

China Price Monitor LDPE+LLDPE Pricing

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(Pricing for June 04, 2010)

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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	12140	12400	*	*	*	-	-	*	*	*
LDPE Film	10740	11800	*	*	*	10771	11877	*	*	*
LLDPE General Film	11510	12400	*	*	*	9920	10600	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Prices in the Chinese polyethylene (PE) market continued to inch down this week. Crude oil prices rose above \$70/bbl again but were replaced by supply and demand as the major factor affecting the market. In view of falling Asian ethylene values and import prices, traders' outlook became more pessimistic, leading to deals with traded prices lower than mainstream offers.
- Domestic petrochemical producers released their June price strategy. Some of them reported higher list prices, but this failed to give strong support to the market. Traders reduced offers and sold actively as their inventories increased on producers' mandatory sales and they were not uncertain about the future settlement prices.
- Import prices remained on a losing streak this week. Persistently poor downstream demand dampened traders' negative sentiment further, so most of them sold at low levels in a bid to minimize losses.
- End-users showed a weak buying interest owing to decreases in PE values. This, along with the traditional off season in June, made participants expect the market to remain on a downtrend in the short term. Some traders hoped maintenance at domestic producers in the future to ease the oversupply.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Aug	Sep	Oct	Nov	Dec	Jan,10	Feb	Mar	Apr	May	June	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	31	30	14	1	1		2					
				HDPE	140	1											
Sinopec	TUCC	Tianjin	Tianjin	LLDPE	120					11	6						
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140						13			7			
				LLDPE	140	2									7		
				HDPE	140												
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
...	
Total					10200	108	82	*	*	*	*	*	*	*	*	*	

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

Production News & Shutdowns

- Guangzhou PC shut down its 200 kt/yr LLDPE during 25-28 May for maintenance.
- Dushanzi PC shut down its 300 kt/yr new HDPE unit during 15-24 May due to a technical problem.
- Panjin Ethylene shut down its 300 kt/yr new HDPE unit during 23-26 May due to a technical problem.
- Yangzi PC shut down its 100 kt/yr Line C of HDPE and its 80 kt/yr Line A of HDPE units during 20-23 May due to technical problems.
- Daqing PC shut down its 80 kt/yr HDPE unit during 19-30 May due to a short supply of Ethylene. Daqing shut down its 200 kt/yr LDPE unit during 18-19 May due to a technical problem.
- Maoming PC shut down its 200 kt/yr FDPE unit during 24-27 May due to a technical problem. Maoming shut down its 250 kt/yr new LDPE unit during 24-29 May for maintenance.
- Zhenghai Ethylene shut down its 450 kt/yr FDPE unit on 29 April due to a technical problem, but with no details of its restart.

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

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