# TOM WRIGHT
## RESEARCH DIRECTOR
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# BIOGRAPHY

Tom Wright joined Hawkins Wright Ltd in September 1998. Since his first field trip to the Philippines in 1998, Tom has travelled regularly to Asia and is the principal author of the Asian multi-client studies. The "Defining the China market for pulp, paper and board" report enjoys industry wide recognition and is now in its eighth year of publication. He also works on all of the regular Hawkins Wright publications and many of the private client studies. Tom frequently addresses private meetings and industry conferences around the world.

Tom holds a BA Hons degree from Newcastle University in Economics & Spanish and worked in the Financial services for two years in central London before joining Hawkins Wright.

# ABSTRACT

COST ANALYSIS: IMPACT FROM THE MARKET PULP CYCLE

The past four years has been a particularly volatile period for commodity markets, including market pulp. Pulp prices fell from $900/t in June 2008, to $575/t in March 2009, and subsequently recovered to $1020/t in June 2011. Prices are currently undergoing a correction. Such volatility creates major challenges for pulp and paper companies, and can change the competitive advantage between integrated and non-integrated producers quite dramatically over a relatively short period of time.

Ignoring the wild gyrations caused by the pulp cycle, prices have trended higher over the past eight years, having previously deflated steadily from 1985-2002.

Whilst much of this volatility can be attributed to macro-economic factors which affect all commodities, the pulp market is also undergoing certain structural changes. As a result the traditional indicators which analysts use to determine the direction of the market are changing.

Tom's presentation will attempt to separate the "micro" and "macro" drivers of pulp prices, and highlight the most important structural changes which are exerting most influence. It will also provide a glimpse of the medium term supply-demand outlook, whilst also highlighting the inherent risks attached to forecasting commodity markets.