October 2025 PRN Market Update

Supply-Side Overview

After a volatile September marked by sharp price swings, particularly in Plastic and Glass, the latest monthly data has brought a welcome sign of stability. Supply volumes for both materials have improved, easing pressure in areas that had driven much of the recent market turbulence.

That said, the market remains finely poised. Any late increase in demand, especially within Plastic, could quickly test the system's resilience and place renewed strain on limited carry-over volumes from 2024. As we move into Q4, Plastic remains the key material to watch, with full-year compliance still dependent on consistent supply performance through the final months of the year.

Key Trends & Risks: YTD vs 2024

GLASS

2025 YTD Oct: 1,182,134 tonnes

Change: -10%

Details: Glass has shown signs of recovery, with aggregate recycling improving over the past three months and remelt performing well against demand. However, aggregate volumes remain around 20% lower than last year, meaning remelt will continue to carry the compliance load. While overall demand is down 5% year-on-year and Q3 data points to supply improvements, in-year compliance remains short, relying on 2024 carry-in. The outlook is moderately risky, remelt is healthy, but aggregate weakness could still cause price firming.

PAPER

2025 YTD Oct: 2,836,381 tonnes

Change: -3%

Details: Paper supply has improved over the last month, keeping the market comfortably ahead of demand. Strong carry-in from 2024 has helped maintain healthy PRN availability, and the market remains oversupplied.
It would take a significant rise in UK obligation to introduce any real volatility, making paper one of the more stable materials as we approach year-end.

ALUMINIUM

2025 YTD Oct: 110,123 tonnes

Change: -6%

Details: Aluminium recycling has strengthened in recent months, supported by carry-in PRNs that have kept the market well balanced. Demand is around 5% below 2024 levels, and oversupply from last year provides a comfortable buffer. Even if UK demand grows by up to 10% before year-end, significant price volatility is unlikely. Overall, the aluminium market remains stable with very low risk.

STEEL

2025 YTD Oct: 266,474 tonnes

Change: -1%

Details: Steel continues to perform steadily, with supply and demand remaining closely aligned throughout the year. Even with potential increases in producer demand, no meaningful price pressure is expected. The market remains comfortably supplied heading into Q4, and volatility risk is minimal.

PLASTIC

2025 YTD Oct: 883,829 tonnes

Change: 1%

Details: Plastic recycling has picked up as higher PRN prices incentivised supply, and Q3 forecasts suggest the market could reach balance for the first quarter time this year. However, demand is up 9% year-on-year, and in-year compliance is still failing. Ongoing facility closures in the UK and Europe, alongside pressure on export routes, continue to challenge the market. While the recent improvement has eased non-compliance risk, plastic remains volatile and sensitive to any late-year demand increases.

WOOD

2025 YTD Oct: 360,379 tonnes

Change: -12%%

Details: Wood remains the strongest performer, with recycling volumes comfortably meeting demand. Q3 output is forecast to be slightly lower than previous quarters and market remains well supplied despite a small slowdown, and risk remains low heading into year-end.

Strategic Takeaways for Producers:

Closely Monitor Q3 Supply Data: The upcoming 22nd October release will confirm whether recent volume improvements in glass and plastic, are sustainable and sufficient to rebalance the market.

Rebalance Risk Exposure Across Material Types: Reduce exposure to volatile materials like plastic and glass aggregate, and consider securing compliance through stable categories like steel, wood, and aluminium.

Secure Plastic PRNs While Balance Is Achieved: If Q3 data confirms demand-supply parity, this may represent a short-term buying opportunity before potential Q4 pressure re-emerges.

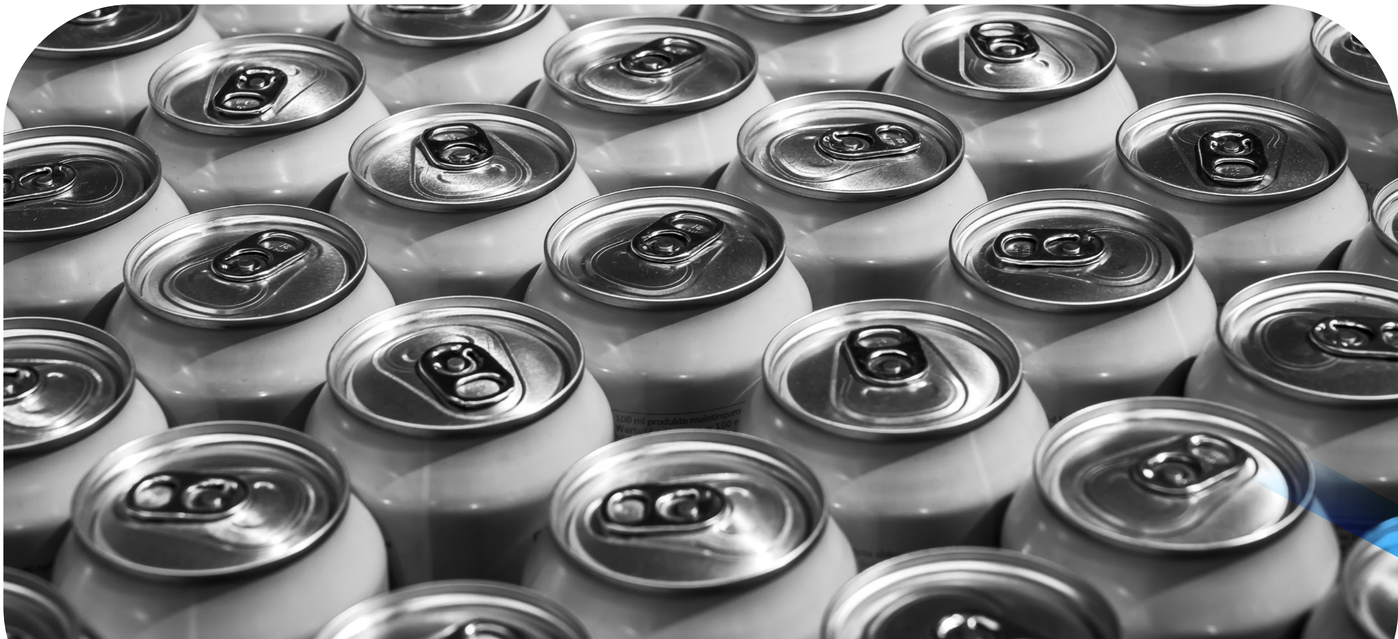
Plan Now for 2026: Materials like paper and wood, while oversupplied now, are showing signs of softening. Strategic carry-in planning should begin.

Remain Flexible in Forecasting Obligations: Late producer registrations could alter total obligation forecasts — particularly relevant for glass and plastic.

Final Thoughts – Market Outlook:

October's data provides cautious optimism. Supply in critical materials is improving, and the likelihood of 2025 compliance is strengthening, but only with the support of carry-in and continued strong Q4 performance. The Q3 data release will be pivotal. Price volatility remains a real risk in plastic and glass, but recent trends show that the market is moving in the right direction.

Procurement teams should stay alert, act decisively on favourable pricing, and prepare now for possible Q4 constraints and the start of the 2026 compliance cycle.



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