

China Price Monitor HDPE Pricing

November 2, 2010

(Pricing for October 29 2010)

Source: CBI (Shanghai) Co., Ltd.

Tel. +(86 21) 51550731

E-mail: chemicalresearch@cbichina.com

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	10130	10600	*	*	*	10320	11154	*	*	*
HDPE Film	9870	10750	*	*	*	10320	10653	*	*	*
HDPE Injection	9690	10330	*	*	*	10153	10403	*	*	*
HDPE Yarn	10470	11310	*	*	*	0	0	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Speculative activities in the Chinese polyethylene (PE) market started to increase on the back of decreasing spot supply and demand from greenhouse film producers in north China. Fluctuations in crude oil and linear low density PE (LLDPE) futures values failed to shake most participants' optimistic outlook. Prices in the domestic market rose with brisk transactions reported in the first half of this week.
- Domestic petrochemical producers cancelled list prices and switched to offer prices this week. These producers controlled sales of some cargoes and cited prices higher than last week. Having largely finished sales task this month, most distributors reported lessened pressure and showed a stronger reluctance to move cargoes due to expected decreasing supply in the future.
- Overseas suppliers released new offer prices this week with the levels higher compared with a month ago. Some transactions were heard concluded. Some importers stood aside as the new price were higher than domestic values. In addition, some importers were unwilling to sell at low levels in view of difficult restocking.
- Considering more speculative activities this week, some participants expected a spiral up in the domestic PE market next week given producers' continual price hikes.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Dec	Jan,10	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	1		2					5		1	8	
				HDPE	140								1	4			
Sinopec	TUCC	Tianjin	Tianjin	LLDPE	120	11	6							16			
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140		13			7							
				LLDPE	140						7						
				HDPE	140										12		
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	*
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	*
...	
Total					10500	85	163	83	*	*	*	*	*	*	*	*	

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

Production News & Shutdowns

- Golden-Phillips shut down its 135 kt/yr HDPE unit during 27-30 October for regular maintenance.
- Daqing PC shut down its 80 kt/yr Line C of HDPE unit on 20 October unexpectedly due to shortage of feedstock, but with no details of its restart. And it shut down its 65 kt/yr old LDPE unit during 13-14 October for maintenance.
- Fujian United shut down its 400 kt/yr HDPE unit during 12-17 October for regular maintenance.
- Maoming PC shut down its 120 kt/yr Line Line 1 of old LDPE unit during 9-12 October for maintenance.
- Yangzi PC shut down its 80 kt/yr Line A of HDPE unit during 20 September-9 October for maintenance. It shut down its 100 kt/yr Line C of HDPE unit during 11 August-9 October for maintenance.

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

CBI (Shanghai) Co., Ltd. Contact: +(86 21) 51550731 E-Mail: chemicalresearch@cbichina.com