

China Price Monitor LDPE+LLDPE Pricing

July 20, 2010

(Pricing for July 16, 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	10980	11300	*	*	*	-	-	*	*	*
LDPE Film	9730	10900	*	*	*	9832	10929	*	*	*
LLDPE General Film	10600	10660	*	*	*	8989	9411	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- The Chinese polyethylene (PE) market reported mixed fortunes this week. Crude oil and LLDPE futures prices remained in a correction. This, coupled with end-users' cautious attitude in feedstock purchasing, resulted in sporadic transactions. Traders paid attention to agricultural film and packaging film producers as these users would start feedstock preparation in the near future.
- Some domestic petrochemical produces launched summer maintenance this week, easing oversupply in the market. In addition, some producers' settlement prices were higher than expected, which weakened traders' intention to slash offers. This, along with end-users' strong reluctance to high prices, made the market in a stalemate this week.
- Prices of domestic cargoes showed signs of stopping declines. In this context, most importers kept their offers stable and held a wait-and-see attitude due to huge losses in earlier time.
- Traders, with an uncertain sentiment, had different views about the market trend, but most of them were pessimistic at the short-term outlook in view of the serious supply and demand imbalance, though petrochemical producers planned to lift prices.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Sep	Oct	Nov	Dec	Jan,10	Feb	Mar	Apr	May	June	July	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	30	14	1	1		2				4		
				HDPE	140										1		
Sinopec	TUCC	Tianjin	Tianjin	LLDPE	120				11	6							
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140					13			7				
				LLDPE	140									7			
				HDPE	140												
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
...	
Total					10200	82	78	*	*	*	*	*	*	*	*	*	*

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 unit during 11-13 July due to a technical problem.
- Yanshan PC shut down its 60 kt/yr old LDPE unit during 13-16 July for maintenance. Yanshan PC shut down its 70kt/yr Line tow of HDPE unit during 12-13 July for maintenance.
- Lanzhou PC shut down its 85 kt/yr Line two of HDPE unit on 15 July for maintenance, but with no details of its restart.
- Daqing PC shut down its 200 kt/yr new LDPE unit during 8 July-16 August for regular maintenance. Daqing PC shut down its 65 kt/yr old LDPE unit during 22 June-8 August for maintenance. Daqing PC shut down its 85 kt/yr LLDPE unit during 9 July-8 August for regular maintenance. Daqing PC shut down its 240 kt/yr HDPE unit during 9 July-8 August for maintenance.
- Jilin PC shut down its 275 kt/yr LLDPE unit during 20-30 June for maintenance.

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

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