

China Price Monitor HDPE Pricing

June 15, 2010

(Pricing for June 11 2010)

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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	8980	10000	*	*	*	9086	9512	*	*	*
HDPE Film	8820	10000	*	*	*	8831	9512	*	*	*
HDPE Injection	8650	10400	*	*	*	8661	9341	*	*	*
HDPE Yarn	9440	10540	*	*	*	0	0	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Prices in the Chinese polyethylene (PE) market dropped after an initial rising this week with increasing transactions due to spiral climb of crude oil and LLDPE futures values. However, the prices on Friday remained lower than a week ago affected by the large fall in the first half of this week.
- Following price cuts by domestic producers, most distributors reduced offers in a bid to withdraw capital, which eased inventory pressure of the both.
- Import prices continued to fall this week owing to the downtrend in the domestic market. In the first half of this week, some importers slashed offers to move cargoes on their growing pessimistic outlook, while the lower-priced availability decreased in the second half along with the price rises.
- Given no stimulus factors next week, the domestic PE market was expected to remain in a correction due to most traders' wait-and-see attitude and a lack of marked improvements in the imbalanced supply and demand.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Aug	Sep	Oct	Nov	Dec	Jan,10	Feb	Mar	Apr	May	June	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	31	30	14	1	1		2					
				HDPE	140	1											
Sinopec	TUCC	Tianjin	Tianjin	LLDPE	120					11	6						
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140						13			7			
				LLDPE	140	2									7		
				HDPE	140												
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
...	
Total					10200	108	82	*	*	*	*	*	*	*	*	*	*

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

Production News & Shutdowns

- Guangzhou PC shut down its 200 kt/yr LLDPE during 25-28 May for maintenance.
- Dushanzi PC shut down its 300 kt/yr new HDPE unit during 15-24 May due to a technical problem.
- Panjin Ethylene shut down its 300 kt/yr new HDPE unit during 23-26 May due to a technical problem.
- Yangzi PC shut down its 80 kt/yr Line B of HDPE unit on 9 June due to technical problems, and planned to restart it on 13 June.
- Fushun PC shut down its 140 kt/yr HDPE unit during 1-7 June for maintenance.
- Daqing PC shut down its 80 kt/yr Line C of HDPE unit during 19-30 May due to a short supply of ethylene. This line was shut down again on 10 June due to a short supply of ethylene, but with no details of its restart.
- Maoming PC shut down its 200 kt/yr HDPE unit during 24-27 May due to a technical problem. Maoming shut down its 250 kt/yr new LDPE unit during 24-29 May for maintenance.
- Zhenghai Ethylene shut down its 450 kt/yr HDPE unit on 29 April due to a technical problem, and plans to restart it on 22 June.

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

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