

China Price Monitor HDPE Pricing
November 17, 2009
(Pricing for November 13, 2009)

Source: CBI (Shanghai) Co., Ltd.

Tel. +(86 21) 51550731

E-mail: chemicalresearch@cbichina.com

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	9850	10700	*	*	*	9852	10788	*	*	*
HDPE Film	9920	10400	*	*	*	10363	10703	*	*	*
HDPE Injection	9850	10390	*	*	*	10022	10278	*	*	*
HDPE Yarn	10140	10540	*	*	*			*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- PE prices rose significantly this week, especially those of LDPE.
- LDPE film supply became tight as Yanshan PC and Qilu PC respectively switched their units to cable grade and heavy package grade, extending the price rise from past weeks. Facing limited domestic availability, traders and end-users showed a strong interest in imports, which prompted some overseas suppliers to lifted offers by \$50/tonne.
- In addition, active speculations of LDPE and upcoming peak season of mulch film industry in December pushed LLDPE prices up.
- Finally, Sinopec and PetroChina lifted prices frequently and the prices hikes were reportedly to be continued, which increased domestic prices.
- Due to ample supply, the price rise of HDPE was relatively small, but end-users' buying interest became strong as they worried that soaring prices of other grades would push HDPE prices further up.
- Domestic PE prices were expected to remain on a rising streak next week boosted by the unconfirmed reports of producers' continual price hikes, but the increase would be limited affected by end-users' resistance to high levels.

➤ Production News & Shutdowns

- Yanshan PC shut down its 60 kt/yr No.1 line of LDPE unit on 14 October for one-day maintenance due to a technical problem.
- Daqing PC shut down its 80 kt/yr line C of HDPE unit on 21 September due to shortage of ethylene and restarted it on 31 October.
- FRPC shut down its 400 kt/yr new HDPE on 15 September due to a technical problem, the unit was restarted on 20 October, FRPC shut the unit again during 3-5 November and 7-13 November due to a technical problem. FRPC shut down its 400 kt/yr LLDPE unit during 3-5 November due to a technical problem.
- Lanzhou PC shut down its 60 kt/yr HDPE unit during 21-29 October for maintenance.
- Shanghai Golden Phillips shut down its 135 kt/yr HDPE unit on 27 October, and plan to restart on 8 November.
- Dushanzi shut down its 300 kt/yr new HDPE unit on 31 October for maintenance and restarted it on 2 November.

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

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