

China Price Monitor LDPE+LLDPE Pricing

October 18, 2011

(Pricing for October 14 2011)

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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 | 15600 | 15840 | * | * | * | 0 | 0 | * | * | * |
| LDPE Film | 11840 | 12580 | * | * | * | 11253 | 12048 | * | * | * |
| LLDPE General Film | 12520 | 12700 | * | * | * | 9664 | 9982 | * | * | * |
| Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin. | | | | | | | | | | |

This week's executive summary

- China PE market was in a downward correction this week as the dull LLDPE futures' market, and the PE physical market still maintained thin transactions after the Chinese national day driven by a tight credit lines. On the other hand, overseas suppliers cut their offer prices for October or November shipments this week, which dampened participants' confidence.
- Major distributors priced lower this week as domestic producers decreased their EXWH(ex-warehouse) prices.
- The PE import market continued to be bleak. Buyers held a hampered purchasing interest even though traders suffered the loss to cut the prices down. Participants still held poor confidence to the market and the transactions were still poor.
- The outlook is bearish on Friday, because participants consider that the government will continue to tighten its monetary policy in following months to curb inflation and according to the practice in previous years, the weak downstream demand seemed to be aggravated in the coming winter.

| PE China Shutdown Schedule - expected number of shut down days | | | | | | | | | | | | | | | | | | |
|--|-------------|----------|----------|-------|--------------------|----------|----------|----------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|
| Majority Owners | Plant | City | Province | Line | Annual Capacity KT | Oct | Nov | Dec | Jan, 2011 | Feb, 2011 | Mar, 2011 | Apr, 2011 | May, 2011 | Jun, 2011 | Jul, 2011 | Aug, 2011 | Sep, 2011 | Comments |
| Sinopec | Yanshan PC | Beijing | Beijing | LDPE | 380 | 1 | 8 | 1 | 7 | 2 | 1 | | | 3 | 4 | 3 | 8 | |
| | | | | HDPE | 140 | | | | | | | | | | | | | |
| Sinopec | TUCC | Tianjin | Tianjin | LLDPE | 120 | | | | 3 | | | | | | | | | |
| Sinopec | Qilu PC | Zibo | Shandong | LDPE | 140 | | | | | | 1 | | | | | | | |
| | | | | LLDPE | 140 | | | | | | | | | | | | | |
| | | | | HDPE | 140 | 12 | | | | | | | | | | 4 | | |
| Sinopec | Yangzi PC | Nanjing | Jiangsu | LLDPE | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| | | | | HDPE | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Sinopec | Shanghai PC | Shanghai | Shanghai | LDPE | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| | | | | HDPE | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| ... | ... | ... | | ... | ... | ... | ... | | | | | | | | | | | |
| Total | | | | | 10500 | * | * | * | 120 | 30 | 28 | 31 | 31 | 3 | 3 | | | |

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

Production News & Shutdowns

- Daqing PC shut down its 65kt/yr old LDPE unit during 1-3 August for accident.. Daqing PC shut down its 80kt/yr HDPE Line C unit on 17 August for regular maintenance and restarted on 19 August. Daqing PC shut down its 65kt/yr old LDPE unit during 21-24 August for regular maintenance.
- Daqing PC shut down its 85kt/yr LLDPE unit during 1-8 September for regular maintenance, and shut down it on 15 September again and restarted on 21 September. Daqing PC shut down its 20kt/yr new LDPE unit on 15 September and had a plan to restart on 17 September for regular maintenance.
- Daqing PC shut down its 80kt/yr HDPE Line A on 13 October and had a plan to restart on 18 October for accident.
- Dushanzi Petroleum and Petrochemical Complex shut down its 300kt/yr HDPE unit on 14 July and restart on 2 August for regular maintenance.
- Dushanzi Petroleum and Petrochemical Complex shut down its 120kt/yr LLDPE unit on 8 August and restarted on 8 October. Dushanzi Petroleum and Petrochemical Complex shut down its 100kt/yr HDPE unit on 9 August and restarted on 8 October for regular maintenance.
- Dushanzi Petroleum and Petrochemical Complex shut down its 600kt/yr new LLDPE unit on 12 August and plans to restart on 8 October for regular maintenance, and shut down its 300kt/yr new HDPE unit on 12 August and restarted on 10 October.
- Dushanzi Petroleum and Petrochemical Complex shut down its 300kt/yr New LLDPE line 2 on 12 August and restarted on 10 October, and shut down its 300kt/yr New LLDPE Line 1 on 12 August and restarted on 11 October for regular maintenance.
- Shenhua (Baotou) Charcoal Chemical Industry shut down its 300kt/yr LLDPE unit on 5 July for maintenance, and restarted on 22 August.
- Yanshan PC shut down its 60kt/yr old LDPE unit Line 1 and old LDPE unit Line 2 on 15 August and restarted on 15 September, so did old LDPE unit Line 3. And Yanshan PC shut down its 200kt/yr new LDPE unit on 13 August and restarted on 15 September, and shut down its 70kt/yr HDPE Line 1 and Line 2 on 15 August and restarted on 14 September.
- Zhongyuan Petrochemical shut down its 200kt/yr LLDPE unit on 5 May and restarted on 10 July for regular maintenance.
- Shanghai PC shut down its 45kt/yr 1PE and 2PE units on 2 September and had a plan to restart on 29 September for regular maintenance.
- Huajin Chemical (Panjin Ethylene) shut down its 65kt/yr HDPE Line two on 19 September and restarted on 21 September for accident.

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