

China Price Monitor LDPE+LLDPE Pricing

May 26, 2009

(Pricing for May 22, 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	10300	10600	10100	10300	-200	10330	10500	10245	10415	-85
LDPE Film	9240	10400	9100	10200	-140	9225	10330	9055	10160	-170
LLDPE General Film	10050	10150	9900	10000	-150	9310	9905	9055	9820	-255
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 went down this week with disrupted sales of all grades.
- Buying interest was weak, and this resulted in poor transactions.
- The downtrend was largely due to concentrated arrivals of low-cost imports, major distributors' eagerness to move cargoes as they have not finished May sales task, and PetroChina East China's slash in its list prices.
- Due to bearish domestic market, transactions of imports became disrupted this week and offers of HDPE injection and other grades fell significantly.
- Traders were weak in confidence due to poor downstream demand.
- Participants held a pessimistic outlook as Sinopec and PetroChina are likely to slash offers in the near future due to their increasing inventories.

Production News & Shutdowns

- Yanshan shut down its 60 kt/yr No 3 Line of Old LDPE unit during 5-7 May due to unexpected accidents. Yanshan shut down its 60 kt/yr No 2 Line of Old LDPE unit during 7-9 May due to unexpected accidents.
- Panjin Ethylene shut down its two lines HDPE units with total capacity of 130 kt/yr on 9 December for maintenance, and restarted one line on 19 May 2009, and plans to restart the other line later May.
- Daqing PC shut down its 65 kt/yr old LDPE unit during 1-16 May for maintenance, and shut down the unit again on 21 May. Daqing shut down its 80 kt/yr Line C of HDPE unit during 19-21 May due to shortage of ethylene.
- Qilu PC planned to shut down its all PE units with capacity of 420 kt/yr from 15 April to 25 May for maintenance.
- Maoming shut down its 250 kt/yr new LDPE unit during 6-9 May for maintenance.
- Fushun PC shut down its 140 kt/yr HDPE unit on 6 May for maintenance, and restarted it on 17 May.
- Shanghai Secco PC shut down PE units with a total capacity of 600 kt/yr on 24 May for one-month maintenance.
- Lanzhou PC shut down its 60 kt/yr HDPE unit during 8-21 May for maintenance. Lanzhou PC shut down its 200 kt/yr LDPE unit on 29 May and shut down its 300kt/yr new LLDPE unit on 23 May for one-month maintenance.

