

## China Price Monitor HDPE Pricing

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(Pricing for January 16, 2008)

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Comparison of Domestic vs Import Prices as CNY/tonne										
	Transaction Prices for Domestic Resin including VAT (from pg 4)					Transaction Prices for Imported Resin CFR or CIF CMP including VAT & import duty (from pg 7, converted to CNY)				
	This Week		Next Week Forecast		Change	This Week		Next Week Forecast		Change
	Low	High	Low	High		Low	High	Low	High	
HDPE BM	7500	9000	7500	8900	0	7309	7565	7395	7821	+85
HDPE Film	7810	8500	7700	8400	-110	7821	8076	7906	8162	+85
HDPE Injection	8550	9100	8650	9100	+100	7906	8076	7991	8076	+85
HDPE Yarn	8120	8670	8200	8670	+80	7821	7991	7821	7991	0
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

### This week's executive summary

- China PE prices reported mixed fortunes this week. HDPE injection prices continued to rise on strong demand, and transactions were brisk.
- According to some sources, price rise was mainly due to the follows: first, supply suspension was seen in some regions as domestic petrochemical producers shut down production of some grades and transportation capacity was tight; second, import availability was limited as some cargoes had been sold in earlier time; third, downstream users booked cargoes for arrival in late January and February actively as they worried supplies would remain tight in the near future.
- Most downstream users have prepared enough feedstock for the Lunar New Year Holiday (25-31 January) and traders stood aside, resulting in sporadic transactions.
- According to sources, supply of most grades would be tight next week and demand would be weak. But prices of a few grades would inch down due to increasing supply.

### Production News & Shutdowns

- TUCC shut down its 120 kt/yr LLDPE unit from 28 September of 2008, it will delay restart to 1 March of 2009 due to weak demand.
- Maoming PC shut down its 250 kt/yr new LDPE unit during 1-5 January for maintenance. Maoming shut down its 200 kt/yr LLDPE during 6-7 January due to unexpected accidents. Maoming shut down its 120 kt/yr old LDPE unit during 7-10 for maintenance, and the unit was shut down again on 14 January.
- Shanghai PC shut down its 45 kt/yr line1 of No.1 LDPE unit from 31 October to 26 December due to weak demand, and shut down its 45 kt/yr line2 of No.2 LDPE unit from 31 October to 1 January 2009 due to weak demand. Shanghai PC shut down its 100 kt/yr No.2 LDPE unit during 7-12 January for maintenance.
- Qilu PC shut down its 140 kt/yr LDPE unit during 18-25 December for maintenance.
- Panjin Ethylene shut down its 130 kt/yr HDPE unit on 9 December for maintenance, the unit has not restarted so far.
- Lanzhou PC shut down its 200 kt/yr LDPE unit during 8-10 January for maintenance. Lanzhou shut down its 85

kt/yr line2 of HDPE unit on 10 January 2009 due to unexpected accidents.

- Qilu PC shut down its 140 kt/yr HDPE unit during 8-12 January 2009 due to shortage of ethylene.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	4.5	5		2	7	4	3	30	11			
				HDPE	140			1		3	2		2	2			
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140			2				1	3	7			
				LLDPE	140					8	1			4			
				HDPE	140			2		4	9				4		
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	200	6			18				5				
				HDPE	260					10	10		4				
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	190				23	11	29	1	30	30	5		
				HDPE	250		8						3				
Sinopec	Maoming PC	Maoming	Guangdong	LDPE	120	4	5	4	6	4	1	3	5		5		
				New LDPE	250		4	20	8	1	1	5	8	7	4		
				LLDPE	200			5	1			2	4		1		
				HDPE	350			17		7	5	10	1	9	4		
Petrochina	Daqing PC	Daqing	Heilongjiang	LDPE	65	1				2		4	12				
				New LDPE	200						17						
				LLDPE	85	8		1	12								
				HDPE	240	19	22	17		7	5	7	4	17			
Petrochina	Jilin PC	Jilin	Jilin	LLDPE	275		16	14									
				HDPE	300		16	15									
Petrochina	Lanzhou PC	Lanzhou	Gangsu	LDPE	200					2	21	2			2		
				LLDPE	60					16	23			5			
				HDPE	170					16	23			5			
				New HDPE	300	2					21	2					
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai	LLDPE	300												
				HDPE	300												
CNOOC and Shell	CSPC	Huizhou	Guangdong	LDPE	250												
				HDPE	200												
	<b>Total</b>				<b>7065</b>	<b>45</b>	<b>98</b>	<b>140</b>	<b>100</b>	<b>121</b>	<b>194</b>	<b>83</b>	<b>145</b>	<b>163</b>	<b>72</b>	<b>31</b>	

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