

China Price Monitor LDPE+LLDPE Pricing

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(Pricing for December 12, 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	8020	8210	7800	8000	-220	7900	8242	7985	8327	+85
LDPE Film	7640	8510	7600	8300	-40	7388	7644	7559	7815	+171
LLDPE General Film	8200	8300	8000	8000	-200	7303	7815	7388	7900	+85
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Domestic PE prices remained on a losing stream in the early week but rose in the second half of the week due to increase in crude values. Import prices of some grades fell owing to major arrivals.
- Surging prices in the futures market prevented spot market from falling and attracted participants' attentions. Rising crude oil prices and tight spot supply were another two reasons.
- Domestic petrochemical producers reported no sales pressure due to their further production cut in December.
- Besides, import supply in Chinese market was tight due to tightened price auditing at customs, a reason that possible sharp decrease in tariff in the near future.
- However, sluggish downstream demand led to few trades and crude oil prices fell on Friday. As a result, traders thought the market was likely to be in a consolidation next week.

Production News & Shutdowns

- Daqing P C shut down its 80 kt/yr Line C of HDPE unit on 2 December.
- TUCC shut down its 120 kt/yr LLDPE unit from 28 September, it will delay restart to March of 2009 due to weak demand.
- Maoming PC shut down its 250 kt/yr new LDPE unit during 4-11 December due to shortage of ethylene. Maoming shut down its 120 kt/yr old LDPE unit for maintenance during 20-27 November.
- Yanshan PC shut its 60 kt/yr Line 1 of old LDPE unit from 27 October to 9 December for maintenance, and shut down its 60 kt/yr Line 3 of old LDPE unit during 26-28 November. Yanshan shut down its 70 kt/yr Line 2 of HDPE unit during 28-29 November for maintenance, and shut down its 70 kt/yr Line 1 of HDPE unit during 24-25 November for maintenance.
- Shanghai PC shut down its 90 kt/yr No.1 Line of LDPE unit from 31 October to late December due to weak demand.
- Yangzi PC shut down its 260 kt/yr HDPE unit during 20-24 November due to the hitch of the equipment. Yangzi shut down its 200 kt/yr LLDPE unit during 22-27 November for maintenance.
- Qilu PC shut down its 140 kt/yr LDPE unit during 22-25 November for maintenance. Qilu shut down its 140 kt/yr

LLDPE unit during 5-9 December due to unexpected accidents.

- Panjin Ethylene shut down its 130 kt/yr HDPE unit during 1-4 December for maintenance. Panjin Ethylene shut down its 130 kt/yr HDPE unit again on 9 December for maintenance.
- Guangzhou PC shut down its Line 1 of LLDPE unit during 3-9 December for maintenance.

PE China Shutdown Schedule - expected number of shut down days																			
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Comments		
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380		5	4.5	5		2	7	4	3	30	9			
				HDPE	140					1		3	2			2			
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140					2					1	3			
				LLDPE	140								8	1				4	
				HDPE	140					2		4	9						
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	200			6			18					5			
				HDPE	260								10	10			4		
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	190						23	11	29	1	30	30			
				HDPE	250	4			8								3		
Sinopec	Maoming PC	Maoming	Guangdong	LDPE	120		3	4	5	4	6	4	1	3	5				
				New LDPE	250				4	20	8	1	1	5	8	7			
				LLDPE	200					5	1					2	4		
				HDPE	350						17		7	5	10	1			
Petrochina	Daqing PC	Daqing	Heilongjiang	LDPE	65	4		1					2		4	12			
				New LDPE	200									17					
				LLDPE	85			8		1	12								
				HDPE	240	13	15	19	22	17		7	5	7	4	10			
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							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		6												
				HDPE	200		13												
Total					7065	32	61	45	98	140	100	121	194	83	145	103			

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