

China Price Monitor LDPE+LLDPE Pricing

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(Pricing for August 1, 2008)

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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	15500	16510	15200	16000	-300	16923	17605	16838	17434	-85
LDPE Film	14010	15250	13800	14600	-210	15900	15985	15815	15900	-85
LLDPE General Film	14780	15200	14500	15000	-280	15474	15645	15389	15645	-85
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Prices kept falling due to high inventories, a bearish market and low downstream operating rates triggered by limited orders regardless of marginal profits.
- Producers' price strategy had been reproached since sharp price movements in June. Traders grew confused on where the bottom prices were on sharp declines of producers' offers.
- Early in August, Sinopec partially cut offers and applied list prices first. Also weekly settlement was employed. This reflected that the formation of bottom prices depended on bounce of demand but not low prices.
- There were hints for a softened import market. In August, overseas suppliers would face grave sales pressure while importers would resist high prices in light of import prices higher than domestic prices. Poor conditions for exporters also dampened purchase demand of export-oriented converters.
- Both import and domestic prices were expected to fall further, sources said.

Production News & Shutdowns

- Shanghai PC shut down its 45,000 tonne/year 1PE 2# line unit of LDPE on 27 June, and restarted on 9 July. Its 45,000 tonne/year 1PE 1# line unit of LDPE planned to shut down during 8-31 July. Its 100,000 tonne 2PE unit of LDPE was shut down on 9 July for 3 days maintenance.
- Zhongyuan Ethylene shut down its 200,000 tonne/year LLDPE unit on 3 June for maintenance, and restarted on 25 July.
- Daqing PC shut down 85,000 tonne/year LLDPE unit on 30 June for scheduled maintenance, and restarted the unit on 13 July.
- Yangzi PC shut down its 200,000 tonne/year LLDPE unit on 3 July, and restarted on 21 July.
- Yangshan PC shut down its 60,000 tonne/year old LDPE unit 1# line on 10 July for half day maintenance. It shut down 60,000 tonne/year old LDPE unit 3# line on 15 July, and restarted on 17 July.
- Maoming shut down its 120,000 tonne/year old LDPE unit on 26 July due to unexpected accident, and restarted on 27 July.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Oct	Nov	Dec	Jan,08	Feb	Mar	Apr	May	Jun	Jul	Aug	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380		2	3			5	5	5		2		
				HDPE	140			11						1			
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140									2			
				LLDPE	120			11									
				HDPE	160									2			
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	200			7			6				18		
				HDPE	230		5	5									
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	190	9									23		
				HDPE	250		2	1		4			8				
Sinopec	Maoming PC	Maoming	Guangdong	LDPE	120				1		3	4	5	4	6		
				New LDPE	250	4	23	8	9				4	20	8		
				LLDPE	160		1		6					5	1		
				HDPE	350	16		11	7					17			
Petrochina	Daqing PC	Daqing	Heilongjiang	LDPE	65			4	6	4		1					
				New LDPE	200												
				LLDPE	60				4			8		1	12		
				HDPE	240	9	13	6	9	13	15	19	12	17			
Petrochina	Jilin PC	Jilin	Jilin	LLDPE	275								16	14			
				HDPE	300		5						16	15			
Petrochina	Lanzhou PC	Lanzhou	Gangsu	LDPE	200					3							
				LLDPE	60												
				HDPE	170				7								
				New HDPE	300						5	2					
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai	LLDPE	300						6						
				HDPE	300												
CNOOC and Shell	CSPC	Huizhou	Guangdong	LDPE	250				8		6						
				HDPE	200						13						
	Total				7180	38	51	67	63	32	61	45	88	140	96	0	

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

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