

China Price Monitor HDPE Pricing

April 5, 2011

(Pricing for April 1, 2011)

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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	10500	11300	*	*	*	11005	11168	*	*	*
HDPE Film	10500	11190	*	*	*	11168	11413	*	*	*
HDPE Injection	10370	12000	*	*	*	10842	10923	*	*	*
HDPE Yarn	10880	11300	*	*	*	0	0	*	*	*

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

This week's executive summary

- The PE market was fluctuating slightly this week, with sluggish transaction between both seller and buyers. The main reason was most domestic petrochemical companies had canceled the list price at the end of March, turned to use settlement price, which was near the market price, which made sellers hard to lower their offers, so their offers were more cautious now. In addition, the downstream capital chain was tight, so their buying interest was not high, purchasing as per needs.
- As for domestic market, with few possibilities for sellers to lower price because Petro china and Sinopec cancelled the list price and turned to use settlement price which was near the market price, in addition, part dealers were forced to lower their offers in order to meet the planned selling volume by the end of March. What's more, affected by low-priced cargoes from the LLDPE future market, most transactions of domestic cargoes didn't go smoothly, leading to increased inventories.
- As for the import market, oversea traders offered for April shipment gradually this week, but because the price was high, most importers were keeping at a wait-to-see stance, with few transaction closed. Impacted by the soft domestic market, the secondary market was also thin this week. In addition, offers for part bonded cargoes dropped compared with last week.
- Considering the thin transaction in spot market this week, adding the Chinese holiday is coming next week, the demand is likely to recover, so the PE spot market price is possible to increase next week.

PE China Shutdown Schedule - expected number of shut down days																		
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan, 2011	Feb, 2011	Mar 2011	April 2011	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380			5		1	8	1		2	1			
				HDPE	140			1	4									
Sinopec	TUCC	Tianjin	Tianjin	LLDPE	120				16				3					
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140													
				LLDPE	140	7												
				HDPE	140					12							1	
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*							
				HDPE	*	*	*	*	*	*	*							
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*							
				HDPE	*	*	*	*	*	*	*							
...							
Total					10500	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 80kt/yr Line C of HDPE unit during 1-10 March unexpectedly due to feedstock shortage.
- Yanshan PC shut down its 200kt/yr new LDPE unit on 28 February for one-day turnaround.
- Guangzhou PC shut down its 200kt/yr LLDPE unit on 20 February for maintenance, planning to restart it on 5 April.
- Lanzhou PC shut down its 200kt/yr LDPE unit during 8-12 February for regular maintenance.
- Maoming PC shut down its 200kt/yr FDPE unit unexpectedly on 11 February due to a technical problem, and resumed production on 12 February.
- Jilin PC shut down its 300kt/yr HDPE unit during 8-14 March for week-long turnarounds.
- Fujian united shut down its 400kt/yr HDPE unit during 14-18 March due to a technical problem.
- Zhongsha PC shut down its 300kt/yr HDPE unit on 17 March for maintenance, and planned to recovery production on 19 March.
- Jilin PC shut down its 300kt/yr HDPE unit during 8-15 March for turnarounds.
- Qilu shutdown its 70kt/yr Line B of HDPE on 25 March for regular maintenance, has not yet decided the restarted time.
- Daqing PC shut down its 80kt/yr Line C of HDPE unit on March 29th unexpectedly due to feedstock shortage, and the restart date was not clear.

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

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