

## China Price Monitor LDPE+LLDPE Pricing

March 3, 2009

(Pricing for February 27, 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	8880	9150	8800	9000	-80	8741	8826	8656	8741	-85
LDPE Film	8400	9080	8300	8800	-100	8570	8656	8485	8656	-85
LLDPE General Film	8860	9000	8800	8900	-60	8400	8485	8400	8485	+0
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 moved up after a fall this week. But transactions became sporadic on Friday after a price rise, dampening sources' confidence.
- At the month end, Sinopec and PetroChina switched from list to spot prices, as well as surging crude oil values supported the market, but weak downstream demand made speculations calm down.
- Transactions of LDPE were limited. LLDPE prices fluctuated significantly due to changes in futures market.
- Sufficient import cargoes were reported arrived in March. In the context, more traders held a cautious attitude in consideration of increasing market inventories and low rates at converters.
- Supply would increase next week due to imminent restart of some units and import arrivals.
- Moreover, most large-sized converters purchased feedstock directly from overseas suppliers or ordered futures from Chinese importers, resulting in weak demand for spots. And demand from small-sized downstream users was also limited. As a result, traders anticipated that the market is likely to fall next week.

### Production News & Shutdowns

- TUCC shut down its 120 kt/yr LLDPE unit from 28 September of 2008, it has delayed restart to 6 March of 2009 due to weak demand.
- Maoming PC shut down its 120 kt/yr old LDPE unit during 17-24 February for maintenance. Maoming shut down its 250 kt/yr new LDPE unit during 8-12 February. Maoming shut down its 200 kt/yr LLDPE unit during 18-19 February due to unexpected accidents.
- Yanshan PC shut down its 200 kt/yr new LDPE unit during 9-10 February due to the glitch of machinery.
- Panjin Ethylene shut down its 130 kt/yr HDPE unit on 9 December for maintenance, and plans to restart on 1 April 2009.
- Daqing PC shut down its 200 kt/yr LDPE unit during 8-9 February due to unexpected accidents. Daqing shut down its Line A and B of HDPE unit with a capacity of 160 kt/yr during 16-18 February due to the glitch of machinery. Daqing PC shut down its 6.5 kt/yr old LDPE unit on 22 February due to shortage of ethylene.

