

China Price Monitor LDPE+LLDPE Pricing

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(Pricing for January 9, 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	8430	8540	8200	8500	-230	7548	8059	7803	8059	+256
LDPE Film	8130	8764	8000	8500	-130	7633	7889	7633	7889	+0
LLDPE General Film	8600	8720	8400	8500	-200	7462	7889	7633	7974	+170

Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.

This week's executive summary

- After the New Year's Day, PE market recovered due to rising crude oil values, limited supply from domestic producers, delayed shipment of some imports, price limit at customs and slow customs declaration.
- Later, PE prices fell along with plummeting crude oil values but became stable, finally supported by tight spot supply.
- As usual, downstream demand was weak before the Chinese Lunar New Year, but operating rates at some converters who produce daily-used articles were not as low as rumoring.
- Traders reported their last sales before the Chinese Lunar New Year Holiday was likely to be seen next week.
- PetroChina would see arrivals next week, which eased tight supply in the market.
- Most sources anticipated the market would inch down next week.

Production News & Shutdowns

- Daqing PC shut down its 80 kt/yr Line C of HDPE unit during 16-24 December due to shortage of ethylene.
- TUCC shut down its 120 kt/yr LLDPE unit from 28 September, it delay restart to March of 2009 due to weak demand.
- Maoming PC shut down its 250 kt/yr new LDPE unit during 1-5 January for maintenance. Maoming shut down its 350 kt/yr HDPE unit during 13-22 December due to unexpected accidents, the unit was shut down again during 7-11 January for maintenance. Maoming shut down its 200 kt/yr LLDPE during 6-7 January due to unexpected accidents.
- Shanghai PC shut down its 45 kt/yr line1 of 1PE unit from 31 October to 26 December due to weak demand, and shut down its 45 kt/yr line2 of 1PE unit from 31 October to 1 January 2009 due to weak demand. Shanghai PC shut down its 100 kt/yr LDPE unit during 7-12 January for maintenance.
- Qilu PC shut down its 140 kt/yr LDPE unit during 18-25 December for maintenance.
- Panjin Ethylene shut down its 130 kt/yr HDPE unit on 9 December for maintenance.

