

**China Price Monitor HDPE Pricing**  
**December 2, 2008**  
**(Pricing for November 28 2008)**

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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	7240	9000	7340	9100	<b>+100</b>	6278	6533	6363	6618	<b>+85</b>
HDPE Film	7730	14700	7750	14500	<b>+20</b>	6958	7384	6958	7384	<b>0</b>
HDPE Injection	6500	7660	6600	7700	<b>+100</b>	6107	6533	6107	6533	<b>0</b>
HDPE Yarn	7320	8360	7350	8300	<b>+30</b>	6958	7129	6958	7129	<b>0</b>
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

### This week's executive summary

- PE prices were on a rising stream since the beginning of this week, but the increase slowed gradually.
- Domestic petrochemical producers reported increasing sales and an ease in inventory pressure. Sinopec and PetroChina cancelled list prices, which gave support to the market. Prices of LLDPE and PP futures were rising throughout the whole week.
- Domestic petrochemical producers wondered whether domestic prices would be maintained stable in December by further cut in their production.
- Sinopec was reported to mainly reduce LLDPE production next month, while PetroChina would emphasize on oil refining, which led to no heavy impact on ethylene and propylene markets.
- Import arrivals increased and many first-tier traders were reportedly pre-sold LDPE film and LLDPE at the level CNY 200-400/tonne lower than closing prices on last Friday.
- Second and third-tier traders saw increasing inventories, but downstream purchase remained limited due to low operating rates. As a result, traders expected the uptrend would cease next week.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380		5	4.5	5		2	7	4	3	28		
				HDPE	140					1		3	2		2		
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140					2				1	3		
				LLDPE	140							8	1				
				HDPE	140					2		4	9				
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	200			6			18						
				HDPE	260							10	10		4		
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	190						23	11	29	1	30		
				HDPE	250	4			8						3		
Sinopec	Maoming PC	Maoming	Guangdong	LDPE	120		3	4	5	4	6	4	1	3	1		
				New LDPE	250				4	20	8	1	1	5	8		
				LLDPE	200					5	1			2	4		
				HDPE	350					17		7	5	10	1		
Petrochina	Daqing PC	Daqing	Heilongjiang	LDPE	65	4		1					2		4	12	
				New LDPE	200									17			
				LLDPE	85			8		1	12						
				HDPE	240	13	15	19	22	17		7	5	7	4		
Petrochina	Jilin PC	Jilin	Jilin	LLDPE	275				16	14							
				HDPE	300				16	15							
Petrochina	Lanzhou PC	Lanzhou	Gangsu	LDPE	200	3						2	21	2			
				LLDPE	60							16	23				
				HDPE	170							16	23				
				New HDPE	300		5	2					21	2			
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai	LLDPE	300		6										
				HDPE	300												
CNOOC and Shell	CSPC	Huizhou	Guangdong	LDPE	250		6										
				HDPE	200		13										
	<b>Total</b>				<b>7065</b>	<b>32</b>	<b>61</b>	<b>45</b>	<b>98</b>	<b>140</b>	<b>100</b>	<b>121</b>	<b>194</b>	<b>83</b>	<b>134</b>	<b>31</b>	

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

## Production News & Shutdowns

- DaqingP C shut down its 80 kt/yr Line C of HDPE unit during 3-5 November and during 16-18 November for maintenance. Daqing shut down its 65 kt/yr old LDPE unit from 27 October to 3 November for maintenance, Daqing shut down the unit again during 5-14 November. Daqing shut down its 80 kt/yr Line B of HDPE during

17-18 November for maintenance, and shut down its 80 kt/yr Line A of HDPE during 19-22 November due to unexpected accidents.

- TUCC shut down its 120 kt/yr LLDPE unit from 28 September, it delay restart to March of 2009 due to weak demand.
- Maoming shut down its 200 kt/yr LLDPE unit during 30 October - 4 November for maintenance. Maoming PC shut down its 250 kt/yr new LDPE unit during 9-17 November for maintenance. Maoming shut down its 120 kt/yr old LDPE unit for maintenance during 22-27 November.
- Yanshan PC shut its 60 kt/yr Line 1 of old LDPE unit on 27 October for maintenance, and shut down its 60 kt/yr Line 3 of old LDPE unit on 26 November. Yanshan shut down its 200 kt/yr new LDPE unit during 3-11 November on weak demand. Yanshan shut down its 70 kt/yr Line 2 of HDPE unit during 28-30 November for maintenance, and shut down its 70 kt/yr Line 3 of HDPE unit during 24-25 November for maintenance.
- Shanghai PC shut down its 250 kt/yr HDPE unit during 4-7 November due to poor downstream demand. Shanghai PC shut down its 90 kt/yr No.1 Line of LDPE unit from 31 October to 30 November due to weak demand.
- Yangzi PC shut down its 260 kt/yr HDPE unit during 20-24 November due to the hitch of the equipment. Yangzi shut down its 200 kt/yr LLDPE unit during 22-29 November for maintenance.
- Qilu PC shut down its 140 kt/yr LDPE unit during 22-25 November for maintenance.

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