

China Price Monitor HDPE Pricing

September 21, 2008

(Pricing for September 17, 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	12280	14200	12000	14000	-280	12065	13171	12065	13001	0
HDPE Film	12820	14700	12500	14500	-320	12916	13597	12746	13426	-170
HDPE Injection	12220	12882	11900	12500	-320	12320	12831	12065	12660	-255
HDPE Yarn	12940	14400	12600	14200	-340	12320	13086	12320	12916	0
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Domestic producers continued to implement price listing or prices cuts this week and requested distributors to complete sales plan volumes. However, producers were still under high inventory pressure and they had to divert materials to relieve stock pressure.
- Traders were forced to cut offers in order to complete sales plans as well as low buying interest from downstream end-users.
- Most sellers said they were suffering from losses but trades volumes were still limited. Meanwhile, first-tier traders were increasingly reluctant to buy and downstream converters had to cut operating rate due to credit crunch and a decrease in orders, leading to shrinking buying activities.
- Most players said market prices would slide further if crude oil values continued to drop or end-users remained low operating rate.
- Few sources deemed that market prices could see a ripple of rebound in late September as downstream converters might stock up before the National Holidays which begins on 1 October.

Production News & Shutdowns

- Qilu PC shut down its 160,000 tonne/year HDPE unit and 140,000 tonne/year LLDPE unit on 16 September. It restarted the Line A of HDPE unit and LDPE unit on the afternoon of 30 September, the Line B of HDPE has not restarted yet.
- Panjin Ethylene shut down its 130,000 tonne/year HDPE unit on 12 August and planned to restart on 14 September.
- Yanshan PC shut down its 200,000 tonne/year new LDPE unit during 5-9 September due to unexpected accidents, and shut down its 70,000 tonne/year HDPE unit Line 1 on 16 September for maintenance.
- Lanzhou PC shut down its 170,000 tonne/year HDPE unit and 60,000 tonne/year LLDPE unit on 15 August, and planned to restart on mid September. Its 200,000 tonne/year LDPE unit and 300,000 tonne/year HDPE unit was shut down on 9 September due to an accident of upstream cracker.
- Yangzi PC shut down its 260,000 tonne/year HDPE unit with three Lines on 21 August, and Yangzi restarted its Line A and Line B of the unit on 5 September, and Line C of the unit on 10 September.
- Daqing PC shut down its 200,000 tonne/year new LDPE unit during 1-13 September for maintenance, and it remained shutdown due to lack of feedstock.

- Shanghai PC shut down 100,000 tonne 2PE unit of LDPE on 19 August for maintenance, and would restart on 19 September.
- TUCC shut down its 120,000 tonne/year LLDPE unit on 28 September for 28-days maintenance.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Dec	Jan,08	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	3			5	4.5	5		2	7	4		
				HDPE	140	11						1	3	2			
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140							2					
				LLDPE	120	11								8	1		
				HDPE	160							2	4	9			
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	200	7			6				18				
				HDPE	260	5								10	10		
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	190								23	11			
				HDPE	250	1		4			8						
Sinopec	Maoming PC	Maoming	Guangdong	LDPE	120		1		3	4	5	4	6	4			
				New LDPE	250	8	9				4	20	8	1			
				LLDPE	200		6					5	1				
				HDPE	350	11	7					17		7			
Petrochina	Daqing PC	Daqing	Heilongjiang	LDPE	65	4	6	4		1				2			
				New LDPE	200										19		
				LLDPE	85		4			8		1	12				
				HDPE	240	6	9	13	15	19	22	17		7	5		
Petrochina	Jilin PC	Jilin	Jilin	LLDPE	275						16	14					
				HDPE	300						16	15					
Petrochina	Lanzhou PC	Lanzhou	Gangsu	LDPE	200			3						2	9		
				LLDPE	60									16	15		
				HDPE	170		7							16	15		
				New HDPE	300				5	2					9		
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai	LLDPE	300				6								
				HDPE	300												
CNOOC and Shell	CSPC	Huizhou	Guangdong	LDPE	250		8		6								
				HDPE	200				13								
	Total				7285	67	63	32	61	45	98	140	100	121	120	26	

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