

China Price Monitor LDPE+LLDPE Pricing

December 28, 2010

(Pricing for December 24 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	14680	14860	*	*	*	*	*	*	*	*
LDPE Film	13100	14000	*	*	*	13532	14029	*	*	*
LLDPE General Film	13400	13700	*	*	*	11216	11712	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Most end-users and traders reported a weak buying interest this week due to tight capital at the end of the year, pushing prices in the Chinese polyethylene (PE) market down. In addition, most traders were unwilling to slash their quotations in view of high costs and expected difficult replenishment in the near future. Thus, transactions fell into a stalemate.
- Supply of domestic cargoes intended to increase along with production recovery at Zhenhai Refining & Chemical and Fujian Refining & Petrochemical. Meanwhile, some distributors reported higher inventories following disrupted sales in the past two weeks. It was noticeable that some distributors who have not finished sales task this year would rush to move cargoes in early next week.
- There were limited new offer prices from overseas suppliers this week and the existing quotations were stable to higher than a month ago, but trading volumes were limited. Importers reported stagnant trades affected by lower domestic values and most of them remained aside.
- In view of sluggish trades this week, participants expected the domestic prices to continue spiral down next week given a lack of improvements in capital shortage of the end-users, traders and suppliers.

PE China Shutdown Schedule - expected number of shut down days																		
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380		2					5		1	8	1		
				HDPE	140							1	4					
Sinopec	TUCC	Tianjin	Tianjin	LLDPE	120	6							16				3	
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	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

- Lanzhou PC shut down its 200 kt/yr LDPE unit on 22 December for regular maintenance and planned to restart it on 26 December.
- Yanshan PC shut down its 60 kt/yr Line 1 of old LDPE unit during 22-23 December due to a technical problem. Meanwhile, it shut down its 60 kt/yr Line 2 of old LDPE unit on 19 December unexpectedly due to a technical problem, but with no details of its restart.
- Zhenhai Ethylene shut down its 450 kt/yr FDPE unit during 9-16 December for regular maintenance.
- TUCC shut down its 120 kt/yr LLDPE unit during 30 November-4 December unexpectedly due to a technical problem.
- Shanghai PC shut down its 100 kt/yr LDPE unit during 22 November-21 December for maintenance. Meanwhile, it shut down its 250 kt/yr HDPE unit during 20-25 December for maintenance.
- FRPC shut down its 400 kt/yr LLDPE unit during 15-21 December for regular maintenance.
- Daqing PC shut down its 80 kt/yr Line C of HDPE unit during 9-12 December due to a technical problem. Meanwhile, it shut down its 65 kt/yr old LDPE unit during 12-13 December due to unstable production.
- Maoming PC shut down its 120 kt/yr old LDPE unit and 200 kt/yr FDPE unit on 28 and 29 November respectively for maintenance, but with no details of their restart. Meanwhile, it shut down its 250 kt/yr new LDPE unit during 13-16 December for maintenance.
- Baotou Shenhua shut down its 300 kt/yr FDPE unit during 27 September-2 December for maintenance.

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

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