

China Price Monitor LDPE+LLDPE Pricing

August 31, 2010

(Pricing for August 27 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	12640	12790	*	*	*	*	*	*	*	*
LDPE Film	10780	11610	*	*	*	10316	12164	*	*	*
LLDPE General Film	11260	11460	*	*	*	10045	10469	*	*	*

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 went through a weak correction this week. Plunged crude oil values in the first half of this week dampened traders' confidence. This, along with petrochemical producers' price cuts, pushed market prices down. In the second half of this week, the market lost steam restricted by end-users' weak buying interest, though the crude oil values showed signs of stabilizing.
- Some domestic petrochemical producers switched to offers along with upcoming end-month with disrupted sales reported. Some traders' willingness to slash offers weakened significantly because petrochemical producers' higher-than-expected settlement prices in earlier time led to squeezed profits or even losses.
- Most importers were pessimistic at the outlook this week affected by falling domestic prices. This, along with expected ample supply in the domestic market, forced them to cut offers in a bid to offload inventories.
- Currently, traders were confused in sentiment. Although the market prices were likely to turn stable at the end of the month back by petrochemical producers' switch to offers, it was difficult to see improvements in the market as end-users remained cautious in purchasing.

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					5		
				HDPE	140										1	4	
Sinopec	TUCC	Tianjin	Tianjin	LLDPE	120			11	6							16	
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	78	45	85	163	*	*	*	*	*	*	*	

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

Production News & Shutdowns

- Jilin PC shut its 275 kt/yr LLDPE unit during 24 -26 August due to a technical problem.
- FRPC shut down its 400 kt/yr HDPE unit during 17-22 August unexpectedly.
- Maoming PC shut down its 120 kt/yr Line 1 of old LDPE unit during 11-15 August for regular maintenance.
- Yangzi PC shut down its 260 kt/yr HDPE unit and 200 kt/yr LLDPE unit on 11 August and 12 August respectively for a 20-day regular maintenance.
- Lanzhou PC shut down its 170 kt/yr HDPE unit during 11-13 August for maintenance due to shortage of feedstock.
- TUCC(Tianjin United) shut down its 120 kt/yr LLDPE unit during 3-19 August due to a technical problem.
- Zhongyuan Ethylene shut down its 200 kt/yr LLDPE unit during 1-8 August for maintenance.
- Yanshan PC shut down its 70 kt/yr Line 2 of HDPE unit during 4-8 August unexpectedly.
- Panjin Ethylene shut down its 300 kt/yr new HDPE unit during 20 July-9 August for maintenance.
- Daqing PC shut down its 200 kt/yr new LDPE unit during 8 July-9 August for regular maintenance. Daqing PC shut down its 65 kt/ yr old LDPE unit during 22 June-11 August for maintenance. Daqing PC shut down its 85 kt/yr LLDPE unit during 9 July-9 August for regular maintenance. Later this unit shut again on 24 August due to a technical problem, but with no details of its restart. Daqing PC shut down its 240 kt/yr HDPE unit during 9 July-9 August for maintenance. Daqing PC shut down its 80 kt/yr Line 3 of HDPE unit on 24 August due to short of feedstock, but with no details of its restart.

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