

China Price Monitor HDPE Pricing

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(Pricing for May 7, 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	10060	10800	*	*	*	10363	11384	*	*	*
HDPE Film	9950	10800	*	*	*	10533	10873	*	*	*
HDPE Injection	9670	11150	*	*	*	10533	11043	*	*	*
HDPE Yarn	11080	11400	*	*	*	-	-	*	*	*

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

This week's executive summary

- PE prices in China remained on a losing streak this week due to weak buying interest after the Labor Day Holidays (1-3 May) and crude oil prices' falling below \$80/bbl.
- Domestic petrochemical producers' EXW prices were close to market prices, bringing traders limited profits. Before these producers released new prices, traders merely reduced offers slightly due to disrupted sales at high levels and they sold in line with market trend.
- Overseas suppliers reported sporadic trades this week as most of them have finished sales of May cargoes. Continual falls in domestic values widened its gap with import prices, but most importers merely reduced offers slightly due to high costs.
- In general, the crude oil price fall exerted heavy negative impact on participants' sentiment and would remain as the key factor affecting the polyolefin market next week. In addition, market players should pay attention to petrochemical producers' adjustment in their price strategies.

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 during 14-29 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 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.
- Maoming PC shut down its 200 kt/yr LLDPE unit during 5-8 May for maintenance.
- Qilu PC shut down its 140 kt/yr LLDPE unit during 5-6 May due to a technical problem.
- Lanzhou PC shut down its 200 kt/yr LDPE unit on 6 May due to a technical problem.
- Zhenhai Ethylene shut down its 450 kt/yr HDPE/LLDPE swing plant on 29 April due to a technical problem at its up cracker.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Jul	Aug	Sep	Oct	Nov	Dec	Jan,09	Feb	Mar	Apr	May	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									1	
				HDPE	140												
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
...	
Total					8850	74	108	82	*	*	*	*	*	*	*	*	

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

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