

## China Price Monitor HDPE Pricing

March 10, 2008

(Pricing for March 6, 2008)

Source: CBI (Shanghai) Co., Ltd.

Tel. +(86 21) 51550731

E-mail: [chemicalresearch@cbichina.com](mailto: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	7940	8700	7900	8600	-40	7650	7821	7650	7821	0
HDPE Film	7900	8700	7900	8700	0	7821	7821	7821	7821	0
HDPE Injection	8840	9384	8800	9300	-40	7650	7991	7650	7821	0
HDPE Yarn	8500	8850	8450	8800	-50	8247	8247	7991	8076	-256
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

### This week's executive summary

- Domestic HDPE market was almost stable this week, but trades were down from last week.
- More and more participants in the China PE market held a pessimistic outlook this week as Sinopec and PetroChina adopted list prices again.
- Importers held a wait-and-see attitude toward import cargoes due to high US offers.
- Overseas producers and Chinese importers came to a deadlock with few deals concluded owing to the wide gap in buy-sell ideas.
- In view of sufficient import supply and weak demand, some traders anticipated the market would fall slightly next week.

### Production News & Shutdowns

- TUCC shut down its 120 kt/yr LLDPE unit from 28 September of 2008, it delayed restart to 9 March of 2009 due to weak demand.
- Maoming PC shut down its 120 kt/yr old LDPE unit during 17-24 February for maintenance. Maoming shut down its 200 kt/yr LLDPE unit during 18-19 February due to unexpected accidents, Maoming planed to shut down the LLDPE unit again during 3-10 March for maintenance.
- Yanshan PC shut down its 200 kt/yr new LDPE unit during 9-10 February due to the glitch of machinery.
- Panjin Ethylene shut down its 130 kt/yr HDPE unit on 9 December for maintenance, and plans to restart on 1 April 2009.
- Daqing PC shut down its Line A and B of HDPE unit with a capacity of 160 kt/yr during 16-18 February due to the glitch of machinery. Daqing PC shut down its 6.5 kt/yr old LDPE unit on 22 February due to shortage of ethylene, and restarted it on 4 March, Daqing plans to shut down the unit again during 16-25 March for maintenance. Daqing PC shut down its 80 kt/yr Line B of HDPE unit on 4 March for maintenance. Daqing shut down its 240 kt/yr HDPE units during 16-25 March for maintenance.

**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													
<b>Total</b>					<b>7065</b>	<b>140</b>	<b>100</b>	<b>121</b>	<b>194</b>	<b>83</b>	<b>145</b>	<b>163</b>	<b>132</b>	<b>90</b>	<b>67</b>	<b>0</b>		

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

CBI (Shanghai) Co., Ltd.

Contact: +(86 21) 51550731

E-Mail: [chemicalresearch@cbichina.com](mailto:chemicalresearch@cbichina.com)