

China Price Monitor LDPE+LLDPE Pricing

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(Pricing for August 6, 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	12600	12900	*	*	*	*	*	*	*	*
LDPE Film	10950	11670	*	*	*	10929	11604	*	*	*
LLDPE General Film	11400	11640	*	*	*	10086	10423	*	*	*

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

This week's executive summary

- PE prices shot up during the week, driven by a series of positive news. Crude oil values topped \$80/bbl early this week, inspiring market sentiment. Speculative mood was affirmed with LLDPE futures prices moving up, prompting traders to hike prices.
- Domestically-made cargoes: planned maintenance shutdowns or unexpected outages at petrochemical companies mitigated LLDPE supply pressure. Increased ex-works prices of major petrochemical producers ramped up traders' purchases costs. This, together with maintenance plans of Yangzi PC and Zhenhai Ethylene triggered LLDPE price hikes during the week.
- Imported cargoes: Traders lifted sales prices to lock in profits on the back of price soars of domestically-made cargoes and bullish crude oil values.
- Some traders said the recent rapid price growth met with fierce resistance from downstream converters, which caused deals to stall at the high-end traded values. They expected LLDPE prices would enter into a correction phase in the short term with speculative activities decreasing.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Oct	Nov	Dec	Jan,10	Feb	Mar	Apr	May	June	July	Aug	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	14	1	1		2				4	5		
				HDPE	140										1	3	
Sinopec	TUCC	Tianjin	Tianjin	LLDPE	120			11	6							5	
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	45	85	*	*	*	*	*	*	*	

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

Production News & Shutdowns

- Yangzi PC planned to shut down its 260 kt/yr HDPE unit and 200 kt/yr LLDPE unit in August for around 20 days for maintenance.
- Zhenghai Ethylene planned to shut down its 450 kt/yr LLDPE unit during 7-17 August for maintenance.
- TUCC(Tianjin United) shut down its 120 kt/yr LLDPE unit on 3 August due to a technical problem, and planned to restart it on 8 August.
- Zhongyuan Ethylene shut down its 200 kt/yr LLDPE unit on 1 August for maintenance, and planned to restart it on 6 August.
- Yanshan PC shut down its 70 kt/yr Line 2 of HDPE unit on 4 August unexpectedly, with no details of its restart. Yanshan PC shut down its 60 ky/yr Line 2 of old LDPE unit during 21-26 July for maintenance.
- Panjin Ethylene shut down its 300 kt/yr new HDPE unit on 20 July for maintenance, but with no details of its restart.
- Maoming PC shut down its 350 kt/yr HDPE unit during 22-24 July due to a technical problem.
- Lanzhou PC shut down its 85 kt/yr Line 2 of HDPE unit during 15-23 July for maintenance.
- 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.

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

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Contact: +(86 21) 51550731

E-Mail: chemicalresearch@cbichina.com