

## China Price Monitor LDPE+LLDPE Pricing

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(Pricing for October 22 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	13920	14130	*	*	*	*	*	*	*	*
LDPE Film	12420	13280	*	*	*	12449	13364	*	*	*
LLDPE General Film	12520	12900	*	*	*	10784	11200	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

### This week's executive summary

- The People's Bank of China announced an unexpected interest rate raise. This, coupled with wild fluctuations of crude oil and LLDPE futures, made participants instable in sentiment. In this context, prices in the China polyethylene (PE) market lost CNY50-350/tonne this week, but transactions were normal because some end-users purchased as per demand.
- Domestic petrochemical producers announced volume discounts or price cuts for some grades such as HDPE and LLDPE, which dragged market prices down. In addition, traders have been enthusiastic in speculative activities since early month, leading to inventory pressure, so some of them reduced offer prices amid the market downtrend this week.
- There was a lack of offer prices from overseas suppliers this week. Brisk offer prices were expected to be seen in next week. Some importers stood aside and showed reluctance to sell at low levels.
- Prices in the China PE market were expected to roll over next week with a possibility of slight falls given no other macro factors.

PE China Shutdown Schedule - expected number of shut down days																		
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Dec	Jan,10	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Comments	
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	1		2					5		1	3		
				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	*	*	*	*	*	*	*	*	*	*	*	*	*	*
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...		
<b>Total</b>					<b>10500</b>	<b>85</b>	<b>163</b>	<b>83</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	

*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 80 kt/yr Line C of HDPE unit on 20 October due to shortage of feedstock, but with no details of its restart. Meanwhile, it shut down its 65 kt/yr old HDPE unit during 13-14 October for regular maintenance.
- Fujian United shut down its 400 kt/yr HDPE unit during 12-17 October for regular maintenance.
- Maoming PC shut down its 120 kt/yr Line 1 of old LDPE unit during 9-12 October for maintenance.
- Yangzi PC shut down its 80 kt/yr Line A of HDPE unit during 20 Sep-9 Oct for regular maintenance. And it shut down its 100 kt/yr Line C of HDPE unit during 11 Aug-9 Oct for maintenance.
- Zhenghai Ethylene shut down its 450 kt/yr LLDPE unit during 14 Sep-1 Oct for maintenance.

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

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