

## China Price Monitor HDPE Pricing

October 21, 2008

(Pricing for October 17, 2008)

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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	10280	13680	9500	10500	-780	9341	10192	9086	9937	-255
HDPE Film	11140	14700	9800	11000	-1340	9341	9937	9086	9512	-255
HDPE Injection	9900	11460	9500	10500	-400	9086	9512	8661	9341	-426
HDPE Yarn	10540	12600	10300	11000	-240	9512	10192	9086	9937	-426
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

### This week's executive summary

- The market continued last week's downtrend and prices of some grades even slipped by over CNY 2,000/tonne. The so-called view of purchasing at bottom was unpractical due to the bearish market.
- The uncertain financial environment exerted heavy impact on plastic market. Tetra Pak Beijing Branch shut down production due to no orders, reflecting larger demand decrease than expected.
- Spots were mainly seen in suppliers and traders offloaded cargoes actively so as to minimize risks. Sellers without inventories firmed offers and preferred suspending sales than deficit. Traders were cautious in operation considering bearish domestic market and mass influx of imports.
- Sources believe that it is meaningless to discuss when the prices will touch bottom, and the market will remain sluggish unless improvement in whole environment.
- The so-called view of purchasing at bottom, as well as temporary rebound of crude oil and futures, seem to have light impact on the market.

### Production News & Shutdowns

- Daqing PC shut down its 80 kt/yr Line A of HDPE unit during 9-16 October due to lack of ethylene.
- Guangzhou PC shut down its 100 kt/yr Line 1 of LLDPE unit during 5-7 October caused by turnaround at upstream cracker.
- TUCC shut down its 120 kt/yr LLDPE unit between 28 September to 31 October for maintenance.
- Panjin Ethylene shut down its 70 kt/yr during 26 September – 5 October due to unexpected accidents.
- Lanzhou PC's 200 kt/yr LDPE unit and 300 kt/yr HDPE unit were shut down on 9 September due to an accident of upstream cracker, the two units were restarted on 2 October.
- Shanghai PC shut down 100 kt/yr 2PE unit of LDPE on 19 August for maintenance, and the unit was restarted on 29 September.
- Maoming PC shut down its 350 kt/yr HDPE unit during 25-2 October for maintenance. Maoming shut down its 350 kt/yr HDPE unit again due to unexpected accidents on 11 October. Maoming shut down its 250 kt/yr new LDPE unit during 10-12 October for maintenance.
- Yanshan PC shut down its 60 kt/yr Line 3 of old LDPE during 14-17 October form regular maintenance.

**PE China Shutdown Schedule - expected number of shut down days**

Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Dec	Jan,08	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Comments		
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	3			5	4.5	5		2	7	4				
				HDPE	140	11							1		3	2			
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140							2							
				LLDPE	120	11									8	1			
				HDPE	160							2		4	9				
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	200	7				6			18						
				HDPE	260	5									10	10			
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	190								23	11					
				HDPE	250	1		4				8							
Sinopec	Maoming PC	Maoming	Guangdong	LDPE	120		1		3	4	5	4	6	4	1				
				New LDPE	250	8	9					4	20	8	1	1	2		
				LLDPE	200		6							5	1				
				HDPE	350	11	7							17		7	5	8	
Petrochina	Daqing PC	Daqing	Heilongjiang	LDPE	65	4	6	4		1					2				
				New LDPE	200												17		
				LLDPE	85		4				8			1	12				
				HDPE	240	6	9	13	15	19	22	17			7	5			
Petrochina	Jilin PC	Jilin	Jilin	LLDPE	275						16	14							
				HDPE	300							16	15						
Petrochina	Lanzhou PC	Lanzhou	Gangsu	LDPE	200			3							2	21	2		
				LLDPE	60										16	23			
				HDPE	170		7									16	23		
				New HDPE	300				5	2								21	2
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai	LLDPE	300				6										
				HDPE	300														
CNOOC and Shell	CSPC	Huizhou	Guangdong	LDPE	250		8		6										
				HDPE	200					13									
<b>Total</b>					<b>7285</b>	<b>67</b>	<b>63</b>	<b>32</b>	<b>61</b>	<b>45</b>	<b>98</b>	<b>140</b>	<b>100</b>	<b>121</b>	<b>165</b>	<b>45</b>			

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

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