

China Price Monitor HDPE Pricing

July 21, 2008

(Pricing for July 18, 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	14460	15260	14100	15000	-360	14597	15531	14512	15447	-85
HDPE Film	14420	15198	14300	14650	-120	15447	15786	15447	15786	0
HDPE Injection	14300	14880	14200	14700	-100	14767	14852	14682	14767	-85
HDPE Yarn	15040	15650	14900	15200	-140	15744	15871	15701	15871	-42
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- On Friday, prices stayed around or below producers' offers, but limited deals were completed. Traders scrambled to offload materials.
- Domestic producers confronted heavy inventory pressure on slow sales.
- Shanghai Port maintained an inventory of about 120,000 tonnes of PE, 20% higher than normal inventory levels, while other ports such as Ningbo, Tianjin and Huangpu kept normal inventories.
- Traders still moved materials at or below cost levels anticipating further sinking of producers' offers.
- Some downstream converters purchased on a need-to basis for short-term production while most of them were on sidelines. Their operating rates improved little with scant transactions.
- The consumption of social inventories became critical for the market, but demand may not improve significantly in short term on low season of plastic processing in July and August. Source said PE prices would consolidate after bottoming out if producers cut offers further.

Production News & Shutdowns

- Maoming PC's 250,000 tonne/year new LDPE unit was shut down on 2 July, and restarted on the night of 9 July. Maoming shut down its 120,000 tonne/year old LDPE unit on 13 July for maintenance, and restarted on 17 July.
- Panjing Ethylene's 75,000 tonne/year 1# line of HDPE unit was offline on 3 July, and restarted on 6 July.
- Shanghai PC shut down its 45,000 tonne/year 1PE 2# line unit of LDPE on 27 June, and restarted on 9 July. Its 45,000 tonne/year 1PE 1# line unit of LDPE planned to shut down during 8-31. Its 100,000 tonne 2PE unit of LDPE was shut down on 9 July for 5 days for maintenance.
- Zhongyuan Ethylene shut down its 200,000 tonne/year LLDPE unit on 3 June, and planned to restart on 18 July.
- Daqing PC shut down 85,000 tonne/year LLDPE unit on 30 June for maintenance, and restarted the unit on 13 July.
- Yangzi PC shut down its 200,000 tonne/year LLDPE unit on 3 July for unexpected accidents, and restarted on 17 July.
- Yangshan PC shut down its 60,000 tonne/year old LDPE unit 1# line on 10 July for half day maintenance. It shut down 60,000 tonne/year old LDPE unit 3# line on 15 July, and restarted on 17 July.

