

China Price Monitor LDPE+LLDPE Pricing

November 16, 2010

(Pricing for November 12 2010)

Source: CBI (Shanghai) Co., Ltd.

Tel. +(86 21) 51550075

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	15480	15840	*	*	*	*	*	*	*	*
LDPE Film	14000	14760	*	*	*	13327	14316	*	*	*
LLDPE General Film	14240	14460	*	*	*	12089	12749	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Prices in the Chinese polyethylene (PE) market continued to rise this week. Crude oil prices approached 90/bbl, triggering active speculative activities.
- Large price rises were registered for domestic cargoes in all regions this week. Participants were optimistic at the outlook due to stronger inflation expectation. Petrochemical producers' price hikes spurred speculative sentiment, while end-users' resistance to high prices resulted in disrupted transactions this week. Most traders, keeping their inventories at a safe level, reported higher offer prices following producers' offer uplifting.
- Prices of imported cargoes surged this week driven by rising domestic values. Firm quotations from overseas suppliers supported importers' confidence. In view of falling prices in the second half of this week due to decreasing LLDPE futures values, some importers preferred selling in a bid to lock in current fat profits.
- Participants held different views about the market trend. Some of them thought that more traders would sell actively in a bid to lock in profits because of end-users' growing resistance to the rising prices, while some others expected the domestic prices to remain high next week on the back of high crude oil values, producers' price hikes and peak season of agricultural film production in north China.

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	Nov	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	1		2					5		1	8		
				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					10500	85	163	83	108	108	*	*	*	*	*	*		

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

Production News & Shutdowns

- FRPC shut down its 400 kt/yr HDPE unit during 6-11 November for maintenance.
- Lanzhou PC shut down its 300 kt/yr LLDPE unit during 1-7 November unexpectedly due to a technical problem.
- Daqing PC shut down its 80 kt/yr Line C of HDPE unit during 20 October-2 November due to shortage of feedstock. Then it shut down its 200 kt/yr new LDPE unit on 8 November but no details of its restart.
- Guangzhou PC shut down its 200 kt/yr LLDPE unit during 4-7 November for regular maintenance.
- Maoming PC shut down its 120 kt/yr old LDPE unit during 30 October-3 November for maintenance. Then it shut down its 250 kt/yr new LDPE unit on 11 November for maintenance and planned to restart it on 16 November.
- Baotou Shenhua shut down its 300 kt/yr FDPE unit on 27 September for maintenance, but no details of its restart.
- Golden-Phillips shut down its 135 kt/yr HDPE unit during 27-30 October for regular maintenance.

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

CBI (Shanghai) Co., Ltd.

Contact: +(86 21) 51550075

E-Mail: chemicalresearch@cbichina.com