

China Price Monitor HDPE Pricing

April 26, 2011

(Pricing for April 22, 2011)

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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	10650	11460	*	*	*	10955	11199	*	*	*
HDPE Film	10500	11510	*	*	*	11199	11524	*	*	*
HDPE Injection	10470	12450	*	*	*	10874	11036	*	*	*
HDPE Yarn	11070	11390	*	*	*	0	0	*	*	*

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

This week's executive summary

- The China PE market prices mixed this week with moderate transactions. Participants stood on the sidelines and sold according to market trends.
- Major distributors tried to raise their offer prices because of There was speculation that a local major producer was considering cutting LLDPE and HDPE production by up to 10% in May as rising feedstock costs. However, sporadic deals were reported at the high end prices.
- By the end of April, Part oversea suppliers quoted their offers for PE May shipment, which was close to the April shipment on the whole, mainly supported by the substantially jumped crude oil futures prices and high ethylene monomer values. However, the domestic buying interest was still in a lull, with sluggish transaction. What's more, the transaction in import secondary market was still weak. Traders had more sales pressure due to thin demand from both downstream factories and re-export trade. Therefore, their offers could just cover cost currently.
- China PE market was expected to a correction next week, because of weak demand and higher crude values.

PE China Shutdown Schedule - expected number of shut down days																		
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan, 2011	Feb, 2011	Mar, 2011	April 2011	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380			5		1	8	1		2	1			
				HDPE	140			1	4									
Sinopec	TUCC	Tianjin	Tianjin	LLDPE	120				16				3					
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140													
				LLDPE	140	7												
				HDPE	140					12							1	
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*							
				HDPE	*	*	*	*	*	*	*							
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*							
				HDPE	*	*	*	*	*	*	*							
...							
Total					10500	108	108											

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

Production News & Shutdowns

- Yanshan PC shut down its 200kt/yr new LDPE unit on 28 February for one-day turnaround.
- Guangzhou PC shut down its 200kt/yr LLDPE unit on 20 February for maintenance, planning to restart it on 5 April.
- Lanzhou PC shut down its 200kt/yr LDPE unit during 8-12 February for regular maintenance.
- Maoming PC shut down its 200kt/yr FDPE unit unexpectedly on 11 February due to a technical problem, and resumed production on 12 February.
- Jilin PC shut down its 300kt/yr HDPE unit during 8-14 March for week-long turnarounds.
- Fujian united shut down its 400kt/yr HDPE unit during 14-18 March due to a technical problem.
- Zhongsha PC shut down its 300kt/yr HDPE unit on 17 March for maintenance, and planned to recovery production on 19 March.
- Jilin PC shut down its 300kt/yr HDPE unit during 8-15 March for turnarounds.
- Qilu shutdown its 70kt/yr Line B of HDPE on 25 March for regular maintenance, has not yet decided the restarted time.
- Daqing PC shut down its 80kt/yr Line C of HDPE unit on March 29th unexpectedly due to feedstock shortage, and restarted on April 10th.

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

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