

## China Price Monitor LDPE+LLDPE Pricing

November 25, 2008

(Pricing for November 21 2008)

Source: CBI (Shanghai) Co., Ltd.

Tel. +(86 21) 51550731

E-mail: [chemicalresearch@cbichina.com](mailto:chemicalresearch@cbichina.com)

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	8100	8660	7200	8000	-900	6090	6260	6090	6260	+0
LDPE Film	7900	9272	7000	8500	-900	6771	7111	6771	7196	+0
LLDPE General Film	8400	8680	7600	8000	-800	7111	7622	6771	7366	-340
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

### This week's executive summary

- Domestic PE market fell after a rise this week. Traders undersold cargoes, pushing closing prices sharply down on Friday.
- Most first-tier distributor finished sales task well and inventories were low. As downstream demand remained weak, traders faced stagnant sales and had high inventories as a result.
- Traders were pessimistic at their outlook, which was attributed to the follows: imports would arrive in late November with major influx into domestic market expected in December; market players would face repaying loans at the year end, but some of them suffered from tight capital due to the financial crisis this year; downstream demand was weak, which was highlighted by offline and production curtailment at converters.
- Due to light impact by previous production cut at domestic producers, as well as expected ample import supply in the near future, traders would insist on moving cargoes with low or even zero inventories even if producers continue to curtail production in December.

### Production News & Shutdowns

- Daqing PC shut down its 80kt/yr Line C of HDPE unit during 3-5 November and during 16-18 November for maintenance. Daqing shut down its 65kt/yr old LDPE unit from 27 October to 3 November for maintenance, Daqing shut down the unit again during 5-14 November. Daqing shut down its 80kt/yr Line B of HDPE during 17-18 November for maintenance, and shut down its 80kt/yr Line C of HDPE 19 November due to unexpected accidents.
- TUCC shut down its 120kt/yr LLDPE unit from 28 September to 25 November for maintenance.
- Maoming PC shut down its 250kt/yr new LDPE unit during 9-17 November for maintenance. Maoming shut down its 120kt/yr old LDPE unit for maintenance during 22-27 October. Maoming shut down its 200kt/yr LLDPE unit during 30 October - 4 November for maintenance. Maoming shut down its 120kt/yr old LDPE 20 November for maintenance.
- Yanshan PC shut its 60kt/yr Line 1 of old LDPE unit on 27 October for maintenance. Yanshan shut down its 200kt/yr new LDPE unit during 3-11 November on weak demand.

