

China Price Monitor HDPE Pricing
June 7, 2011
(Pricing for June 3, 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 <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	10750	11600	*	*	*	10889	10970	*	*	*
HDPE Film	10800	11750	*	*	*	10889	11050	*	*	*
HDPE Injection	9950	10800	*	*	*	10647	10889	*	*	*
HDPE Yarn	11000	11400	*	*	*	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 China PE market in a downward correction this week with bearish sentiment, weak downstream demand caused by tight credit lines and power shortages against the lacking supply because of Sinopec decided to cut PE output by around 80,000 tonnes in June on squeezed margins.
- Participants lose their confidence for PE market because domestic producers switched to list prices this week, traders cut their offers to boost deals.
- Offers from overseas suppliers for June shipment were decreased compared with last month. Most importers were standing at sidelines, with low buying interest. The large gap between buyers and overseas sellers hindered the transactions to be closed. In bonded second-tier market, offers were lowered which was also dragged down by sluggish domestic market.
- Traders were uncertain about the market trend in future. According to the practice in previous years, the weak downstream demand seemed to be aggravated in summer caused by power shortages, however, Sinopec may cut PE output by around 80,000 tonnes in June on squeezed margins, hence China PE market was expected to roll over next week.

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, 2011	Feb, 2011	Mar 2011	April 2011	May 2011	Jun 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													
				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

- Yanshan PC shut down its 60kt/yr new LDPE unit on 30 May, and restart on June 2.
- Yanshan PC shut down its 70kt/yr new LDPE unit on 31 May and restart on June 1.
- 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 on April 20 for regular maintenance, and plan to restart on May 5.
- Maoming PC shut down its 200kt/yr FDPE unit on 1 June for maintenance and resume production on June 5.
- 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 May 3 for regular maintenance, restart May 10.
- Zhongyuan ethylene shutdown its 200kt/yr units on May 5 for regular maintenance, will restart at the end of June.
- Zhongsha PC shut down its 300kt/yr HDPE unit on 11 May for maintenance, restart on May 21.
- Jinfei PC shut down its 135kt/yr on 3 May for maintenance, restart on May 8.
- Jinfei PC shut down its 135kt/yr on 3 May for maintenance, restart on May 8.
- Panjin Ethylene shut down its 65kt/yr Line B on 25 May for maintenance, restart on May 26.
- Panjin Ethylene shut down its 65kt/yr Line A on 22 May for maintenance, restart on May 26.

- Panjin Ethylene shut down its 300kt/yr on 24May for maintenance, restart on May 25th.
- Maoming PC shut down its 350kt/yr FDPE unit unexpectedly on 24May due to a technical problem, and plans to resume production on June 8th.
- Dushanzi PC shut down its 300kt/yr FDPE unit on 1 June for maintenance, restart date unknown.

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

CBI (Shanghai) Co., Ltd. Contact: +(86 21) 51550075 E-Mail: chemicalresearch@cbichina.com