,715	7,682	7,771	7,841	7,917	7,972	8,024	8,024
OCC (Anguti)												
Prices - Type II (R\$/t)	1,022	1,019	1,020	1,027	1,096	1,147	1,237	1,279	1,292	1,259	1,210	1,129

Figure 50: Brazil Corrugated Boxes Shipments (kt)

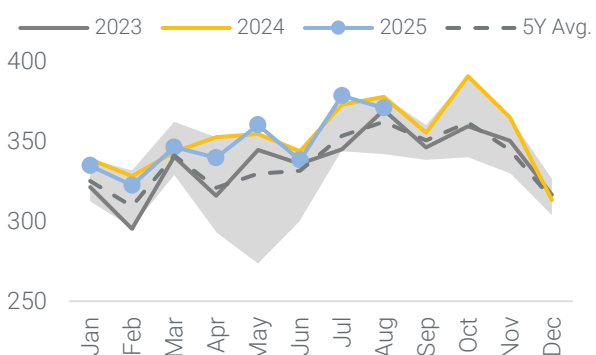


Figure 51: C.B. and OCC Prices (R\$/t)

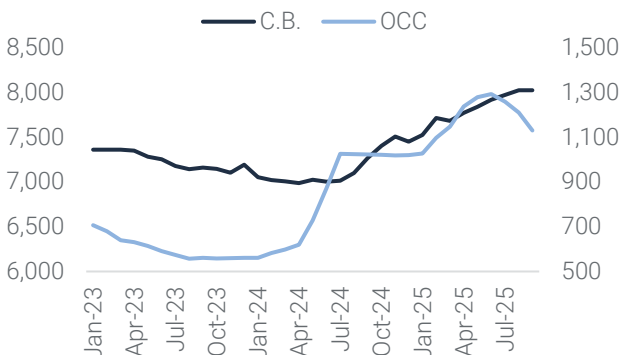


Figure 52: Corrugated Boxes Market Share (%)

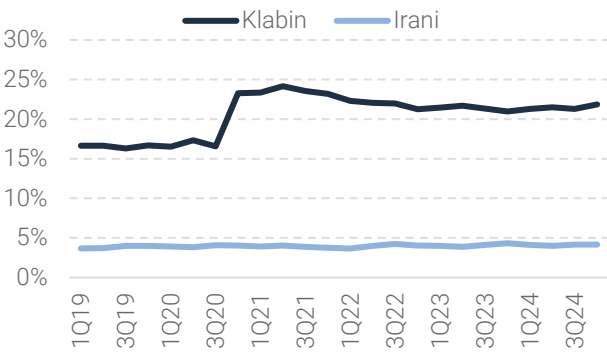
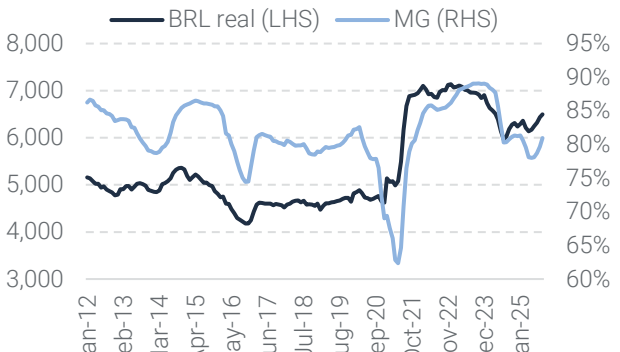


Figure 53: C.B. Prices & Margins (BRL/t, %)



Comps Table

Figure 54: Pulp & Paper Comps Sheet

Companies	Current	Rating	Market Cap	ADTV	P/E		EV/EBITDA	
	Price		(\$ mi)	(\$ mi)	2025	2026	2025	2026
Pulp & Paper					14.7x	11.4x	5.5x	5.3x
Suzano	47.83	Buy	11,317	49.9	4.7x	4.1x	5.0x	4.7x
Klabin	17.51	Buy	4,073	18.9	16.9x	12.7x	6.6x	6.1x
Irani	8.86	Buy	382	1.0	12.5x	10.1x	5.5x	4.9x
Dexco	5.27	N.C.	809	2.5	22.2x	26.6x	n.a.	5.8x
Latam					13.9x	10.3x	6.9x	6.2x
Copec	6,689.00	N.C.	9,145	6.4	11.2x	10.4x	6.5x	6.2x
CMPC	1,335.00	N.C.	3,510	3.7	16.7x	10.2x	7.4x	6.3x
North America					26.3x	17.0x	10.4x	7.9x
International Paper	46.66	N.C.	24,636	180.4	31.8x	16.0x	9.8x	7.9x
Westrock	n.a.	N.C.	13,297	244.7	n.a.	n.a.	n.a.	n.a.
Packaging of America	213.28	N.C.	19,191	130.5	20.8x	17.9x	11.0x	9.5x
Graphic Packaging	18.79	N.C.	5,567	70.9	9.1x	8.9x	7.7x	7.2x
Mercer	2.85	N.C.	191	1.5	n.a.	n.a.	26.6x	6.8x
Rayonier	26.66	N.C.	4,110	27.6	66.6x	46.4x	n.a.	18.2x
Europe					16.2x	11.1x	10.1x	6.5x
Smurfit Kappa	n.a.	N.C.	22,608	107.3	n.a.	n.a.	n.a.	n.a.
Stora Enso	8.88	N.C.	8,300	18.5	22.3x	13.9x	9.7x	n.a.
UPM-Kymmene	22.10	N.C.	13,593	31.8	16.1x	10.6x	10.2x	n.a.
Mondi	848.00	N.C.	5,017	24.0	13.3x	10.3x	6.9x	6.3x
Canfor	12.66	N.C.	1,059	2.1	n.a.	n.a.	15.0x	7.3x
Ence	2.74	N.C.	785	1.3	n.a.	16.1x	9.9x	6.5x
Altri	4.94	N.C.	1,180	2.8	16.3x	11.1x	10.2x	n.a.
Asia					14.5x	12.2x	10.6x	10.8x
Nine Dragons	5.37	N.C.	3,238	9.8	15.5x	9.8x	n.a.	n.a.
Oji	787.60	N.C.	5,233	26.4	13.5x	14.5x	10.6x	10.8x



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