

## China Price Monitor HDPE Pricing

May 25 2010

(Pricing for May 21, 2010)

Source: CBI (Shanghai) Co., Ltd.

Tel. +(86 21) 51550731

E-mail: [chemicalresearch@cbichina.com](mailto: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	9350	10800	*	*	*	9682	9937	*	*	*
HDPE Film	9360	10800	*	*	*	9682	10192	*	*	*
HDPE Injection	8860	10660	*	*	*	9512	9937	*	*	*
HDPE Yarn	10030	11220	*	*	*	-	-	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

### This week's executive summary

- Affected by continual falls in crude oil values, the Chinese polyethylene (PE) market was in a heavy pessimistic air this week and prices went down sharply. Traders' sentiment turned stable in the second half of the week with increasing sales due to increases in crude oil and LLDPE futures prices.
- Lanzhou PC recovered normal operation of its 200,000 tonne/year LDPE unit, increasing domestic supply. Producers and distributors reported higher inventories following disrupted sales in the past two weeks. Affected by this, these producers reduced offers in a bid to finish sales task this month, which consequently forced their distributors to cut offers. Due to import arrivals from the US and Middle East, most importers' outlook became more pessimistic and they were in a hurry to offload inventories.
- Overseas suppliers released no new offers. Traders reported price cuts due to their growing negative sentiment from stagnant transactions.
- In view of continual decreases in crude oil values, most end-users stood aside in the first half of this week, but their buying interest improved in the second half along with crude oil price rebounds.
- Thinking nose-dived crude oil prices the major reason for the downtrend this week, participants expected the domestic prices to stop decline and rebound next week given steady crude oil values.

## Production News & Shutdowns

- Daqing PC shut down its 80 kt/yr Line C of HDPE unit on 19 May due to a short supply of Ethylene, but with no details of its restart. Daqing shut down its 200 kt/yr LDPE unit on during 18-19 May due to a technical problem.
- Shanghai PC shut down its 250 kt/yr HDPE unit during 9-13 May for maintenance.
- Zhongsha PC shut down its 300 kt/yr LLDPE unit during 7-10 May due to a technical problem.
- Maoming PC shut down its 200 kt/yr FDPE unit during 5-11 May for maintenance. Maoming shut down its 120 kt/yr old LDPE unit during 12-16 May for maintenance.
- Zhenghai Ethylene shut down its 450 kt/yr FDPE unit on 29 April due to a technical problem, but with no details of its restart.
- Qilu PC shut down its 140 kt/yr LLDPE unit during 5-12 May due to a technical problem.
- Lanzhou PC shut down its 200 kt/yr LDPE unit during 6-13 May due to a technical problem.
- Yangzi PC shut down its 100 kt/yr Line C of HDPE and its 80 kt/yr Line A of HDPE units on 20 May due to technical problems and plan to restart 23 May.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Jul	Aug	Sep	Oct	Nov	Dec	Jan,10	Feb	Mar	Apr	May	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	18	31	30	14	1		1	2				
				HDPE	140		1										
Sinopec	TUCC	Tianjin	Tianjin	LLDPE	120	2					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	*	*	*	*	*	*	*	*	*	*	*	*	*
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
<b>Total</b>					<b>10200</b>	<b>74</b>	<b>108</b>	<b>82</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>

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

CBI (Shanghai) Co., Ltd.

Contact: +(86 21) 51550731

E-Mail: [chemicalresearch@cbichina.com](mailto:chemicalresearch@cbichina.com)