

## China Price Monitor LDPE+LLDPE Pricing

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(Pricing for July 10, 2009)

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Comparison of Domestic vs Import Prices as CNY/tonne										
	Transaction Prices for Domestic Resin including VAT					Transaction Prices for Imported Resin CFR or CIF CMP including VAT & import duty				
	This Week		Next Week		Change	This Week		Next Week		Change
	Low	High	Low	High		Low	High	Low	High	
LDPE Coating	10800	10900	10900	11000	+100	-	-	-	-	-
LDPE Film	9870	11050	10000	11050	+130	9920	10856	9920	10856	+0
LLDPE General Film	10100	10400	10150	10400	+50	10345	10941	10345	10941	+0
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

### This week's executive summary

- PE prices in China fell after an initial rise this week.
- Transactions were brisk early in the week, especially those of LLDPE, but buying interest was dampened in the second half by decreasing crude values.
- Most participants were optimistic about the LLDPE market largely due to firm offers and limited availability of imports, domestic petrochemical producers' price increases in some regions as their lower-than-normal inventories led to a lack of sales pressure, and upcoming mid-season of the agricultural film industry in August.
- Participants had different views on the market trend in consideration of fast price rise early in the week but stagnated sales in the second half owing to nose-dived crude oil values.
- Some of them thought current prices were relatively high and opted to offload cargoes, while some others still held a positive attitude due to tight supply of some grades, such as LLDPE.

### Production News & Shutdowns

- Yanshan shut down its 60 kt/yr No. 1 Line of LDPE unit during 22-25 June for maintenance. Yanshan shut down its 60 kt/yr No.3 line of LDPE unit during 5-6 July due to unexpected accidents.
- Daqing shut down its 80 kt line A of HDPE unit during 24-29 June for maintenance. Daqing shut down its 80 kt/yr line C of HDPE unit on 22 June for regular maintenance.
- Guangzhou PC shut down its 200 kt/yr LLDPE unit during 23-29 June due to unexpected accidents.
- Shanghai Secco PC shut down its PE units with a total capacity of 600 kt/yr on 25 May for maintenance. Secco restarted its 300 kt/yr HDPE unit on 26 June, and planned to restart its 300 kt/yr LLDPE unit mid-July. Secco shut down its 300 kt/yr HDPE unit again on 6 July due to shortage of ethylene feedstock.
- TUCC shut down its 120 kt/yr LLDPE unit during 9-11 for maintenance.
- Dushanzi shut down its 120 kt/yr LLDPE unit on 9 due to unexpected accidents.
- 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 restarted them on 30 June.
- Yangzi PC shut down its 100 kt/yr Line C of HDPE unit during 16-20 June due to unexpected accidents.
- Panjin shut down its 130 kt/yr HDPE units on 5 July due to unexpected accident, restarted one line on 6 July, one line on 7 July.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Sep	Oct	Nov	Dec	Jan,09	Feb	Mar	Apr	May	Jun	Jul	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	4	3	30	11			1	12	2			
				HDPE	140	2		2	2			7					
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140		1	3	7				15	25			
				LLDPE	140	0.5			4				15	30			
				HDPE	140	9				4	3		15	28			
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	200			5									
				HDPE	260	10		4				4			4		
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	190	29	1	30	30	5							
				HDPE	250			3									
Sinopec	Maoming PC	Maoming	Guangdong	LDPE	120	1	3	5		17	7	1	2	6	5		
				New LDPE	250	1	5	8	7	4	4			3	2		
				LLDPE	200		2	4		1	1	15					
				HDPE	350	5	10	1	9	4					1		
Petrochina	Daqing PC	Daqing	Heilongjiang	LDPE	65		4	12			5	10	12	24	5		
				New LDPE	200	17					1						
				LLDPE	85					6							
				HDPE	240	5	7	4	17	6	7	16	16	2	13		
Petrochina	Jilin PC	Jilin	Jilin	LLDPE	275												
				HDPE	300							6					
Petrochina	Lanzhou PC	Lanzhou	Gangsu	LDPE	200	21	2			2				2	30		
				LLDPE	60	23			5					13			
				HDPE	170	23			5	21	6	3					
				New HDPE	300	21	2							8	30		
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai	LLDPE	300							15		6	30	15	
				HDPE	300							18		6	26		
CNOOC and Shell	CSPC	Huizhou	Guangdong	LDPE	250												
				HDPE	200												
	<b>Total</b>				<b>7065</b>	<b>194</b>	<b>83</b>	<b>145</b>	<b>163</b>	<b>132</b>	<b>90</b>	<b>138</b>	<b>117</b>	<b>194</b>	<b>156</b>	<b>21</b>	

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

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