

China Price Monitor LDPE+LLDPE Pricing

February 9, 2010

(Pricing for February 5, 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	16980	17200	*	*	*	-	-	*	*	*
LDPE Film	12890	17500	*	*	*	12217	13749	*	*	*
LLDPE General Film	13600	13800	*	*	*	11622	12473	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- The Chinese PE market reported a downtrend with moderate transactions. Domestic producers' switch to list prices strengthened buyers' wait-and-see attitude. In addition, falling crude oil and futures prices dampened the market.
- Distributors reported capital pressure as Sinopec would increase sales volume next week on impending China Lunar New Year Holidays (13-19 February). Due to tight transportation capacity on the Holidays, traders sold actively to withdraw capital. These factors pushed prices down.
- Most end-users ran at low rates as their employees have taken a holiday, which was the major reason for the moderate transactions.
- In the import market, overseas suppliers kept offers firm supported by high ethylene prices. Some traders lifted offers slightly due to moderate sales at low levels last week, limited availability. Large-volume imports from Iran and the US arrived in the domestic market, but their costs increased slightly from earlier time.
- Most participants expected difficult sales next week as some of them would step out of the market on the Holidays, but they were pessimistic about the market after the Holidays.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan,10	Feb	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	12	2		18	31	30	14	1				
				HDPE	140					1							
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140	15	25										
				LLDPE	140	15	30			2							
				HDPE	140	15	28										
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	*	*	*	*	*	*	*	*	*	*	*	*	
				HDPE	*	*	*	*	*	*	*	*	*	*	*	*	
...	
Total					8850	117	194	156	74	*	*	*	*	*	*	*	*

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

Production News & Shutdowns

- FRPC shut its 400 kt/yr new HDPE during 11-13 January due to a technical problem.
- TUCC shut down its 120 kt/yr LLDPE unit on 21 December for maintenance, and restarted the unit on 6 January 2010.
- Daqing shut down its 65 kt/yr old LDPE unit during 4-6 January for maintenance.
- Maoming PC shut down its 350 kt/yr HDPE unit on 25 December and restarted the unit on 31 January. Maoming shut its 250 kt/yr new LDPE unit on 27 December for 30-day maintenance, Maoming shut down the unit again during 30-31 January. Maoming shut its 120 kt/yr LDPE unit during 13-16 January for maintenance, Maoming shut the unit again on 23 January, and restarted the unit on 4 February.
- Yanshan PC shut down its 60 kt/yr one line of LDPE unit during 11-13 January for maintenance.
- Lanzhou PC shut down its 60 kt/yr HDPE unit and 170kt/yr HDPE unit (including two lines) on 7 January due to a technical problem, its 85 kt/yr one line of HDPE unit was restarted on 22 January. Lanzhou PC shut down its 300 kt/yr LLDPE unit during 21-27 January for maintenance.
- Qilu PC shut down its 140 kt/yr LDPE unit during 1-13 January due to a technical problem. Qilu shut down its 140 kt/yr LDPE unit during 18-19 January.
- Zhongsha PC shut down its 300 kt/yr LLDPE unit and 300 kt/yr HDPE unit on 24 January due to a technical problem, and restarted the unit on 3 February.

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

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