

China Price Monitor HDPE Pricing

September 27, 2011

(Pricing for September 23, 2011)

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Comparison of Domestic vs Import Prices as CNY/tonne										
	Transaction Prices for Domestic Resin including VAT (from pg 4)					Transaction Prices for Imported Resin CFR or CIF CMP including VAT & import duty (from pg 7, converted to CNY)				
	This Week		Next Week Forecast		Change	This Week		Next Week Forecast		Change
	Low	High	Low	High		Low	High	Low	High	
HDPE BM	11050	11910	*	*	*	10962	11041	*	*	*
HDPE Film	10500	11800	*	*	*	10882	11280	*	*	*
HDPE Injection	11120	11810	*	*	*	10882	10962	*	*	*
HDPE Yarn	12160	12430	*	*	*	0	0	*	*	*

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

This week's executive summary

- China PE market slumped this week with bearish sentiment. A sharp dive of LLDPE futures caused by the fears of a double-dip recession for global economic conditions has driven panic selling in the physical LLDPE market. On the other hand, China PE market faced a daunting outlook because China's five state-owned commercial banks are strictly forbidden in drawing LC at 30-90 days from 20-30 September in some regions, which triggered a heavy fund pressure for most buyers. And it was expected to restrain the transactions further in the following weeks.
- Major distributors priced lower this week as domestic producers decreased their EXWH (ex-warehouse) prices.
- The PE import market appeared to be bleak this week, the prices being slightly falling down. As for the second bonded spot market, in the middle of this week the LLDPE futures drastically dropped down below CNY1000/tonne, heavily striking the participants' confidence. In this case, the market players successively reduced offers to boost deals even with receiving loss.
- The outlook is bearish on Friday. Participants consider that China PE market will maintain a downward trend on restrained buying interest caused by weak demand, along with the fund pressure from most buyers.

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	Apr I 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	*	*	*											
...											
Total					10500	108												

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

Production News & Shutdowns

- Daqing PC shut down its 65kt/yr old LDPE unit during 1-3 August for accident.. Daqing PC shut down its 80kt/yr HDPE Line C unit on 17 August for regular maintenance and restarted on 19 August. Daqing PC shut down its 65kt/yr old LDPE unit during 21-24 August for regular maintenance.
- Daqing PC shut down its 85kt/yr LLDPE unit during 1-8 September for regular maintenance, and shut down it on 15 September again and restarted on 21 September. Daqing PC shut down its 20kt/yr new LDPE unit on 15 September and had a plan to restart on 17 September for regular maintenance.
- 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 and had a plan to restart on 8 October. Dushanzi Petroleum and Petrochemical Complex shut down its 100kt/yr HDPE unit on 9 August and had a plan to restart on 9 October for regular maintenance.
- Dushanzi Petroleum and Petrochemical Complex shut down its 600kt/yr new LLDPE unit on 12 August and plans to restart on 30 September for regular maintenance, and shut down its 300kt/yr new HDPE unit on 12 August and plans to restart on 10 October.
- Shenhua (Baotou) Charcoal Chemical Industry shut down its 300kt/yr LLDPE unit on 5 July for maintenance, and restarted on 22 August.
- Yanshan PC shut down its 60kt/yr old LDPE unit Line 1 and old LDPE unit Line 2 on 15 August and restarted on 15 September ,so did old LDPE unit Line 3.And Yanshan PC shut down its 200kt/yr new LDPE unit on 13 August and restarted on 15 September, and shut down its 70kt/yr HDPE Line 1 and Line 2 on 15 August and restarted on 14 September.
- Zhongyuan Petrochemical shut down its 200kt/yr LLDPE unit on 5 May and restarted on 10 July for regular maintenance.
- Shanghai PC shut down its 45kt/yr 1PE and 2PE units on 2 September and had a plan to restart on 28 September for regular maintenance.

- Huajin Chemical (Panjin Ethylene) shut down its 65kt/yr HDPE Line two on 19 September and restarted on 21 September for regular maintenance.

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

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