

**China Price Monitor HDPE Pricing**  
**September 1, 2009**  
**(Pricing for August 28, 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	10240	10770	*	*	*	9767	10363	*	*	*
HDPE Film	10360	10800	*	*	*	10703	11214	*	*	*
HDPE Injection	10200	10800	*	*	*	9852	10107	*	*	*
HDPE Yarn	10550	11020	*	*	*	10788	11043	*	*	*
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 reported a downtrend this week. Prices of all grades dropped by CNY 50-250/tonne and transactions were limited.
- Traders' buying interest was subdued and they retreated to the sideline as some producers, on month-end inventory pressure, were likely to switch to price listing or cutting settlement prices.
- Participants expected market supply to increase due to impending start-up of Fujian Refining & Petrochemical and Dushanzi Petrochemical's units. These two factors, along with persistently-poor demand, made traders in a hurry to sell, pushing traded prices down.
- Producers are likely to oblige distributors to mandatory buying next week due to their month-end inventory pressure.
- According to some participants, if the producers switched to list prices after lifting offers, domestic prices would rise in the first half of next week, but the uptrend would be short-lived owing to poor downstream demand. If the producers switched to list prices directly, domestic prices might fall slightly.

## 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. Yanshan shut down its 70 kt/yr No.2 line of HDPE unit on 14 August for one day due to mechanical problems.
- Qilu PC shut down its 140 kt/yr LLDPE during 12-14 August due to unexpected accidents.
- Daqing shut down its 80 kt/yr line C of HDPE unit on 27 July for maintenance, restarted on 3 August, Daqing shut down the unit again on 17 August for maintenance. Daqing shut down its 80 kt/yr line A of HDPE unit during 3-6 August and 10-17 August for maintenance. Daqing shut down its 65 kt/yr LDPE unit during 19-21 August for maintenance.
- Dushanzi shut down its 120 kt/yr LLDPE unit on 25 July due to shortage of ethylene feedstock, and restarted on 9 August. Dushanzi shut down its 100 kt/yr HDPE unit on 11 August 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 during 4-7 August for maintenance.
- Yangzi PC shut down its 80 kt/yr Line B of HDPE during 6-16 August due to mechanical problems.
- Maoming PC shut down its 120 kt/yr LDPE unit during 1-6 August for maintenance. Maoming shut down its 250 kt/yr LDPE during 8-11 August for maintenance.
- Guangzhou PC shut down its 100 kt/yr Line one of LLDPE unit on 25 August for maintenance.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Dec	Jan,09	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	11			1	12	2		18	31	30	14	
				HDPE	140	2			7					1			
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140	7				15	25						
				LLDPE	140	4				15	30			2			
				HDPE	140		4	3		15	28						
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
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<b>Total</b>					<b>7050</b>	<b>163</b>	<b>132</b>	<b>90</b>	<b>138</b>	<b>117</b>	<b>194</b>	<b>156</b>	<b>74</b>	<b>100</b>	<b>30</b>	<b>14</b>	

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