

## China Price Monitor LDPE+LLDPE Pricing

June 23, 2009

(Pricing for June 19, 2009)

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Comparison of Domestic vs Import Prices as CNY/tonne										
	Transaction Prices for Domestic Resin including VAT					Transaction Prices for Imported Resin CFR or CIF CMP including VAT & import duty				
	This Week		Next Week		Change	This Week		Next Week		Change
	Low	High	Low	High		Low	High	Low	High	
LDPE Coating	10640	10800	10600	10800	-40	-	-	-	-	-
LDPE Film	9730	10800	9700	10700	-30	9664	10600	9749	10600	+85
LLDPE General Film	10050	10300	10000	10200	-50	9920	10090	9920	10090	+0
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

### This week's executive summary

- The Chinese PE market reported a mixed trend this week with scant transactions.
- Traders offloaded cargoes actively in a bid to lower inventories due to falling crude values in the first half of this week.
- The market in east China was relatively firm compared with other regions, largely due to tight supply and EXW price uplifting of petrochemical producers.
- Arrivals of large-volume imported LDPE and LLDPE were reported to be seen as of this week. However, due to expected rising costs of future arrivals, importers were reluctant to sell at levels lower than current market prices.
- Participants were precarious about the outlook.
- Due to low inventories of petrochemical producers and poor downstream demand, high feedstock prices were the major support to the market.
- Dampened by list prices at PetroChina North China and Northeast China, most traders opted for a cautious operation and low inventories.

### Production News & Shutdowns

- Yanshan shut down its 200 kt/yr No. 1 Line of new LDPE unit during 28-29 May due to unexpected accidents.
- Daqing PC shut down its 80 kt one line of HDPE unit from 31 May to 5 June for maintenance. Daqing shut down its 6.5 kt/yr LDPE unit and one line of 80 kt/yr HDPE unit on 9 June due to unexpected accidents, the two units were restarted on 15 June.
- Maoming shut down its 120 kt/yr old LDPE unit during 1-6 June due to shortage of ethylene. Maoming shut down its 250 kt/yr LDPE unit during 7-9 due to unexpected accidents. Maoming shut down its 350 kt/yr HDPE unit during 15-16 due to unexpected accidents.
- Guangzhou PC shut down its 200 kt/yr LLDPE unit on 31 May, and restarted on 3 June for maintenance.
- Shanghai Secco PC shut down its PE units with a total capacity of 600 kt/yr on 25 May for one-month maintenance.
- Lanzhou PC shut down its 200 kt/yr LDPE unit on 29 May and shut down its 300 kt/yr new LLDPE unit on 23 May, and plans to restart them in early July.
- Yangzi PC shut down its 100 kt/yr Line C of HDPE unit on 16 June due to unexpected accidents.

