

China Price Monitor HDPE Pricing

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(Pricing for June 5 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	10500	11500	10500	11500	0	9937	10363	9937	10703	0
HDPE Film	10200	11490	10200	11500	0	9937	10448	10448	10448	+511
HDPE Injection	9300	10316	9300	10300	0	9086	9597	9512	9597	+426
HDPE Yarn	10530	10960	10500	11000	-30	10363	10703	10448	10703	+85
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 market followed different tracks by grades this week.
- Polyethylene (PE) prices in China rose this week after a downtrend ahead of the Dragon Boat holidays.
- Crude oil values approached \$70/bbl after continual increases this week. End users' buying interest became strong stimulated by increasing crude values.
- Domestic producers controlled sales in order to push prices up and they had no inventory pressure at the beginning of the month.
- Domestic petrochemical producers reportedly lifted ex-warehouse prices on Wednesday, so distributors purchased actively, which pushed market prices up.
- However, transactions slowed down on Thursday as end users were reluctant to the fast rise and cut purchasing volumes.
- On Friday, prices rose further due to sharp increases in crude oil prices and futures, but trades remained slow.
- Import prices kept firm due to maintenance of overseas units, said traders.

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.
- Panjin Ethylene shut down its two lines HDPE units with total capacity of 130 kt/yr on 9 December for maintenance, and restarted one line on 19 May 2009, and planned to restart another line on 28 May.
- Daqing PC shut down its one line 65 kt/yr old LDPE unit during 21-26 May due to shortage of ethylene, and shut down its other line 65 kt/yr old LDPE unit during 19-21 May for maintenance. Daqing shut down its 80 kt/yr Line C of HDPE unit during 19-21 May due to shortage of ethylene. Daqing PC shut down its 80 kt HDPE unit from 31 May to 5 June.
- Qilu PC planned to shut down its all PE units with capacity of 420 kt/yr on 15 April for maintenance, its HDPE and LDPE unit restarted on 25 May, and LLDPE unit restarted on 30 May.
- Maoming shut down its 120 kt/yr old LDPE unit on 1 June due to shortage of ethylene, the unit has not restarted yet.
- Guangzhou PC shut down its 200 kt/yr LLDPE unit on 31 May, and restarted it 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 60 kt/yr HDPE unit during 8-21 May for 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 early July.