

China Price Monitor LDPE+LLDPE Pricing

March 9, 2010

(Pricing for March 5, 2010)

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					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	16550	16900	*	*	*	-	-	*	*	*
LDPE Film	12200	13200	*	*	*	12217	13579	*	*	*
LLDPE General Film	13400	13600	*	*	*	11451	12303	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Downtrend in the Chinese polyethylene (PE) market was extended to this week.
- In all regions, prices fell and transactions were stagnant.
- Producers uncertain price strategy and decreasing futures values dampened end-users buying interest greatly.
- Downstream demand was expected to increase after the Festival of Lanterns (28 February 2010), which was the major support to traders' confidence.
- However, high market inventories and slow downstream production recovery resulted in disrupted sales, compelling traders to cut their offers.
- Traders had divergent views on the market trend amid many unfavorable factors.
- The domestic prices were expected to fluctuate within a narrow range in the short term with a large possibility of fall given no improvement to be seen in downstream demand.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan,10	Feb	Mar	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	2		18	31	30	14	1	1		2		
				HDPE	140				1								
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140	25								13			
				LLDPE	140	30			2								
				HDPE	140	28											
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
...	
Total					8850	194	156	74	108	*	*	*	*	*	*	*	

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

Production News & Shutdowns

- FRPC shut its 400 kt/yr new HDPE during 11-13 January due to a technical problem. FRPC shut down its 400 kt/yr new HDPE and 400 kt/yr new LLDPE units during 5-10 February due to a technical problem.
- Maoming PC shut down its 350 kt/yr HDPE unit during 5-8 February due to a technical problem and shut down during 22-25 February due to a shortage of feedstock. Maoming shut its 250 kt/yr new LDPE unit during 15-25 February due to a short supply of feedstock. Maoming shut its 120 kt/yr LDPE unit on 23 January, and restarted on 4 February.
- Lanzhou PC shut down its 60 kt/yr HDPE unit and 170 kt/yr HDPE unit (including two lines) on 7 January due to a technical problem; its 85 kt/yr one line of HDPE unit was restarted on 22 January, the other 85 kt/yr line of HDPE unit and 60 kt/yr HDPE unit were restarted on 13 February. Lanzhou PC shut down its 300 kt/yr LLDPE unit during 21-27 January for maintenance.
- Zhongsha PC shut down its 300 kt/yr LLDPE unit and 300 kt/yr HDPE unit on 24 January due to a technical problem, and restarted the unit on 3 February. Zhongsha PC shut down its 300 kt/yr HDPE unit and 300 kt/yr LLDPE unit on 25 February, and restarted on 1 March.
- Golden Phillips PC shut its 135 kt/yr HDPE unit on 27 January due to shortage of ethylene, and restart the unit on 5 February.
- Yangzi PC shut down its 100 kt/yr Line C of HDPE unit during 1-4 February for maintenance.
- Panjing Ethylene shut down its 300 kt/yr HDPE unit on 22 February for maintenance, and restarted the unit on 1 March.
- Daqing PC shut down its 80 kt/yr Line B of HDPE unit on 21 February for maintenance.
- Yanshan PC shut down its 60 kt/yr one line of LDPE during 21-23 February for maintenance.
- CSPC plan to shut down its 200 kt/yr HDPE unit and 250 kt/yr LDPE unit on early March for maintenance, and restart the two units at the end of April

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

CBI (Shanghai) Co., Ltd.

Contact: +(86 21) 51550731

E-Mail: chemicalresearch@cbichina.com