

## China Price Monitor HDPE Pricing

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(Pricing for August 12, 2011)

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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	11030	12180	*	*	*	11275	11437	*	*	*
HDPE Film	10500	12080	*	*	*	11195	11437	*	*	*
HDPE Injection	11200	12260	*	*	*	11034	11195	*	*	*
HDPE Yarn	11870	12500	*	*	*	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 slashed substantially this week as panic selling among the participants drove by the downgrading of the United States' credit rating and Chinese government was expected to continue tighten its monetary policy to curb inflation as the consumer price index (CPI) showed a new three-year high at 6.5% in July. On the other hand, LLDPE futures market plummeted on this Tuesday is another reason to deteriorated China PE market.
- Domestic producers decreased their EXWH (ex-warehouse) prices or switched to list prices from settlement prices during the first half of this week which dampened confidence of the market, and major distributors decided to off load their cargoes at lower prices.
- In later this week, PE import market did not move up despite the domestic market went up. With previously low cost cargoes (below 1300\$/tonne for LLDPE) arriving, traders still could earn profit .However, being uncertain about the outlook, traders mainly maintained low price to sell cargoes for locking margins.
- The outlook is uncertain on Friday. A tight supply was expected in the market because a number of local plants have regular maintenances in August. However, the government was expected to continue tighten its monetary policy to curb inflation, this may make it difficult for small and medium enterprises (SMEs) to get bank loans, which weaken buying interest.

PE China Shutdown Schedule - expected number of shut down days																		
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Sep	Oct	Nov	Dec	Jan, 2011	Feb, 2011	Mar 2011	April 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	1	8	1		2	1						3	
				HDPE	140													
Sinopec	TUCC	Tianjin	Tianjin	LLDPE	120				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	*	*	*											
...	...	...		...	...	...	...											
<b>Total</b>					<b>10500</b>	<b>108</b>												

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

## Production News & Shutdowns

- Lanzhou PC shut down its 85kt/yr HDPE Line 1 and Line 2 on 24 June for regular maintenance, and restarted on 26 July.
- Lanzhou PC shut down its 60kt/yr old HDPE unit on Jun14 for regular maintenance, and restarted on 9 August.
- Lanzhou PC shut down its 300tonne/yr LLDPE unit on 24 June for regular maintenance, and restarted on 2 August.
- Maoming PC shut down its 120kt/yr old LDPE unit during 2-13 June for regular maintenance, and shut down its 250kt/yr new LDPE unit on 31 May and restarted on 5 June for the same reason.
- Maoming PC shut down its 200kt/yr LLDPE on 24 May and restarted on 15 June for regular maintenance, and shut down its 350kt/yr on 24 May and restarted on 12 June for the same reason.
- Jilin PC shut down its 275kt/yr LLDPE unit on 20 June and restarted on 2 July for regular maintenance.
- FREP (Fujian Refining & Petrochemical) shut down its 400kt/yr HDPE unit on 27Jun, and restarted on July 6 for regular maintenance, and shut down its 400kt/yr HDPE unit on 18 July and restarted on 28 July for the same reason.
- Qilu PC shutdown its 140kt/yr LDPE during 27-28 June for regular maintenance, and shut down its 70kt/yr HDPE line A during 14-17 July for lack of feedstock.
- Daqing PC shut down its 200kt/yr new LDPE unit during 5-19 June for regular maintenance, and shut down its 80kt/yr HDPE Line C during 13-17 July for regular maintenance. Daqing PC shut down its 65kt/yr old LDPE unit during 1-3 August for accident.
- SINOPEC SABIC Tianjin Petrochemical shut down its 300kt/yr HDPE unit during 11-19 May for regular maintenance, and shut down its 300kt/yr LLDPE unit during 7-12 July for unit failure.
- Shanghai Golden Phillips Petrochemical Co shut down its 135kt/yr 3PE unit during 3-7 May for

regular maintenance.

- Huajin Chemical(Panjin Ethylene) shut down its 65kt/yr Line 2 on 25May for maintenance, restart on May26,and shut down its 65kt/yr Line 1 during 22-25 May for regular maintenance, and shut down its 300kt/yr new HDPE unit on 24 May ,and restarted on 25 May for the same reason.
- Huajin (Panjin Ethylene) shut down its 65kt/yr HDPE Line 2 for regular maintenance on 3 July and restarted on 9 July.
- Dushanzi Petroleum and Petrochemical Complex shut down its 300kt/yr HDPE unit on 14 July and restart on 2 August for regular maintenance.
- Dushanzi Petroleum and Petrochemical Complex shut down its 120kt/yr LLDPE unit on 8 August without fixed restarted date for regular maintenance.
- Shenhua (Baotou) Charcoal Chemical Industry shut down its 300kt/yr LLDPE unit on 5 July for maintenance, and had a plan to restart on 18 August.
- Yanshan PC shut down its 60kt/yr old LDPE unit Line 1 during 16-18 July for regular maintenance, and shut down its 60kt/yr old LDPE unit Line 3 on 16 July and restarted on 17 July for the same reason. Yanshan PC shut down its 60kt/yr old LDPE unit Line 3 during 1-4 August for regular maintenance.
- Zhongyuan Petrochemical shut down its 200kt/yr LLDPE unit on 5 May and restarted on 10 July for regular maintenance.

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

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