

China Price Monitor LDPE+LLDPE Pricing

October 20, 2009

(Pricing for October 16, 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	11800	12260	*	*	*	10771	11281	*	*	*
LDPE Film	10420	12600	*	*	*	10345	10771	*	*	*
LLDPE General Film	10580	10800	*	*	*	9664	10345	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- The Chinese PE market was bearish before the National Day Holidays (1-8 October) and reported a significant increase in trading volumes after the eight days. Mid this week, prices of some grades were stable, while those of some other grades softened after an initial significant rise.
- Before the Holidays, traders were pessimistic about the outlook due to producers' eagerness to reduce inventories and price cuts, as well as stagnated sales, so they sold at low levels, which dragged prices sharply down. However, Sinopec and PetroChina lifted offers after the Holidays. This, along with swelling values of crude oil and futures and end users' purchase at the end of the eight days, pushed domestic prices greatly up.
- Mid this week, downstream demand became poor due to buyers' strong resistance to high levels after they replenished inventories. Supply was expected to increase allowing for normal operation of Dushanzi Petrochemical's new unit.
- As a result, traders sold actively in a bid to minimize risks, which prevented the prices from further rising.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Dec	Jan,09	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	11			1	12	2		18	31	30	14	
				HDPE	140	2			7					1			
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140	7				15	25						
				LLDPE	140	4				15	30			2			
				HDPE	140		4	3		15	28						
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
...	
Total					7050	163	132	90	138	117	194	156	74	108	38	14	

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

Production News & Shutdowns

- Yanshan PC shut down its 60 kt/yr No.3 line of LDPE unit on 13 July for three months as the line was being transformed into EVA line, the unit was restarted on 14 October. Yanshan PC shut down its 60 kt/yr No.1 line of LDPE unit on 14 October for one-day maintenance due to a technical problem.
- Daqing PC shut down its 80 kt/yr line C of HDPE unit on 21 September due to shortage of ethylene.
- Shanghai PC shut down its 250 kt/yr HDPE unit during 20-24 September due to a technical problem.
- FRPC shut down its 400 kt/yr new HDPE on 15 September due to a technical problem.

Note: * replaced the actual data which are only provided to CBI CPM subscribers.

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