

## China Price Monitor LDPE+LLDPE Pricing

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(Pricing for March 4 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	15840	*	*	*	*	*	*	*	*
LDPE Film	13240	13800	*	*	*	13717	14372	*	*	*
LLDPE General Film	13530	13900	*	*	*	11589	11834	*	*	*

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

### This week's executive summary

- Early in March, sales companies of major petrochemical producers in China either lifted EXW prices or pushed list prices up, which boosted transactions in the Chinese polyethylene (PE) market. This, coupled with high values of crude oil and ethylene, triggered major distributors' operation enthusiasm. Besides, end-users did heavy buying in early month so as to maintain production. All these factors pushed prices in the domestic market up.
- In view of increasing deals due to price hikes by major producers' sales companies, domestic distributors reported higher quotations this week.
- Crude oil and ethylene prices remained high, giving supports to overseas suppliers' high offers. Major importers' cashflow and inventory pressures were relieved. The two factors explained improvements in the Chinese import PE market in early March.
- Downstream converters purchased actively in early month, but the situation was unlikely to continue as their feedstock inventories needed time to consume. With support from high crude oil and ethylene values, the domestic market was expected to fluctuate within a narrow range in the near future.

PE China Shutdown Schedule - expected number of shut down days																		
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan, 2011	Feb, 2011	Mar, 2011	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380				5		1	8	1	7	2	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	*	*	*	*	*	*	*	*		20				
				HDPE	*	*	*	*	*	*	*	*		4				
...	...	...		...	...	...	...	...	...	...	...	...						
<b>Total</b>					<b>10500</b>	<b>108</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>120</b>	<b>30</b>	<b>28</b>	<b>31</b>	
<i>Note: Only top ten resin suppliers included, all suppliers shutdown list is available in the full China Price Monitor</i>																		

## Production News & Shutdowns

- Daqing PC shut down its 80 kt/yr Line C of HDPE unit during 9-20 February unexpectedly due to feedstock shortage. And the unit was shut down again on 1 March for the same reason.
- Yanshan PC shut down its 200 kt/yr new LDPE unit on 28 February for one-day turnaround.
- Guangzhou PC shut down its 200 kt/yr LLDPE unit on 20 February for maintenance, planning to restart it on 1 April.
- Lanzhou PC shut down its 200 kt/yr LDPE unit during 8-12 February for regular maintenance.
- Maoming PC shut down its 200 kt/yr FDPE unit unexpectedly on 11 February due to a technical problem, and resumed production on 12 February.

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

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