

China Price Monitor LDPE+LLDPE Pricing

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(Pricing for August 22, 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	14180	14540	14200	14600	+20	16326	16753	16071	16582	-256
LDPE Film	13100	15250	13200	15250	+100	15389	15645	15304	15645	-85
LLDPE General Film	13470	14000	13500	14100	+30	14792	14963	14792	14963	+0
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- PE prices rose further pushed by producers lifting offers prices and limited sales volumes.
- Output reduction at Sinopec's PE units was implemented as scheduled but it did not affect immediately in the market. Inventory of local producers reduced gradually compared with previous level but it was still higher-than-normal.
- On Friday, Sinopec Shanghai first canceled its list prices and continued to lift its ex-works offers prices.
- Downstream purchasing volume was still limited since the price rebound a week ago. It was mainly distributors who took part in the transactions. Hence, the uptrend was expected to slow down considering the initial stage of downstream demand increases.

Production News & Shutdowns

- Qilu PC shut down its 80,000 tonne/year Line B of HDPE unit during 7-10 August due to short of ethylene. Qilu PC shut down its 120,000 tonne/year LLDPE unit during 11-19 August for maintenance.
- Panjin Ethylene shut down its 130,000 tonne/year HDPE unit on 12 August for 25-days maintenance.
- Maoming PC shut down its 250,000 tonne/year new LDPE unit during 13-14 August. Maoming shut down its 350,000 tonne/year HDPE unit for maintenance during 12-19 August.
- Yanshan PC shutdown its 200,000 tonne/year new LDPE unit on 18 August for maintenance, and the unit has not restarted yet.
- Lanzhou PC shut down its 170,000 tonne/year HDPE unit and 60,000 tonne/year LLDPE unit on 15 August for 20-days maintenance.
- Yangzi PC shut down its 260,000 tonne/year HDPE unit on 21 August for one week.
- Daqing PC planned to shut down its 80,000 tonne/year C# Unit of HDPE on 1 September for 10-days maintenance.
- Shanghai PC shut down its 100,000 tonne 2PE unit of LDPE on 19 August for 11-days maintenance.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Nov	Dec	Jan,08	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	2	3			5	5	5		2	4		
				HDPE	140		11						1				
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140								2				
				LLDPE	120		11								8		
				HDPE	160								2		3		
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	200		7				6			18			
				HDPE	260	5	5								7		
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	190									23	11		
				HDPE	250	2	1		4			8					
Sinopec	Maoming PC	Maoming	Guangdong	LDPE	120			1		3	4	5	4	6	4		
				New LDPE	250	23	8	9				4	20	8	1		
				LLDPE	200	1		6					5	1			
				HDPE	350		11	7					17		7		
Petrochina	Daqing PC	Daqing	Heilongjiang	LDPE	65		4	6	4		1				2		
				New LDPE	200											11	
				LLDPE	85			4			8		1	12			
				HDPE	240	13	6	9	13	15	19	22	17		7	11	
Petrochina	Jilin PC	Jilin	Jilin	LLDPE	275							16	14				
				HDPE	300	5						16	15				
Petrochina	Lanzhou PC	Lanzhou	Gangsu	LDPE	200				3						2		
				LLDPE	60										16	4	
				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				7265	51	67	63	32	61	45	98	140	100	95	32	

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