

China Price Monitor HDPE Pricing
October 27, 2009
(Pricing for October 23, 2009)

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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	9680	10700	*	*	*	9512	9937	*	*	*
HDPE Film	9680	10220	*	*	*	10107	10363	*	*	*
HDPE Injection	9770	10350	*	*	*	9767	10065	*	*	*
HDPE Yarn	9550	10240	*	*	*			*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- PE prices in China rose this week due to following reasons.
- Producers, with low inventories following brisk sales, lifted offers twice and this increased distributors' costs.
- Supply of some grades was tight. For example, supply shortage of LDPE film was reported in north and east China as Yanshan Petrochemical and Qilu Petrochemical gave no normal outputs of the grade.
- End-users showed a strong buying interest due to traders' higher offers.
- In addition, crude oil values exceeded \$80/bbl and this pushed ethylene prices up, giving support to the PE market.
- Supply of HDPE saw no obvious changes as Fujian Refining & Petrochemical switched its unit to produce pipe grade resins after resuming production.
- After brisk transactions in mid-October, most imported cargoes were held by traders.
- Allowing for rising domestic prices, these traders lifted their import offers.

Production News & Shutdowns

- Yanshan PC shut down its 60 kt/yr No.3 line of LDPE unit on 13 July for three months as the line was being transformed into EVA line, the unit was restarted on 14 October. Yanshan PC shut down its 60 kt/yr No.1 line of LDPE unit on 14 October for one-day maintenance due to a technical problem.
- Daqing PC shut down its 80 kt/yr line C of HDPE unit on 21 September due to shortage of ethylene.
- Shanghai PC shut down its 250 kt/yr HDPE unit during 20-24 September due to a technical problem.
- FRPC shut down its 400 kt/yr new HDPE on 15 September due to a technical problem, the unit was restarted on 20 October.

PE China Shutdown Schedule - expected number of shut down days																		
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Dec	Jan,09	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Comments	
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	11			1	12	2		18	31	30	14		
				HDPE	140	2			7						1			
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140	7				15	25							
				LLDPE	140	4				15	30			2				
				HDPE	140		4	3		15	28							
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*	*	*	*	*	*		
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	*	
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*	*	*	*	*	*		
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	*	*
...		
Total					7050	163	132	90	*	*	*	*	*	*	*	*		

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

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