

China Price Monitor HDPE Pricing

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(Pricing for December 10 2010)

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Comparison of Domestic vs Import Prices as CNY/tonne										
	Transaction Prices for Domestic Resin including VAT (from pg 4)				Transaction Prices for Imported Resin CFR or CIF CMP including VAT & import duty (from pg 7, converted to CNY)					
	This Week		Next Week Forecast		Change	This Week		Next Week Forecast		Change
	Low	High	Low	High		Low	High	Low	High	
HDPE BM	10460	11360	*	*	*	10357	10689	*	*	*
HDPE Film	10450	11300	*	*	*	10399	10689	*	*	*
HDPE Injection	10080	11000	*	*	*	10274	10523	*	*	*
HDPE Yarn	10770	11360	*	*	*	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 fluctuated within a narrow range this week with sporadic transactions.
- Shenhua (Baotou)'s cargoes flowed into the north China market this week. Most domestic petrochemical producers either switched to list prices or cut quotations and sold actively. Negotiations of imports were stagnant because of strong resistance from buyers to high import values, which resulted in limited trading volumes with buyers mostly from end-users.
- Market inventories were decreasing. Some PE units were in maintenance and downstream users ran at high operating rates. But these favorable factors were offset by Chinese government's macro-control measures which were evidenced to be effective by bearish futures and stock market in the past several weeks.
- In recent time, traders faced a predicament of high costs but low market prices. Some of them had to sell forced by capital shortage at the end of the year, some others stood aside due to a lack of clear reference for the market trend, and the left stepped out of the market. The market was expected to remain in a correction next week.

PE China Shutdown Schedule - expected number of shut down days																		
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380		2					5		1	8	1		
				HDPE	140							1	4					
Sinopec	TUCC	Tianjin	Tianjin	LLDPE	120	6							16				3	
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	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

- Zhanghai Ethylene shut down its 450 kt/yr FDPE unit on 9 December for regular maintenance and planned to restart it on 16 December.
- TUCC shut down its 120 kt/yr LLDPE unit during 30 November-4 December unexpectedly due to a technical problem.
- Shanghai PC shut down its 100 kt/yr LDPE unit on 22 November for maintenance and planned to have its turnaround in the whole December.
- FRPC shut down its 400 kt/yr HDPE unit during 6-11 November for regular maintenance.
- Lanzhou PC shut down its 300 kt/yr LLDPE unit during 1-7 November due to a technical problem.
- Daqing PC shut down its 80 kt/yr Line C of HDPE unit during 14-16 November unexpectedly due to shortage of feedstock. Then this unit was shut again on 9 December due to a technical problem, but with no details of its restart. Meanwhile, Daqing shut down its 200 kt/yr new LDPE unit during 8-14 November due to shortage of feedstock.
- Guangzhou PC shut down its 200 kt/yr LLDPE unit during 4-7 November for maintenance.
- Maoming PC shut down its 120 kt/yr old LDPE unit on 28 November for maintenance, but with no details of its restart. Meanwhile, Maoming shut down its 250 kt/yr new LDPE unit during 11-14 November and its 200kt/yr FDPE unit on 29 November for maintenance.
- Baotou Shenhua shut down its 300 kt/yr FDPE unit during 27 September-2 December for maintenance.

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

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