

## China Price Monitor LDPE+LLDPE Pricing

May 10, 2011

(Pricing for May 6 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   | 15800   | 16050 | *         | *    | *      | 0  | 0     | *         | *    | *      |
| LDPE Film  | 13120   | 14000 | *         | *    | *      | 13490  | 14057 | *         | *    | *      |
| LLDPE General Film                                   | 13590   | 13800 | *         | *    | *      | 11303  | 11546 | *         | *    | *      |

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

### This week's executive summary

- The China PE market prices mixed this week, HDPE market prices moved higher because of scant supply as local major producers was considering cutting HDPE production in May. Ample supply and weak demand were reported in LDPE and LLDPE market, most of traders cut their offers to boost deals. However, market prices rose slightly in some regions thanks to higher domestic producers' EXWH (ex-warehouse) prices.
- The China LLDPE market prices dropped slightly in some regions as lower crude values, despite Sinopec east China and Petro-China east China increased their offers prices this week. On the other hand, the LLDPE market prices were not supported by the reduction of domestic producers' productions in May.
- The PE import market was unchanged on the whole. Supported by the jumped crude oil futures prices and ethylene monomer price, offers from oversea supplier for May shipment was at a high level. Buyers and seller were hard to reach an agreement, so the transaction was sluggish.
- Scant downstream demand and higher local producers' offer prices were expected in next week, participants anticipated a correction in PE market.



| PE China Shutdown Schedule - expected number of shut down days |             |          |          |       |                    |            |          |          |          |          |          |          |            |           |           |           |          |          |   |
|--|-------------|----------|----------|-------|--------------------|------------|----------|----------|----------|----------|----------|----------|------------|-----------|-----------|-----------|----------|----------|---|
| Majority Owners  | Plant       | City     | Province | Line  | Annual Capacity KT | Jun        | Jul      | Aug      | Sep      | Oct      | Nov      | Dec      | Jan, 2011  | Feb, 2011 | Mar, 2011 | Apr 2011  | May 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                |            |          |          |          |          |          |          |            |           | 1         |           |          |          |   |
|  |             |          |          | LLDPE | 140                |            |          |          |          |          |          |          |            |           |           |           |          |          |   |
|  |             |          |          | HDPE  | 140                |            |          |          | 12       |          |          |          |            |           |           |           |          |          |   |
| Sinopec  | Yangzi PC   | Nanjing  | Jiangsu  | LLDPE | *                  | *          | *        | *        | *        | *        | *        | *        | *          | *         | *         | *         | *        | *        |   |
|  |             |          |          | HDPE  | *                  | *          | *        | *        | *        | *        | *        | *        | *          | *         | *         | *         | *        | *        | * |
| Sinopec  | Shanghai PC | Shanghai | Shanghai | LDPE  | *                  | *          | *        | *        | *        | *        | *        | *        | *          | *         | *         | *         | *        | *        |   |
|  |             |          |          | HDPE  | *                  | *          | *        | *        | *        | *        | *        | *        | *          | *         | *         | *         | *        | *        | * |
| ...  | ...         | ...      |          | ...   | ...                | ...        | ...      | ...      | ...      | ...      |          |          |            |           |           |           |          |          |   |
| <b>Total</b>   |             |          |          |       | <b>10500</b>       | <b>108</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> |          |          |   |

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

## Production News & Shutdowns

- Daqing PC shut down its 80kt/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 200kt/yr new LDPE unit on 28 February for one-day turnaround.
- Guangzhou PC shut down its 200kt/yr LLDPE unit on 20 February for maintenance, planning to restart it on 3 April.
- Lanzhou PC shut down its 200kt/yr LDPE unit on April 20 for regular maintenance, and restart on May 5.
- Maoming PC shut down its 200kt/yr FDPE unit unexpectedly on 11 February due to a technical problem, and resumed production on 12 February.
- Jilin PC shut down its 300kt/yr HDPE unit during 8-14 March for week-long turnarounds.
- Fujian united shut down its 400kt/yr HDPE unit during 14-18 March due to a technical problem.
- Zhongsha PC shut down its 300kt/yr HDPE unit on 2 May for maintenance, restart on May 4..
- Jilin PC shut down its 300kt/yr HDPE unit during 8-15 March for turnarounds.
- Qilu shutdown its 70kt/yr Line B of HDPE on 25 March for regular maintenance, has not yet decided the restarted time.
- Daqing PC shut down its 80kt/yr Line C of HDPE unit on May 3 for regular maintenance, restart date was unknown.
- Zhongyuan ethylene shutdown its 200kt/yr units on May 5 for regular maintenance, will restart at the end of June.

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

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