

China Price Monitor HDPE Pricing

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(Pricing for June 27, 2008)

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PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Sep	Oct	Nov	Dec	Jan,08	Feb	Mar	Apr	May	Jun	Jul	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380			2	3			5	5	5			
				HDPE	140				11								
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140										2		
				LLDPE	120				11								
				HDPE	160										2		
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	200				7				6				
				HDPE	230			5	5								
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	190		9									31	
				HDPE	250			2	1		4			8			
Sinopec	Maoming PC	Maoming	Guangdong	LDPE	120	9				1	3	4	5	4			
				New LDPE	250		4	23	8	9			4	19			
				LLDPE	160			1		6				4			
				HDPE	350	11	16		11	7					17		
Petrochina	Daqing PC	Daqing	Heilongjiang	LDPE	65				4	6	4		1				
				New LDPE	200												
				LLDPE	60					4			8				
				HDPE	240	0	9	13	6	9	13	15	19	12	17		
Petrochina	Jilin PC	Jilin	Jilin	LLDPE	275									16	14		
				HDPE	300			5						16	15		
Petrochina	Lanzhou PC	Lanzhou	Gangsu	LDPE	200						3						
				LLDPE	60												
				HDPE	170					7							
				New HDPE	300							5	2				
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai	LLDPE	300							6					
				HDPE	300												
CNOOC and Shell	CSPC	Huizhou	Guangdong	LDPE	250	8				8		6					
				HDPE	200							13					
Total					7180	30	38	51	67	63	32	61	45	88	133	64	
Note: Only top ten resin suppliers included, all suppliers shutdown list is available in the full China Price Monitor																	

Production News & Shutdowns

- Jilin Petrochemical shut down its 275,000 tonne/year LLDPE and 300,000 tonne/year HDPE unit on 14 May for one-month maintenance and restarted on 14 June and 15 June respectively.
- Maoming Petrochemical restarted its number one ethylene cracker on 5 June and its downstream units were back online: old unit for LDPE 951-000 and swing plant for HDPE/LLDPE 7042. Its number two ethylene cracker restarted on 19 June with 50% of its full capacity and downstream units restarted on 20 June. Its 250,000 tonne/year new LDPE unit was shut down again on 25 June for 2 days.
- Guangzhou Petrochemical's 200,000 tonne/year LLDPE unit was unexpectedly offline on 24 June. It was restarted on 26 June, but operated at lower rates. The unit was offline again on 27 June for about one week due to upstream unit's shutdown.
- Shanghai Petrochemical plans to shut down its 90,000 tonne/year number one PE unit on 1 July for one month.
- Zhongyuan Ethylene plans to shut down its 200,000 tonne/year LLDPE unit on 3 June for 35-day maintenance, but the restart would be delayed due to Sinopec's policy to cut output in July.

Comparison of Domestic vs Import Prices as CNY/tonne										
	Transaction Prices for Domestic Resin including VAT					Transaction Prices for Imported Resin CFR or CIF CMP including VAT & import duty				
	This Week		Next Week		Change	This Week		Next Week		Change
	Low	High	Low	High		Low	High	Low	High	
HDPE BM	14520	15570	15100	15500	+580	14681	15194	14852	15280	+171
HDPE Film	14450	15470	15100	15400	+650	14938	15365	15023	15536	+85
HDPE Injection	14960	15790	15100	15700	+140	15066	15280	15194	15365	+128
HDPE Yarn	15124	15840	15400	15800	+276	15280	15793	15365	15793	+85

Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.

This week's executive summary

- PE prices went down first and then turned stable, rising back to last week's levels or higher.
- Early in the week, PetroChina lowered its prices, triggering the downturn. First-tier traders sold cargoes at or below cost levels while small-to-medium bulk traders were eager to offload stocks and take tiny profits. Later Sinopec bolstered the market through its firmer prices leading to an increase at CNY 300-400/tonne.
- Sources said Sinopec kept a high stock level, and Sinopec Beijing planned to reallocate stocks to nearby warehouses.
- HDPE film grade reported good deals as its downstream plastic bag producers were able to pass through feedstock costs to product prices. Injection and blow moulding prices bottomed out and went back to their normal trend.
- Sources expected PE prices to improve next week as long as Sinopec keeps its prices stable. PetroChina prices would also rise.