

China Price Monitor HDPE Pricing

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(Pricing for August 7, 2009)

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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	10300	10840	10300	10800	0	10192	10363	10278	10448	+85
HDPE Film	10400	10980	10400	10800	0	10703	11214	10873	11214	+170
HDPE Injection	9200	10750	9200	10800	0	10192	10618	10278	10703	+85
HDPE Yarn	10640	11080	10700	11100	+60	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

- The Chinese PE market was in a heavy speculative air this week with active buying inquiries and sharply rising prices of LDPE and LLDPE reported.
- LLDPE futures prices soared and the gap with spot cargoes were around CNY 1,000/tonne or above, strengthening trader's interest in hedging.
- However, HDPE market was dull. Compared with HDPE film, transactions of the injection and blow moulding grade were brisker and prices increased slightly.
- HDPE yarn prices were higher than last week with limited trades reported. Some petrochemical producers lifted offers. Most traders, having no sales pressure at the beginning of the month, were not eager to sell, which resulted in a lack of offers.
- HDPE import availability decreased due to active trades last week and this pushed import prices up slightly.

PE China Shutdown Schedule - expected number of shut down days

Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Oct	Nov	Dec	Jan,09	Feb	Mar	Apr	May	Jun	Jul	Aug	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	3	30	11			1	12	2		18	31	
				HDPE	140		2	2		7							
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140	1	3	7				15	25				
				LLDPE	140			4				15	30				
				HDPE	140				4	3		15	28				
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	200		5										
				HDPE	260		4			4			4			1	
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	190	1	30	30	5								
				HDPE	250		3										
Sinopec	Maoming PC	Maoming	Guangdong	LDPE	120	3	5		17	7	1	2	6	5		5	
				New LDPE	250	5	8	7	4	4			3	2			
				LLDPE	200	2	4		1	1	15						
				HDPE	350	10	1	9	4					1			
Petrochina	Daqing PC	Daqing	Heilongjiang	LDPE	65	4	12			5	10	12	24	5	5		
				New LDPE	200					1					2		
				LLDPE	85				6								
				HDPE	240	7	4	17	6	7	16	16	2	13		4	
Petrochina	Jilin PC	Jilin	Jilin	LLDPE	275											3	
				HDPE	300					6					4	3	
Petrochina	Lanzhou PC	Lanzhou	Gangsu	LDPE	200	2			2				2	30			
				LLDPE	60			5					13				
				HDPE	170			5	21	6	3						
				New HDPE	300	2							8	30			
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai	LLDPE	300					15		6	30	22			
				HDPE	300					18		6	26	11			
CNOOC and Shell	CSPC	Huizhou	Guangdong	LDPE	250												
				HDPE	200												
	Total				7050	83	145	163	132	90	138	117	194	156	75	107	

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

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Production News & Shutdowns

- Yanshan PC shut down its 60 kt/yr No.3 line of LDPE unit on 13 July for three months as the line was being transformed into EVA line. Yanshan shut down its 60 kt/yr No.2 line of LDPE unit during 3-6 August for maintenance.
- Daqing shut down its 80 kt/yr line c of HDPE unit on 27 July for maintenance, restarted on 3 August. Daqing shut down its line A of HDPE unit on 3 August for maintenance.
- Dushanzi shut down its 120 kt/yr LLDPE unit on 9-12 July due to unexpected accidents. Dushanzi shut down the unit again on 25 July due to shortage of ethylene feedstock. Dushanzi shut down its 100 kt/yr HDPE unit on 30 July for maintenance.
- Jilin PC shut down its 300 kt/yr HDPE unit on 27 July for maintenance, and restarted on 3 August. Jilin shut down its 275 kt/yr LLDPE unit on 4 August for maintenance.
- Yangzi PC shut down its 80 kt/yr Line B of HDPE on 6 August due to mechanical problems.
- Maoming PC shut down its 120 kt/yr LDPE unit during 1-6 August for maintenance.