

China Price Monitor HDPE Pricing
March 15, 2011
(Pricing for March 11, 2011)

Source: CBI (Shanghai) Co., Ltd.

Tel. +(86 21) 51550075

E-mail: chemicalresearch@cbichina.com

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	10350	11060	*	*	*	11219	11383	*	*	*
HDPE Film	10460	11110	*	*	*	11301	11465	*	*	*
HDPE Injection	10200	11406	*	*	*	11055	11219	*	*	*
HDPE Yarn	10740	11130	*	*	*	0	0	*	*	*

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

This week's executive summary

- China polyethylene (PE) market experienced a downtrend after initial rising this week, with decreasing trades. Most domestic petrochemical producers continued price hikes in early week, triggering a speculative sentiment. However, some importers sold actively along with the fast price rise, and this led to more availability. By this Friday, prices of some PE grades showed signs of falling as a result of disrupted deals at high levels.
- As PetroChina and Sinopec cancelled list prices and lifted offers, their major distributors reported higher quotations so as to avoid losses, which led to brisk transactions at one point. Later, spot supply increased due to participation of imports, which made most of these distributors suffer from hampered transactions at high levels and increasing inventories.
- Overseas suppliers finished sales of March cargoes this week. Importers reported less deals than last week affected by the domestic market.
- Considering difficult deals at high levels this week, prices in the domestic physical market appeared to continue falls next week given declines in crude oil and linear low density PE (LLDPE) values.

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, 2011	Feb, 2011	Mar, 2011	Comments	
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380				5		1	8	1	7	2	1			
				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	108	*	*	*	*	*	*	*	120	30	28	47		

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

Production News & Shutdowns

- Jilin PC shut down its 300 kt/yr HDPE unit on 8 March for week-long turnarounds.
- Daqing PC shut down its 80 kt/yr Line C of HDPE unit during 9-20 February unexpectedly due to feedstock shortage. And the unit was shut down again during 1-9 March for the same reason.
- Yanshan PC shut down its 200 kt/yr new LDPE unit on 28 February for one-day turnaround.
- Guangzhou PC shut down its 200 kt/yr LLDPE unit on 20 February for maintenance, planning to restart it on 1 April.
- Lanzhou PC shut down its 200 kt/yr LDPE unit during 8-12 February for regular maintenance.
- Maoming PC shut down its 200 kt/yr FDPE unit unexpectedly on 11 February due to a technical problem, and resumed production on 12 February.

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

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Contact: +(86 21) 51550075

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