

## China Price Monitor HDPE Pricing

April 21, 2008

(Pricing for April 17, 2008)

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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	8400	10776	8300	10500	-100	8831	10363	8831	10363	0
HDPE Film	9700	10840	9600	10700	-100	9086	9937	9086	9937	0
HDPE Injection	9200	10900	9100	10800	-100	8916	9937	8916	9937	0
HDPE Yarn	11090	11780	11000	11500	-90	10107	10533	10107	10533	0
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

### This week's executive summary

- China's PE market moved down in a fluctuation. Sinopec and PetroChina's price policy became focus in the market.
- Rumors were heard in early week that the two groups would cite list prices, and this made buyers hold a wait-and-see attitude.
- This Thursday, the rumors were confirmed, but market participants were uncertain over the outlook due to slipping spot prices but rising futures values.
- According to players on pessimistic stand, downstream demand was weak and end users' buying interest remained slim.
- Optimistic players were not sure whether the two groups would cancel the list prices next week or not, but they thought settlement prices of the two groups would not be far lower than their list prices due to low inventories, and this would relieve stagnated sales of domestic petrochemical producers.

### Production News & Shutdowns

- Yanshan shut down its 60 kt/yr No 2 Line of Old LDPE unit during 5-9 April due to unexpected accidents.
- Panjin Ethylene shut down its 130 kt/yr HDPE unit on 9 December for maintenance, and planned to restart on May 2009.
- Daqing PC shut down its 80 kt/yr Line C of HDPE unit on 14 April due to shortage of ethylene. Daqing shut down its 65 kt/yr old LDPE unit during 2-14 April due to shortage of ethylene.
- Qilu PC planned to shut down its all PE units with capacity of 420 kt/yr from 15 April to 21 May for maintenance.

