

China Price Monitor HDPE Pricing

March 31, 2008

(Pricing for March 27 2008)

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	8380	9680	8500	9750	+120	8235	8661	8661	9086	+426
HDPE Film	8120	9500	8300	9600	+180	8490	9341	9086	9512	+596
HDPE Injection	9180	9840	9200	9900	+20	8490	9171	8916	9256	+426
HDPE Yarn	9268	10440	9300	10400	+32	8746	9512	9256	9682	+511
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Domestic PE prices continued to soar as crude oil prices exceeded \$50/tonne and many domestic producers were in maintenance.
- In middle week, a bearish sentiment was seen due to slightly-falling futures prices, but the market returned to the surging streak from the afternoon of Thursday.
- Prices of all HDPE grades surged, especially those of HDPE yarn.
- Traders and end users purchased actively on tight supply of both domestic cargoes and imports.
- As for HDPE injection grade, market prices rose fast. But some traders worried that low prices of recycled HDPE injection would hamper further price rise of virgin cargoes.

Production News & Shutdowns

- Maoming PC shut down its 120 kt/yr old LDPE unit during 9-10 March due to unexpected accidents. Maoming shut down its 200 kt/yr LLDPE unit during 3-11 March for maintenance, and Maoming shut down the unit again during 22-28 March.
- Yanshan PC shut down its 60 kt/yr No.2 line of old LDPE unit on 12 March for one-day due to the glitch of machinery. Yanshan plans to shut down its 70 kt/yr No.1 line of HDPE unit from 23 March to 1 April for maintenance.
- Yangzi PC shut down its 80 kt/yr No.1 line of HDPE unit during 18-22 March for maintenance.
- Panjin Ethylene shut down its 130 kt/yr HDPE unit on 9 December for maintenance, and planned to restart on 1 April 2009.
- Daqing PC shut down its 6.5 kt/yr old LDPE unit during 16-23 March for maintenance. Daqing PC shut down its 80 kt/yr Line B of HDPE unit during 4-11 March for maintenance, Daqing shut down the unit again during 16-25 March. Daqing shut down its 80 kt/yr Line C of HDPE unit during 16-23 March for maintenance. Daqing PC shut down its 80 kt/yr Line A of HDPE unit during 11-25 March due to shortage of feedstock ethylene.
- Jilin PC shut down its 300 kt/yr HDPE unit during 12-18 March for maintenance.

- Lanzhou PC shut down its 85 kt/yr No.2 line of HDPE unit on 10 March for regular maintenance.
- Shanghai Secco shut down its 300 kt/yr LDPE and 300 kt/yr HDPE units on 8 March due to unexpected accidents, and restarted LLDPE unit on 23 March, HDPE unit on 26 March.

PE China Shutdown Schedule - expected number of shut down days																		
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan,09	Feb	Mar	Apr	Comments	
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380		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	0.5			4						
				HDPE	140	2		4	9				4	3				
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	200		18				5							
				HDPE	260			10	10		4							
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	190		23	11	29	1	30	30	5					
				HDPE	250							3						
Sinopec	Maoming PC	Maoming	Guangdong	LDPE	120	4	6	4	1	3	5		17	7				
				New LDPE	250	20	8	1	1	5	8	7	4	4				
				LLDPE	200	5	1			2	4		1	1	7			
				HDPE	350	17		7	5	10	1	9	4					
Petrochina	Daqing PC	Daqing	Heilongjiang	LDPE	65			2		4	12			5	12			
				New LDPE	200					17					1			
				LLDPE	85	1	12						6					
				HDPE	240	17		7	5	7	4	17	6	7	9			
Petrochina	Jilin PC	Jilin	Jilin	LLDPE	275	14												
				HDPE	300	15												
Petrochina	Lanzhou PC	Lanzhou	Gangsu	LDPE	200			2	21	2			2					
				LLDPE	60			16	23			5						
				HDPE	170			16	23			5	21	6				
				New HDPE	300				21	2								
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai	LLDPE	300													
				HDPE	300													
CNOOC and Shell	CSPC	Huizhou	Guangdong	LDPE	250													
				HDPE	200													
Total					7065	140	100	121	194	83	145	163	132	90	67	0		

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