

China Price Monitor LDPE+LLDPE Pricing

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(Pricing for October 31, 2008)

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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	7840	8420	7500	8000	-340	7366	8643	6941	7792	-426
LDPE Film	7770	9800	7000	9000	-770	7366	8643	6941	8217	-426
LLDPE General Film	8860	9480	8000	9000	-860	6515	8217	6515	7792	+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 slumped in the first half of this week while the decline rate slowed in the second half.
- Despite the rumors of producers reducing output, players were cautious in operation as their confidence would not recover in the short term.
- Crude oil prices continued to fall this week although OPEC announced to cut output by 150 bbl/day last Friday.
- Domestic producers have announced to cut production since June, but the implementation was weak. The rumors of 10,000 tonnes decrease in output gave limited support to the market. Moreover, rumors of cancelling list prices were dashed on Friday. The market remained bearish as a result.
- Some soft packaging producers recovered from the Sanlu poisonous milk scandal, and Tetra Pak has resumed some production lines. However, most traders still opted to offload cargoes on a negative outlook.

Production News & Shutdowns

- Daqing PC shut down its 80 kt/yr Line A of HDPE unit during 9-16 October due to lack of ethylene. Daqing shut down its 80 kt/yr Line C of HDPE unit during 20-26 October due to lack of ethylene. Daqing shut down its 65 kt/yr old LDPE unit on 27 October for maintenance.
- Guangzhou PC shut down its 100 kt/yr Line 1 of LLDPE unit during 5-7 October caused by turnaround at upstream cracker.
- Tucc shut down its 120 kt/yr LLDPE unit from 28 September to 25 November for maintenance.
- Panjin Ethylene shut down its 70 kt/yr during 26 September – 5 October due to unexpected accidents.
- Maoming PC shut down its 350 kt/yr HDPE unit during 29-30 October for maintenance. Maoming shut down its 250 kt/yr new LDPE unit during 10-12 October and during 26-29 October for maintenance. Maoming shut down its 120 kt/yr old LDPE unit for maintenance during 22-25 October. Maoming planned to shut down its 200 kt/yr LLDPE unit during 30 October - 3 November for maintenance.
- Yanshan PC shut down its 60 kt/yr Line 3 of old LDPE during 14-17 October form regular maintenance and shut down its 60 kt/yr Line 1 of old LDPE unit during 27-30 October for maintenance.
- Qilu PC shut down its 140 kt/yr LLDPE unit during 21-22 October for maintenance.

- Shanghai Golden Phillips PC planned to shut down its 150kt/yr HDPE during 26 October - 3 November for maintenance.

PE China Shutdown Schedule - expected number of shut down days																			
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Jan,08	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Comments		
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380			5	4.5	5		2	7	4	3				
				HDPE	140						1		3	2					
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140						2				1				
				LLDPE	140									8	1				
				HDPE	140						2		4	9					
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	200				6			18							
				HDPE	260								10	10					
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	190							23	11						
				HDPE	250		4			8									
Sinopec	Maoming PC	Maoming	Guangdong	LDPE	120	1		3	4	5	4	6	4	1	3				
				New LDPE	250	9				4	20	8	1	1	5				
				LLDPE	200	6						5	1				2	3	
				HDPE	350	7						17		7	5	10			
Petrochina	Daqing PC	Daqing	Heilongjiang	LDPE	65	6	4		1					2		3	1		
				New LDPE	200										17				
				LLDPE	85	4			8		1	12							
				HDPE	240	9	13	15	19	22	17		7	5	7				
Petrochina	Jilin PC	Jilin	Jilin	LLDPE	275					16	14								
				HDPE	300					16	15								
Petrochina	Lanzhou PC	Lanzhou	Gangsu	LDPE	200		3							2	21	2			
				LLDPE	60								16	23					
				HDPE	170	7							16	23					
				New HDPE	300			5	2						21	2			
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai	LLDPE	300			6											
				HDPE	300														
CNOOC and Shell	CSPC	Huizhou	Guangdong	LDPE	250	8		6											
				HDPE	200			13											
Total					7065	63	32	61	45	98	140	100	121	165	81	32			

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

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