

China Price Monitor HDPE Pricing

April 27 2010

(Pricing for April 23, 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	10140	10800	*	*	*	10533	11384	*	*	*
HDPE Film	101400	10830	*	*	*	10533	11043	*	*	*
HDPE Injection	9790	11140	*	*	*	10363	10788	*	*	*
HDPE Yarn	11100	11500	*	*	*	-	-	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- The Chinese PE market reported sporadic transactions this week.
- Some traders kept offers firm due to high purchasing costs, but some others reduced offers slightly affected by persistently-poor downstream demand.
- Traders kept offers firm in early week as they had low inventories and producers have not released settlement prices.
- Along with slight increases in crude oil and LLDPE futures values in mid week, they intended to lift the offers but failed owing to a heavy wait-and-see air among end-users.
- Some traders lost confidence in the second half in view of decreasing inquiries from end users, so they held a pessimistic outlook and cut offers slightly in a bid to stimulate sales.
- Price fluctuations of crude oil and LLDPE futures dampened traders' confidence greatly.
- Despite producers' high EXW prices, traders sold actively in order to lock in profits due to the producers' high inventories and end-users' weakening buying interest. Participants expected the domestic prices to fluctuate within a narrow range in the near future.

Production News & Shutdowns

- Daqing PC shut its 80 kt/yr Line C of HDPE unit on 29 March due to a short supply of feedstock, and restarted it on 5 April. Daqing PC shut down its 80 kt/yr Line C of HDPE unit on 14 April due to a short supply of ethylene. Daqing shut down its 85 kt/yr LLDPE unit during 12-13 April due to a technical problem.
- CSPC shut down its 200 kt/yr HDPE unit and 250 kt/yr LDPE unit on early March for maintenance, and plan to 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 2 April. Yangzi PC shut down its 200 kt/yr LLDPE unit during 15-20 April due to a technical problem.
- Qilu PC shut down its 140 kt/yr LDPE unit during 5-12 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 6-12 April for regular maintenance.
- BASF-YPC plans to shut down its 200 kt/yr LLDPE unit on 18 April for a month 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			7	
				LLDPE	140			2									
				HDPE	140												
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
...	
	Total				8850	156	74	108	*	*	*	*	*	*	*	*	

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

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