

China Price Monitor HDPE Pricing

June 30, 2009

(Pricing for June 26 2009)

Source: CBI (Shanghai) Co., Ltd.

Tel. +(86 21) 51550731

E-mail: chemicalresearch@cbichina.com

Comparison of Domestic vs Import Prices as CNY/tonne										
	Transaction Prices for Domestic Resin including VAT <i>(from pg 4)</i>					Transaction Prices for Imported Resin CFR or CIF CMP including VAT & import duty <i>(from pg 7, converted to CNY)</i>				
	This Week		Next Week Forecast		Change	This Week		Next Week Forecast		Change
	Low	High	Low	High		Low	High	Low	High	
HDPE BM	10300	11180	10400	11100	+100	9809	10788	9809	10788	0
HDPE Film	10300	11120	10350	11200	+50	10533	10958	10533	10788	0
HDPE Injection	9200	10584	9250	10500	+50	9852	10107	9597	10107	-255
HDPE Yarn	10570	11170	10600	11200	+30	10703	10788	10703	10788	0
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- China's PE prices moved up after an initial fall this week but were still lower than that of last week.
- Tight supply in North China was relieved due to Yanshan Petrochemical's switch to produce HDPE blow moulding grade, and this pushed prices there down by CNY1,000/tonne at the high end.
- Early this week, some traders were pessimistic over the outlook due to increasing supply from arrivals of large-volume imports. But the market reversed on Wednesday boosted by the news that Fujian Refinery was likely to delay restart of its production. Friday, some traders who operated imports either lifted offers or suspended offering on rebound of crude values.
- Participants remained uncertain over the outlook. They worried market supply would increase in July when the units down for maintenance would be resumed, but the market was expected to see limited downtrend in the short term owing to high import prices.

Production News & Shutdowns

- Yanshan shut down its 60 kt/yr No. 1 Line of LDPE unit during 22-25 June for maintenance.
- Daqing shut down its 6.5 kt/yr LDPE unit and 80 kt/yr one line of HDPE unit on 9 June due to unexpected accidents, the two units were restarted on 15 June. Daqing PC shut down its 80 kt line A of HDPE unit on 24 June for maintenance.
- Maoming PC 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 23 June due to unexpected accidents.
- 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 planned to restart them early July.
- Yangzi PC shut down its 100 kt/yr Line C of HDPE unit during 16-20 June due to unexpected accidents.