

China Price Monitor LDPE+LLDPE Pricing

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(Pricing for April 30, 2009)

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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	10220	10610	10000	10400	-220	10090	10345	10090	10345	+0
LDPE Film	9410	10300	9300	10000	-110	9069	9069	9069	9069	+0
LLDPE General Film	9950	10100	9800	10000	-150	9324	9920	9239	9920	-85
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 fell this week with stagnated trades. In the second half of this week, the market became more bearish.
- Domestic producers reported a switch to list prices from May 1, and this dampened traders' confidence greatly.
- Converters showed thin buying interest after purchase last week.
- Economic downturn became more serious due to swine flu, which pushed values of domestic security and futures down. As a result, some traders felt panic and sold cargoes at low levels, which dragged PE market prices down.
- Participants are divergent at outlook. Some of them are pessimistic as domestic petrochemical producers will switch to list prices in May and downstream demand for PE will be weak, as a result, the market is likely to fall.
- But some others think further downtrend is unlikely to be seen as producers have no inventory pressure, import arrivals in early May will be limited and market prices are relatively low.
- It is noticeable that sales and inventory are major factors affecting domestic petrochemical producers' offer adjustment.

Production News & Shutdowns

- Yanshan shut down its 60 kt/yr No 2 Line of Old LDPE unit during 5-9 April due to unexpected accidents.
- Panjin Ethylene shut down its 130 kt/yr HDPE unit on 9 December for maintenance, and planned to restart on May 2009.
- Daqing PC shut down its 80 kt/yr Line C of HDPE unit on 14 April due to shortage of ethylene. Daqing shut down its 65 kt/yr old LDPE unit during 2-14 April due to shortage of ethylene.
- Qilu PC planned to shut down its all PE units with capacity of 420 kt/yr from 15 April to 21 May for maintenance.
- Maoming PC shut down its 120 kt/yr old LDPE unit on 28 April for maintenance, and planned to restart on 4 May.
- Shanghai Secco PC shut down its PE units with a total capacity of 600 kt/yr on 15 May for 45-days maintenance.
- Lanzhou PC shut down its 200 kt/yr LDPE unit and 300 kt/yr new HDPE unit on 25 May for 36-days maintenance.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Aug	Sep	Oct	Nov	Dec	Jan,09	Feb	Mar	Apr	May	Jun	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	7	4	3	30	11			1	12			
				HDPE	140	3	2		2	2			7				
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140			1	3	7				15	21		
				LLDPE	140	8	1			4				15	21		
				HDPE	140	4	9				4	3		15	21		
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	200				5								
				HDPE	260	10	10		4				4				
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	190	11	29	1	30	30	5						
				HDPE	250				3								
Sinopec	Maoming PC	Maoming	Guangdong	LDPE	120	4	1	3	5		17	7	1	2	4		
				New LDPE	250	1	1	5	8	7	4	4					
				LLDPE	200			2	4		1	1	15				
				HDPE	350	7	5	10	1	9	4						
Petrochina	Daqing PC	Daqing	Heilongjiang	LDPE	65	2		4	12			5	10	12			
				New LDPE	200		17					1					
				LLDPE	85						6						
				HDPE	240	7	5	7	4	17	6	7	16	16			
Petrochina	Jilin PC	Jilin	Jilin	LLDPE	275												
				HDPE	300								6				
Petrochina	Lanzhou PC	Lanzhou	Gangsu	LDPE	200	2	21	2			2				6	30	
				LLDPE	60	16	23			5							
				HDPE	170	16	23			5	21	6	3				
				New HDPE	300		21	2							6	30	
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai	LLDPE	300								15		16	30	
				HDPE	300								18		16	30	
CNOOC and Shell	CSPC	Huizhou	Guangdong	LDPE	250												
				HDPE	200												
	Total				7065	121	194	83	145	163	132	90	138	117	111	120	

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

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