

## China Price Monitor HDPE Pricing

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(Pricing for April 9, 2010)

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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	9960	10800	*	*	*	10363	11384	*	*	*
HDPE Film	9990	10830	*	*	*	10363	10788	*	*	*
HDPE Injection	9600	11050	*	*	*	10363	10788	*	*	*
HDPE Yarn	11060	11400	*	*	*	-	-	*	*	*

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

### This week's executive summary

- Due to soaring crude oil and LLDPE futures values, the Chinese PE market was agog with speculation activities this week with price rises for all grades and increasing transactions.
- Supply of domestic cargoes was less than expected as some producers launched maintenance and Zhenhai Ethylene's 450,000 tonne/year HDPE/LLDPE swing plant has not be commissioned.
- In addition, continual increases in crude oil values led to more transactions and this decreased domestic market inventories.
- Most traders reported relief in sales pressure along with increasing transactions. Some importers planned to replenish inventories as they thought the prices were close to the bottom, but some others sold actively on rising prices and their uncertain outlook.
- Some end-users showed a strong buying interest due to increases in crude oil values and orders for their products.
- The domestic market is expected to rebound next week if crude oil and LLDPE futures prices continue to rise.

## Production News & Shutdowns

- Maoming PC shut its 120 kt/yr LDPE unit during 4-6 March for maintenance.
- Zhongsha PC shut down its 300 kt/yr HDPE unit and 300 kt/yr LLDPE unit on 25 February, and restarted on 1 March. Zhongsha PC shut down its 300 kt/yr LLDPE unit during 9-10 March due to a short supply of ethylene.
- Panjing Ethylene shut down its 300 kt/yr HDPE unit on 22 February for maintenance, and restarted the unit on 1 March. Panjing Ethylene shut down its 300 kt/yr HDPE unit during 8-10 March due to a technical problem.
- Daqing PC shut down its 80 kt/yr Line B of HDPE unit on 21 February for maintenance, and restarted on 5 March. Daqing PC shut its 80 kt/yr Line C of HDPE unit during 5-15 March for maintenance. Daqing PC shut down its other PE units due to power supply problem on 12 March, Daqing restarted its 80 kt/yr Line B of HDPE unit on 17 March, and restarted its two LDPE units with a capacity of 265 kt/yr and 80 kt/yr its Line A of HDPE unit on 15 March, and restarted its 85 kt/yr LLDPE unit on 23 March. Daqing PC shut its Line C of HDPE unit again on 29 March due to a short supply of feedstock, and restarted on 4 April.
- Golden Phillips PC shut down its 135 kt/yr HDPE unit during 19-25 March for maintenance.
- FRPC shut down its 400 kt/yr LLDPE unit during 17-23 March for maintenance.
- CSPC shut down its 200 kt/yr HDPE unit and 250 kt/yr LDPE unit on early March for maintenance, and restart the two units at the end of April.
- Yangzi PC shut down its 200 kt/yr LLDPE unit on 25 March, and restarted the unit on 4 April. Yangzi shut its 260 kt/yr HDPE unit during 25-26 March.
- Qilu PC shut down its 140 kt/yr LDPE unit on 5 April due to a technical problem.
- Yanshan PC shut down its 200 kt/yr LDPE unit during 3-4 April due to a technical problem.
- Jilin PC shut down its 300 kt/yr HDPE unit during 6-11 April for regular maintenance.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan,09	Feb	Mar	Apr	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380		18	31	30	14	1		1	2			
				HDPE	140			1									
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140								13			4	
				LLDPE	140			2									
				HDPE	140												
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
...	...	...		...	...	...	...	...	...	...	...	...	...	...	...	...	
<b>Total</b>					<b>8850</b>	<b>156</b>	<b>74</b>	<b>108</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	

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