

## China Price Monitor HDPE Pricing

July 6, 2010

(Pricing for July 2, 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	8800	9750	8700	9650	-100	8839	9008	8839	9008	0
HDPE Film	8830	9820	8730	9720	-100	8586	9345	8586	9261	0
HDPE Injection	8580	9800	8480	9700	-100	8586	9008	8586	9008	0
HDPE Yarn	9490	10100	9390	10000	-100	0	0	0	0	0
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

### This week's executive summary

- Affected by spiral down of crude oil and LLDPE futures prices, as well as start-ups of some new units, the Chinese polyethylene (PE) market reported a continual downtrend this week with decreasing transactions. On Friday, prices of most grades were lower compared with a week ago.
- Zhenhai Ethylene's 450,000 tonne/year LLDPE unit ran normally with on-spec products reportedly available in the market, which increased supply. As most domestic producers still adopted list prices in early July, their distributors, with an uncertain outlook, sold actively in a bid to minimize losses.
- Overseas suppliers almost finished sales of July cargoes with traded prices close to the market values. In addition, traders reported brisk sales in early week, but the transactions turned stagnant again in the second half affected bearish domestic market.
- Considering producers' higher-than-expected prices in early July, shrinking downstream demand and inventory pressure, most traders held a pessimistic outlook. Some of them expected prices in the domestic market to slip further next week given a lack of favorable news.

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	*	*	*	*	*	*	*	*	*	*	*	*	
...	...	...		...	...	...	...	...	...	...	...	...	...	...	...	...	
<b>Total</b>					<b>10200</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*

## Production News & Shutdowns

- Zhongsha PC shut down its 300 kt/yr LLDPE unit during 15-17 June for maintenance. Zhongsha PC shut down its 300 kt/yr HDPE unit during 24-27 June due to a technical problem.
- Daqing PC shut down its 80 kt/yr Line C of HDPE unit during 10-17 June for maintenance due to a short supply of ethylene. Daqing PC shut down its 65 kt/yr old LDPE unit on 22 June for maintenance, but with no details of its restart.
- Yangzi PC shut down its 100 kt/yr Line C of HDPE unit during 17-20 June for maintenance.
- Jilin PC planned to shut down its 275 kt/yr LLDPE during 20-27 June for maintenance.
- Zhenghai Ethylene shut down its 450 kt/yr FDPE unit on 29 April due to a technical problem, and restarted it on 20 June.
- Lanzhou PC shut down its 300 kt/yr LLDPE unit during 17-27 June for maintenance.

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

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