

China Price Monitor HDPE Pricing

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(Pricing for August 8, 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	13040	14300	12900	13200	-140	13998	14852	13827	14681	-171
HDPE Film	13080	14720	12900	13100	-180	14767	15109	14681	15023	-85
HDPE Injection	12600	13570	12500	12800	-100	14169	14510	13998	14425	-171
HDPE Yarn	13840	14774	12300	12800	-1540	14681	14938	14681	14852	0
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Prices fell in all regions as Sinopec and PetroChina announced settlement prices lower than previous list numbers.
- Producers list prices again in the second half of this week. Sources said traders were eager to offload materials as settlement prices were expected to fall further.
- Trading was still sluggish owing to high inventories, the Olympics which begin on 8 August and power shortage.
- Traders reported prices were CNY100-600/tonne lower than cost levels.
- Sources said traders expected PE prices would fluctuate downward in a narrow range anticipating lower settlement prices from producers.

Production News & Shutdowns

- Shanghai PC shut down its 45,000 tonne/year 1PE 2# line unit of LDPE on 27 June, and restarted on 9 July. Its 45,000 tonne/year 1PE 1# line unit of LDPE planned to shut down during 8-31 July. Its 100,000 tonne 2PE unit of LDPE was shut down on 9 July for 3 days maintenance.
- Zhongyuan Ethylene shut down its 200,000 tonne/year LLDPE unit on 3 June for maintenance, and restarted on 25 July.
- Yangzi PC shut down its 200,000 tonne/year LLDPE unit on 3 July for unexpected accidents, and restarted on 21 July.
- Yangshan PC shut down its 60,000 tonne/year old LDPE unit 1# line on 10 July for half day maintenance. It shut down 60,000 tonne/year old LDPE unit 3# line on 15 July, and restarted on 17 July.
- Maoming shut down its 120,000 tonne/year old LDPE unit on 26 July due to unexpected accident, and restarted on 27 July. Maoming shut down the old LDPE again on 2 August for maintenance, and restarted on 6 August.
- Lanzhou PC shut down its 200,000 tonne/year LDPE unit on 5 August due to unexpected accident, and restarted on 7 August.
- Daqing PC shut down its 80,000 tonne/year line A of HDPE unit on 4 August for 5-days maintenance.
- Qilu PC shut down its 80,000 tonne/year Line B of HDPE unit on 7 August for 1.5-days due to short of ethylene.

PE China Shutdown Schedule - expected number of shut down days

Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Nov	Dec	Jan,08	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	2	3			5	5	5		2			
				HDPE	140		11						1				
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140								2				
				LLDPE	120		11										
				HDPE	160								2		1.5		
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	200		7				6			18			
				HDPE	230	5	5										
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	190									23			
				HDPE	250	2	1		4			8					
Sinopec	Maoming PC	Maoming	Guangdong	LDPE	120			1		3	4	5	4	6	4		
				New LDPE	250	23	8	9				4	20	8			
				LLDPE	160	1		6					5	1			
				HDPE	350		11	7					17				
Petrochina	Daqing PC	Daqing	Heilongjiang	LDPE	65		4	6	4		1						
				New LDPE	200										14		
				LLDPE	60			4			8		1	12			
				HDPE	240	13	6	9	13	15	19	22	17		5		
Petrochina	Jilin PC	Jilin	Jilin	LLDPE	275							16	14				
				HDPE	300	5						16	15				
Petrochina	Lanzhou PC	Lanzhou	Gangsu	LDPE	200				3						3		
				LLDPE	60												
				HDPE	170			7									
				New HDPE	300					5	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				7180	51	67	63	32	61	45	98	140	100	26	0	

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