

China Price Monitor HDPE Pricing
January 25, 2011
(Pricing for January 21, 2010)

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Comparison of Domestic vs Import Prices as CNY/tonne										
	Transaction Prices for Domestic Resin including VAT (from pg 4)					Transaction Prices for Imported Resin CFR or CIF CMP including VAT & import duty (from pg 7, converted to CNY)				
	This Week		Next Week Forecast		Change	This Week		Next Week Forecast		Change
	Low	High	Low	High		Low	High	Low	High	
HDPE BM	10460	11000	*	*	*	10825	11482	*	*	*
HDPE Film	10500	11020	*	*	*	10825	11564	*	*	*
HDPE Injection	9860	10930	*	*	*	10579	11071	*	*	*
HDPE Yarn	10630	11150	*	*	*	0	0	*	*	*

Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.

This week's executive summary

- Prices in the Chinese polyethylene (PE) market were stable to softer this week with scant spot trades. In the first half of the week, continual losses in futures values dampened the market sentiment. This, together with short-term oversupply before the China Lunar New Year Holidays (2-8 February 2011), shrinking demand because some end-users have been on holiday since late January and negative impact by heavy snows on traffic and power supply in some regions, restrained transactions in the domestic market.
- Some petrochemical producers initiatively asked distributors to purchase and cut EXW prices slightly in view of the inventory pressure before and during the Holidays, but their sales remained disrupted this week. Additionally, availability at ports was ample.
- Due to rising naphtha and ethylene prices, overseas suppliers continued to lift their February offer prices, but most Chinese importers stood aside as the levels were CNY1,000/tonne higher than domestic spot values, resulting in stagnant negotiations.
- The domestic market was expected to remain in the correction next week, with a possibility of slight downtrend.

PE China Shutdown Schedule - expected number of shut down days																		
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan,2011	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	2					5		1	8	1	7	2	
				HDPE	140						1	4						
Sinopec	TUCC	Tianjin	Tianjin	LLDPE	120							16					3	
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140			7										
				LLDPE	140				7									
				HDPE	140								12					
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*	*	*	*	*	*		
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*		
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*	*	*	*	*	*		
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*		
...		
Total					10500	83	108	108		*	*	*	*	*	*			

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

Production News & Shutdowns

- Daqing PC shut down its 80 kt/yr Line C of HDPE unit unexpectedly on 18 January due to feedstock shortage, and there is no detail for its restarting.
- Zhongsha PC shut down its 300 kt/yr HDPE unit on 11 January due to feedstock shortage, and restarted it next day.
- FRPC shut down its 400 kt/yr LLDPE unit and 400 kt/yr HDPE unit during 15-20 December and 5-10 January respectively for regular maintenance.
- Dushanzi PC shut down its 120 kt/yr LLDPE unit during 4-6 January for regular maintenance.
- Maoming PC shut down its 120 kt/yr old LDPE unit and 200 kt/yr HDPE unit on 28 and 29 November respectively for maintenance and then restarted them on 4 January. It also shut down its 250 kt/yr new LDPE unit during 19-22 January for maintenance.
- Yanshan PC shut down its 60 kt/yr Line 2 of old LDPE unit and 60 kt/yr Line 1 of old LDPE unit during 19 and 22 December respectively due to technical problems, and then restarted them on 27 and 23 December respectively. Later its 60 kt/yr Line 1 of old LDPE unit was shut down again during 11-12 January for regular maintenance. Meanwhile, Yanshan PC shut down its 200 kt/yr new LDPE unit on 29 December due to a technical problem and restarted it at the same day.
- Lanzhou PC shut down its 200 kt/yr LDPE unit during 22-25 December for regular maintenance.
- Shanghai PC shut down its 100 kt/yr LDPE unit and 250 kt/yr HDPE unit during 22 Nov-20 Dec and 20-23 December respectively for maintenance.

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

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