

## China Price Monitor LDPE+LLDPE Pricing

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(Pricing for October 10, 2008)

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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	11690	12350	11000	11500	-690	12728	13068	12473	12813	-255
LDPE Film	11610	13770	11500	11600	-110	12728	12898	12473	12728	-255
LLDPE General Film	12580	12700	12000	12200	-580	11026	11792	10771	11366	-255

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

### This week's executive summary

- PE prices continued to plunge after the holiday, affected by global economic slowdown.
- Market participants lost confidence over the market as crude oil values slid below \$90/bbl during the holiday. Distributors were keen to offload cargoes and suppliers were holding high inventories.
- USD prices plunged, but importers did not rush to purchase at low prices. The cargoes traded before the holiday were reported to arrive next week. On knowledge of the negative news, player cut prices in advance. Efforts to deplete imports arrived in early October had become players' major concern after domestic prices led the way in price falls for three months due to high inventories from domestic producers.
- Traders lost interest over the outlook. Meanwhile, when it came to financing, trading companies acted more cautiously so as to avoid risks. However, sources said traders would face stronger resistance in sales if they limited credit transactions. Prices were expected to fall further.

### Production News & Shutdowns

- Daqing PC shut down its 80 kt/yr Line A of HDPE unit on 9 October due to lack of ethylene.
- Guangzhou PC shut down its 100 kt/yr Line 1 of LLDPE unit during 5-7 October caused by turnaround at upstream craker.
- TUCC shut down its 120 kt/yr LLDPE unit on 28 September for 28-days maintenance.
- Panjin Ethylene shut down its 70 kt/yr during 26 September – 5 October due to unexpected accidents.
- Lanzhou PC shut down its 170 kt/yr HDPE unit and 60 kt/yr LLDPE unit on 15 August, and restarted on 23 September. Its 200 kt/yr LDPE unit and 300 kt/yr HDPE unit was shut down on 9 September due to an accident of upstream cracker, the two units were restarted on 2 October.
- Shanghai PC shut down 100 kt/yr 2PE unit of LDPE on 19 August for maintenance, and the unit was restarted on 29 September.
- Maoming PC Shut down its 120 kt/yr Old LDPE unit during 9-10 September due to unexpected accidents;

