

China Price Monitor HDPE Pricing

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(Pricing for May 8, 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	10900	8300	10800	-100	9073	10475	9328	10773	+255
HDPE Film	10200	11180	10100	11170	-100	9328	10475	9498	10475	+170
HDPE Injection	9200	10500	9200	10500	0	9498	10475	9583	10475	+85
HDPE Yarn	11100	11560	11050	11500	-50	10348	10985	10518	10985	+170
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 followed different tracks by grades this week.
- Transactions were quiet earlier but increased in the second half.
- HDPE prices kept firm this week bolstered by tight spot supply.
- Some import prices for HDPE blow molding rose slightly due to supply shortage in the future.
- This Thursday, traders' confidence strengthened and tried to lift offers long with soaring values of crude oil and futures.
- But trading volumes remained limited due to poor downstream demand.

Production News & Shutdowns

- Yanshan shut down its 60 kt/yr No 3 Line of Old LDPE unit during 5-7 May due to unexpected accidents. Yanshan shut down its 60 kt/yr No 2 Line of Old LDPE unit during 7-8 May due to unexpected accidents.
- Panjin Ethylene shut down its 130 kt/yr HDPE unit on 9 December for maintenance, and plans to restart on 18 May 2009.
- Daqing PC shut down its 80 kt/yr Line C of HDPE unit during 14-22 April due to shortage of ethylene. Daqing shut down its 65 kt/yr old LDPE unit on 1 May for maintenance.
- Qilu PC planned to shut down its all PE units with capacity of 420 kt/yr from 15 April to 16 May for maintenance.
- Maoming PC shut down its 120 kt/yr old LDPE unit on 28 April for maintenance, and planned to restart on 6 May.
- Fushun PC shut down its 140 kt/yr HDPE unit on 6 May for maintenance, and plans to restart in mid-May.
- Maoming PC shut down its 250 kt/yr LDPE unit during 6-13 May for maintenance.
- Shanghai Secco PC shut down its PE units with a total capacity of 600 kt/yr on 21 May for 35-days maintenance.
- Lanzhou PC shut down its 200 kt/yr LDPE unit and 300 kt/yr new HDPE unit on 25 May for 36-days maintenance.

PE China Shutdown Schedule - expected number of shut down days

Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Aug	Sep	Oct	Nov	Dec	Jan,09	Feb	Mar	Apr	May	Jun	Comments	
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	7	4	3	30	11			1	12	2			
				HDPE	140	3	2		2	2			7					
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140			1	3	7				15	16			
				LLDPE	140	8	1			4				15	16			
				HDPE	140	4	9				4	3		15	16			
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	200				5									
				HDPE	260	10	10		4				4					
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	190	11	29	1	30	30	5							
				HDPE	250				3									
Sinopec	Maoming PC	Maoming	Guangdong	LDPE	120	4	1	3	5		17	7	1	2	6			
				New LDPE	250	1	1	5	8	7	4	4			7			
				LLDPE	200			2	4		1	1	15					
				HDPE	350	7	5	10	1	9	4							
Petrochina	Daqing PC	Daqing	Heilongjiang	LDPE	65	2		4	12			5	10	12	7			
				New LDPE	200		17					1						
				LLDPE	85						6							
				HDPE	240	7	5	7	4	17	6	7	16	16				
Petrochina	Jilin PC	Jilin	Jilin	LLDPE	275													
				HDPE	300								6					
Petrochina	Lanzhou PC	Lanzhou	Gangsu	LDPE	200	2	21	2			2				6	30		
				LLDPE	60	16	23			5								
				HDPE	170	16	23			5	21	6	3					
				New HDPE	300		21	2								6	30	
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai	LLDPE	300								15	10	25			
				HDPE	300									18	10	25		
CNOOC and Shell	CSPC	Huizhou	Guangdong	LDPE	250													
				HDPE	200													
Total					7065	121	194	83	145	163	132	90	138	117	130	110		

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

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