

China Price Monitor HDPE Pricing
November 23, 2010
(Pricing for November 19 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>				Change		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				This Week		Next Week Forecast	
	Low	High	Low	High	Low	High	Low	High		
HDPE BM	*	*	*	*	*	*	*	*	*	*
HDPE Film	*	*	*	*	*	*	*	*	*	*
HDPE Injection	*	*	*	*	*	*	*	*	*	*
HDPE Yarn	*	*	*	*	*	*	*	*	*	*

Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.

This week's executive summary

- Along with spiral down in crude oil values, limit down was reported for linear low density polyethylene (LLDPE), which dispelled the dense speculative air in the Chinese PE market. Although some participants thought this was a normal correction, a pessimistic sentiment prevailed in the market and more traders sold actively following domestic petrochemical producers' price cuts and switch to list prices. Some traders reportedly undersold inventories at one time.
- Domestic producers cancelled offer prices and switched to list prices this week with price cuts registered for some grades. In addition, some producers hoped their distributors could accept normal mandatory sales volumes. Inventories at most traders increased rapidly due to earlier disrupted sales and restocking in mid this week on an error of adjustment.
- No offer prices were issued by overseas suppliers this week, so concentrated release was expected to be seen next week. Most importers remained aside due to stagnant transactions and lower prices caused by plunged domestic values.
- In view of the sharp falls this week, some market sources expect the prices to stop declines and rebound next week given increasing transactions.

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	Nov	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	108	108	*	*	*	*	*	*		

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

Production News & Shutdowns

- FRPC shut down its 400,kt/yr HDPE unit during 6-11 November for regular maintenance.
- Lanzhou PC shut down its 300,kr/yr LLDPE unit during 1-7 November unexpectedly due to a technical problem.
- Daqing PC shut down its 80,kt/yr Line C of HDPE unit during 20 October- 2 November unexpectedly due to shortage of feedstock. Then this line was shut again during 14-16 November due to shortage of feedstock. Meanwhile, Daqing shut down its 200,kt/yr new LDPE unit during 8-14 November unexpectedly due to shortage of feedstock.
- Guangzhou PC shut down its 200,kt/yr LLDPE unit during 4-7 November for regular maintenance.
- Maoming PC shut down its 120,kt/yr old LDPE unit during 30 October-3 November for maintenance. then it shut down its 250,kt/yr new LDPE unit during 11-14 November for maintenance.
- Baotou Shenhua shut down its 300,kt/yr FDPE unit on 27 September for maintenance, but with no details of its restart.
- Golden-Phillips shut down its 135,kt/yr HDPE unit during 27-30 October for maintenance.

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

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