

China Price Monitor HDPE Pricing

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(Pricing for August 13, 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	9280	10260	*	*	*	9470	9894	*	*	*
HDPE Film	9410	10000	*	*	*	9555	10148	*	*	*
HDPE Injection	9220	10200	*	*	*	9470	9894	*	*	*
HDPE Yarn	10200	10800	*	*	*	0	0	*	*	*

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

This week's executive summary

- Some domestic petrochemical producers restarted their units from earlier maintenance, leading to more spot availability. This, along with spiral down of crude oil and LLDPE futures prices, made the Chinese polyethylene (PE) market in a heavier pessimistic air. As a result, market prices fell and transactions decreased.
- Daqing PC and Panjin Ethylene restarted their units from maintenance. Zhenhai Ethylene delayed maintenance at its new LLDPE unit. In this context, supply of domestic cargoes showed signs of increasing. In addition, some producers' switch to list prices or price cuts made participants' outlook more pessimistic, which decreased transactions and consequently increased inventories of producers and their distributors.
- Overseas suppliers lifted offers slightly due to limited availability in hand, but most Chinese importers preferred a wait-and-see attitude because of their unclear outlook and bearish domestic market.
- Despite sporadic transactions, the price fall was slow and there was a lack of low-priced cargoes. Given no extra unfavorable factors, the domestic prices were expected to fluctuate within a narrow range next week.

PE China Shutdown Schedule - expected number of shut down days																
Plant	City	Province	Line	Annual Capacity KT	Oct	Nov	Dec	Jan,10	Feb	Mar	Apr	May	June	July	Aug	Comments
Yanshan PC	Beijing	Beijing	LDPE	380	14	1	1		2				4	5		
			HDPE	140										1	4	
TUCC	Tianjin	Tianjin	LLDPE	120			11	6							5	
Qilu PC	Zibo	Shandong	LDPE	140				13			7					
			LLDPE	140								7				
			HDPE	140												
Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*	*	*	*	*	*	*
			HDPE	*	*	*	*	*	*	*	*	*	*	*	*	*
Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*	*	*	*	*	*	*
			HDPE	*	*	*	*	*	*	*	*	*	*	*	*	*
...
Total				10200	82	78	45	85	*	*	*	*	*	*	*	*

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

Production News & Shutdowns

- Maoming PC shut down its 120 kt/yr Line 1 of old LDPE unit on 11 August for regular maintenance, but with no details of its restart.
- Yangzi PC shut down its 260 kt/yr HDPE unit and 200 kt/yr LLDPE unit on 11 August and 12 August respectively for a 20-day regular maintenance.
- Zhongsha PC shut down its 300 kt/yr HDPE unit during 5-7 August for maintenance due to shortage of feedstock.
- Lanzhou PC shut down its 170 kt/yr HDPE unit during 11-13 August for maintenance due to shortage of feedstock.
- TUCC(Tianjin United) shut down its 120 kt/yr LLDPE unit during 3-8 August due to a technical problem.
- Zhongyuan Ethylene shut down its 200 kt/yr LLDPE unit during 1-8 August for maintenance.
- Yanshan PC shut down its 70 kt/yr Line 2 of HDPE unit during 4-8 August unexpectedly. Yanshan PC shut down its 60ky/yr Line 2 of old LDPE unit during 21-26 July for maintenance.
- Panjin Ethylene shut down its 300 kt/yr new HDPE unit during 20 July-9 August for maintenance.
- Daqing PC shut down its 200 kt/yr new LDPE unit during 8 July-9 August for regular maintenance. Daqing PC shut down its 65 kt/ yr old LDPE unit during 22 June-11 August for maintenance. Daqing PC shut down its 85 kt/yr LLDPE unit during 9 July-9 August for regular maintenance. Daqing PC shut down its 240 kt/yr HDPE unit during 9 July-9 August for maintenance.

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

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