

**China Price Monitor HDPE Pricing**  
**September 22, 2009**  
**(Pricing for September 18, 2009)**

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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	9780	10700	*	*	*	9341	9512	*	*	*
HDPE Film	9670	10500	*	*	*	9852	10363	*	*	*
HDPE Injection	9200	10700	*	*	*	9512	9597	*	*	*
HDPE Yarn	9940	10400	*	*	*			*	*	*

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 continual downtrend this week due to increasing supply.
- Dushanzi PC, holding normal inventories, started a new cracker on Thursday. However, the producer's inventories were likely to increase sharply in the near future owing to current slow sales and upcoming National Day Holiday (1-8 October).
- In East China, HDPE prices fell as producers cut ex-works prices. Transactions of LDPE and LLDPE were limited. End users remained on the sidelines and purchased on a hand-to-mouth basis due to the falling prices.
- Most traders, with a lack of confidence, worried that producers would oblige them to mandatory buying before the National Day Holiday on the month-end inventory pressure. This, along with their expectation of high market inventories, compelled the traders to sell actively and purchase cautiously.
- Some overseas suppliers slashed their offers of September-October cargoes in a bid to break stagnant negotiations over past weeks. Their offers of HDPE fell below \$1,200/tonne CFR CMP.

## Production News & Shutdowns

- Yanshan PC shut down its 60 kt/yr No.3 line of LDPE unit on 13 July for three months as the line was being transformed into EVA line.
- Daqing PC shut down its 80 kt/yr line C of HDPE unit during 1-14 September due to a shortage of ethylene. Daqing PC shut its 80 kt/yr line B of HDPE unit on 14 September due to a shortage of ethylene.
- Dushanzi PC shut down its 100 kt/yr HDPE unit during 11-31 August for maintenance.
- Maoming PC shut down its 120 kt/yr LDPE unit during 1-8 September for maintenance. Maoming PC shut down its 250 kt/yr LDPE unit during 14-17 September for maintenance.
- Guangzhou PC shut down its 100 kt/yr line one of LLDPE unit on 25 August for maintenance, and restarted it on 1 September.
- Note: Fujian United, a joint venture in south China, started up its 400 kt/yr new LLDPE unit at the end of August, and plans to start up its 400 kt/yr new HDPE unit mid-September. Shenyang Shila PC, a local producer in Northeast China, started up its 100 kt/yr LLDPE unit on 25 August.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Dec	Jan,09	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	11			1	12	2		18	31	30	14	
				HDPE	140	2			7						1		
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140	7				15	25						
				LLDPE	140	4				15	30			2			
				HDPE	140		4	3		15	28						
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*	*	*	*	*	*	*
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	*
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*	*	*	*	*	*	*
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	*
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
<b>Total</b>					<b>7050</b>	<b>163</b>	<b>132</b>	<b>90</b>	<b>138</b>	<b>117</b>	<b>194</b>	<b>156</b>	<b>74</b>	<b>108</b>	<b>54</b>	<b>14</b>	

*Note: Only top ten resin suppliers included, all suppliers shutdown list is available in the full China Price Monitor*

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