

China Price Monitor HDPE Pricing
February 17, 2008
(Pricing for February 13, 2008)

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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	8100	9000	8000	8800	-100	7809	7895	8150	8235	+340
HDPE Film	8160	8800	8000	8700	-160	8320	8490	8320	8490	0
HDPE Injection	9460	9960	9400	9900	-60	7809	7809	7809	7809	0
HDPE Yarn	8740	9270	8700	9200	-40	8320	8405	8320	8405	0
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Domestic PE market cooled down from last week's bullish air with a slowed price rise.
- Sinopec and PetroChina continued to lift offers in early week, but downstream users refused to accept.
- Besides, traders did profit taking due to falling values of crude oil and futures on Tuesday, which increased tight supply in the market.
- Friday, PetroChina East was reported to give volume discounts or list prices, making the market agog with a wait-and-see sentiment.
- Sources anticipated the prices would see slight fluctuations next week.
- Although most downstream users restarted production after Lantern Festival, they purchased feedstock on a hand-to-mouth basis due to unclear market trend, which was another reason for price fall in the second half of the week.

Production News & Shutdowns

- TUCC shut down its 120 kt/yr LLDPE unit from 28 September of 2008, it will delay restart to 1 March of 2009 due to weak demand.
- Maoming PC shut down its 120 kt/yr old LDPE unit on 14 January and restarted it on 4 February, Maoming shut down its 250 kt/yr new LDPE unit during 8-12 February.
- Yanshan PC shut down its 60 kt/yr No.2 line of LDPE unit during 25-31 January due to unexpected accidents, Yanshan shut down its 200 kt/yr new LDPE unit during 9-10 February due to the glitch of machinery.
- Panjin Ethylene shut down its 130 kt/yr HDPE unit on 9 December for maintenance, and plan to restart on 1 April 2009.
- Lanzhou PC shut down its 85 kt/yr line2 of HDPE unit on 10 January, and restarted it on 6 February.
- Qilu shut down its 70 kt/yr line A of HDPE unit during 1-4 February for maintenance.
- Daqing PC shut down its 240 kt/yr HDPE units on 25 January, and restarted it on 8 February. Daqing PC shut down its 200 kt/yr LDPE unit during 8-9 February.

PE China Shutdown Schedule - expected number of shut down days

Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	4.5	5		2	7	4	3	30	11			
				HDPE	140			1		3	2		2	2			
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140			2				1	3	7			
				LLDPE	140					8	1			4			
				HDPE	140			2		4	9				4	3	
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	5		
				HDPE	250		8						3				
Sinopec	Maoming PC	Maoming	Guangdong	LDPE	120	4	5	4	6	4	1	3	5		17	3	
				New LDPE	250		4	20	8	1	1	5	8	7	4	4	
				LLDPE	200			5	1			2	4		1		
				HDPE	350			17		7	5	10	1	9	4		
Petrochina	Daqing PC	Daqing	Heilongjiang	LDPE	65	1				2		4	12				
				New LDPE	200						17					1	
				LLDPE	85	8		1	12						6		
				HDPE	240	19	22	17		7	5	7	4	17	6	7	
Petrochina	Jilin PC	Jilin	Jilin	LLDPE	275		16	14									
				HDPE	300		16	15									
Petrochina	Lanzhou PC	Lanzhou	Gangsu	LDPE	200					2	21	2			2		
				LLDPE	60					16	23			5			
				HDPE	170					16	23			5	21	6	
				New HDPE	300	2					21	2					
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai	LLDPE	300												
				HDPE	300												
CNOOC and Shell	CSPC	Huizhou	Guangdong	LDPE	250												
				HDPE	200												
	Total				7065	45	98	140	100	121	194	83	145	163	132	83	

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

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