

China Price Monitor LDPE+LLDPE Pricing

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(Pricing for February 11 2011)

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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	
LDPE Coating	15500	15700	*	*	*	*	*	*	*	*
LDPE Film	13160	13900	*	*	*	13944	14520	*	*	*
LLDPE General Film	13550	13900	*	*	*	11888	12135	*	*	*

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

This week's executive summary

- In the first week after the China Lunar New Year Holidays (2-8 February 2011), the China polyethylene (PE) market was in a dismal mood and saw limited trades as some participants have not returned back. Although some traders lifted offer prices, no large-volume deals were heard done.
- Producers in some regions raised EXW prices of linear low density PE (LLDPE) and low density PE (LDPE), but this failed to stimulate the domestic market as sales companies switched to list prices for most grades and market inventories were higher than normal.
- Traders held different views. Some of them feared price falls because of slow consumption of their inventories during the Holidays, while some others preferred a wait-and-see attitude because they anticipated that end-users would replenish stocks after the seven days due to limited purchasing volumes before the Holidays. Since peasant workers have not returned from hometown, most end-users purchased feedstock on a hand-to-mouth basis and showed no signs of large-volume purchasing despite their low inventories.
- Due to the higher-than-normal market inventories, participants expected downstream purchasing to be major factor affecting the domestic prices next week.

PE China Shutdown Schedule - expected number of shut down days																			
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan, 2011	Feb, 2011	Comments	
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380					5		1	8	1					
				HDPE	140					1	4								
Sinopec	TUCC	Tianjin	Tianjin	LLDPE	120						16				3				
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140		7												
				LLDPE	140			7											
				HDPE	140								12						
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*	*	*	*					
				HDPE	*	*	*	*	*	*	*	*	*	*					
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*	*	*	*					
				HDPE	*	*	*	*	*	*	*	*	*	*	*				
...						
Total					10500	108	108	*	*	*	*	*	*	*	120	30	8.5		

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

Production News & Shutdowns

- Lanzhou PC shut down its 200 kt/yr LDPE unit on 8 February for regular maintenance, with no details for its restarting.
- Daqing PC shut down its 80 kt/yr Line C of HDPE unit during 18-26 January due to feedstock shortage. And the unit was shut down again unexpectedly on 9 February for the same reason, but there were no details about its restarting.
- Maoming PC shut down its 250 kt/yr new LDPE unit during 19-21 January for maintenance. The producer shut down its 200 kt/yr HDPE unit unexpectedly on 10 February due to a technical problem, with no details for the restarting.
- Yanshan PC shut down its 60 kt/yr Line 1 of old LDPE unit during 11-12 January for regular maintenance.
- Zhongsha PC shut down its 300 kt/yr HDPE unit temporarily on 11 January due to feedstock shortage.
- FRPC shut down its 400 kt/yr HDPE unit during 5-10 January for regular maintenance.
- Dushanzi PC shut down its 120 kt/yr LLDPE unit during 4-6 January for regular maintenance.

Note: * replaced the actual data which are only provided to CBI CPM subscribers.

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