

China Price Monitor LDPE+LLDPE Pricing

September 21, 2010

(Pricing for September 17, 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	12760	13060	*	*	*	*	*	*	*	*
LDPE Film	10980	11700	*	*	*	11100	12104	*	*	*
LLDPE General Film	11300	11360	*	*	*	10011	10262	*	*	*
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 saw mixed fortunes this week with prices fluctuations in a range of CNY50-150/tonne. Continual losses in LLDPE futures values and product cut caused by energy saving and pollutant reduction cast a shadow over the market. Most traders stood aside due to their pessimistic outlook at downstream demand affected by decreasing inquiries from end-users.
- There was a lack of transactions in the import market. Importers' offer prices inched down following falling domestic values, but overseas suppliers' quotations kept firm on the back of limited availability. Trades of some grades such as LDPE were brisk owing to supply shortage and arbitrage window from trans-export, but deals of HDPE were almost non-existent affected by the large gap between offer prices and bids.
- The domestic market was expected to remain weak next week. Downstream demand would be unceasingly restricted by energy saving and pollutant reduction. There was only three working days in next week due to the Mid-autumn Festival (22-24 September), so it was difficult for traders to ease their sales pressure in the short term. Additionally, petrochemical producers would probably promote sales via price cuts before the National Day Holidays (1-7 October) in a bid to ease inventory pressure.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Nov	Dec	Jan,10	Feb	Mar	Apr	May	June	July	Aug	Sep	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	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												12
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*	*	*	*	*	*	*
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	*
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*	*	*	*	*	*	*
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	*
...
Total					10200	45	85	163	83	*	*	*	*	*	*	*	*

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

Production News & Shutdowns

- Zhenghai Ethylene shut down its 450 kt/yr LLDPE unit on 14 September for maintenance, and planned to restart it on 24 September.
- Zhongsha PC shut down its 300 ky/yr LLDPE unit and 300 kt/yr HDPE units during 13-17 September due to a technical problem.
- Qilu PC shut down its 70 kt/yr Line B of HDPE unit during 1-13 September for maintenance due to shortage of feedstock.
- Yangzi PC shut down its 80 kt/yr Line A of HDPE unit and 80kt/yr Line B of HDPE unit during 11 August to 8 September for maintenance. Yangzi PC shut down its 100 kt/yr Line C of HDPE unit on 11 August for maintenance and planned to restart it on 20 September. Yangzi PC shut down its 200 kt/yr LLDPE unit during 12 August to 7 September for maintenance.
- Daqing PC shut down its 80 kt/yr Line 3 of HDPE unit during 24 August to 5 September and during 9-15 September respectively for maintenance due to shortage of feedstock. Daqing PC shut down its 65 kt/yr old LDPE unit and 240 kt/yr HDPE unit on 17 September due to shortage of feedstock and planned to restart them on 21 September.
- Jilin PC shut down its 300 kt/yr HDPE unit during 6-9 September for regular maintenance.

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

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