

China Price Monitor HDPE Pricing
October 4, 2010
(Pricing for September 30 2010)

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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	9400	10190	*	*	*	9542	9918	*	*	*
HDPE Film	9300	10380	*	*	*	9584	9918	*	*	*
HDPE Injection	9150	9704	*	*	*	9333	9751	*	*	*
HDPE Yarn	10350	10980	*	*	*	0	0	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Supported by spiral up of LLDPE futures values, domestic petrochemical producers announce hikes in their October offer prices. This, together with limited spot availability and heavy speculative air, pushed prices of most PE grades continually up this week, especially those of LDPE cargoes. Transactions were brisk in the first half of this week while decreased in the second half as some participants retreated due to the upcoming National Day Holidays (1-7 October) in China.
- Zhenhai Refining & Chemical delayed restart-up of its 450,000tonne/year HDPE/LLDPE swing plant. Some sales companies slowed down sales in a bid to ensure stable supply in the futures under the background of planned maintenance in Q4. In this context, major distributors, with an optimistic outlook about the market after the Holidays, showed strong reluctance to sell. Most of them either lifted offer prices or suspended offering to wait for a further price rise.
- Overseas suppliers released new offer prices with deals reportedly done. Chinese importers' confidence improved greatly on the back of uptrend in the domestic market, so they either announced offer uplifting or suspended offering to await another round of price rise.
- In view of increasing transactions in the domestic market this week and end-users' strong buying interest, most participants expected the PE prices to rise further in early October given persistently-tight supply at domestic petrochemical producers and continual support from LLDPE futures.

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	Jun	Jul	Aug	Sep
Yanshan PC	Beijing	Beijing	LDPE	380	14	1	1		2					5		1
			HDPE	140										1	4	
TUCC	Tianjin	Tianjin	LLDPE	120			11	6							16	
Qilu PC	Zibo	Shandong	LDPE	140				13			7					
			LLDPE	140								7				
			HDPE	140												12
Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*	*	*	*	*	*	*
			HDPE	*	*	*	*	*	*	*	*	*	*	*	*	*
Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*	*	*	*	*	*	*
			HDPE	*	*	*	*	*	*	*	*	*	*	*	*	*
...
Total				10200	78	45	85	163	*	*	*	*	*	*	*	*

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

Production News & Shutdowns

- Yangzi PC shut down its 100 kt/yr Line C of HDPE unit on 11 August for regular maintenance, and planned to restart in early October. It also shut down its 80 kt/yr Line A of HDPE unit on 20 September for regular maintenance, and was expected to restart in early October.
- Yanshan PC shut down its 200 kt/yr new HDPE unit during 27-28 September for regular maintenance.
- Panjin Ethylene shut down its 65 kt/yr Line 1 of HDPE unit unexpectedly during 25-29 September, due to a technical problem.
- Zhenhai Ethylene shut down its 450 kt/yr LLDPE unit on 14 September for regular maintenance, and planned to restart on 1 October.
- Daqing PC shut down its 80 kt/yr Line3 of HDPE unit during 9-15 September for regular maintenance, due to short of feedstock. Then it shut down its 65 kt/yr old LDPE unit during 17-26 September and 240 kt/yr HDPE unit during 17-23 September for regular maintenance, due to short of ethylene.
- Zhongsha PC shut down its 300kt/yr LLDPE unit during 12-17 September unexpectedly, due to a technical problem. It also shut down 300 kt/yr HDPE unit during 12-27 September unexpectedly, due to a technical problem.
- Jilin PC shut down its 300 kt/yr HDPE unit during 6-9 September for regular maintenance.
- Qilu PC shut down its 70 kt/yr Line B of HDPE during 1-13 September for regular maintenance, due to short of feedstock.

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

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