

China Price Monitor HDPE Pricing

June 28, 2011

(Pricing for June 24, 2011)

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Comparison of Domestic vs Import Prices as CNY/tonne											
	Transaction Prices for Domestic Resin including VAT (from pg 4)				Change		Transaction Prices for Imported Resin CFR or CIF CMP including VAT & import duty (from pg 7, converted to CNY)				
	This Week		Next Week Forecast				This Week		Next Week Forecast		
	Low	High	Low	High	Low	High	Low	High			
HDPE BM	10610	11500	*	*	*		10631	10872	*	*	*
HDPE Film	10500	11500	*	*	*		10872	11034	*	*	*
HDPE Injection	9840	11400	*	*	*		10550	10792	*	*	*
HDPE Yarn	10920	11380	*	*	*		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 dropped this week with bearish sentiment. Domestic producers decreased their EXWH(ex-warehouse) prices and import suppliers cut their offers for July shipment this week weaken participants' confidence, together with the lower LLDPE futures values, major distributors moved offer prices lower to boost deals.
- Moderate supply was reported on domestic petrochemical companies, despite they will have concentrated maintenance from June to August, the PE market prices dropped after PetroChina and Sinopec cut their offer prices to decreasing inventories this week.
- Oversea suppliers had gradually published offers for July shipment, which was lower than the offers for June shipment impacted by the substantially dropped ethylene monomer price and poor domestic PE market.
- The outlook was uncertain on Friday. The PE market was amid bearish mood in most regions, but the active deals were reported on low end prices caused by the regular purchasing of end users, thus the prices just dropped slightly this week, and China PE market was expected to still in a correction 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	Apr, 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 85kt/yr LDPE unit on Jun7 for regular maintenance, and restart on June 20.
- 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 275kt/yr HDPE unit during June 20-July 2 for 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 May10.
- 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 24 May 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.

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