

China Price Monitor LDPE+LLDPE Pricing

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(Pricing for July 14, 2008)

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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	18080	18240	17800	18000	-280	17008	17434	17093	17605	+85
LDPE Film	15480	16470	15000	15600	-480	16071	16156	16241	16326	+170
LLDPE General Film	16090	16700	15600	16000	-490	15730	15900	15815	15985	+85
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Prices of PE grades across the board moved lower and transactions were stagnant.
- Sinopec and PetroChina cut offers or posted list prices.
- Sources said Sinopec would alter its output cut plans again as no information on shutdowns or operating rates reduction was announced yet.
- North and east China petrochemical producers reported inventory pressure.
- Most downstream converters and second/third-tier traders were downbeat at the outlook, while first-tier traders moved cargoes below ex-works levels on assessment pressure. The sharp decline resulted in price disorder on previous high-price cargoes left and influx of low-cost cargoes.
- PE prices would slip continuously while sparse grades may grow stable on smooth transactions after bottoming out. Most grades had to seek new balance after further decline of domestic inventories. Some traders would purchase at low prices next week, sources said.

Production News & Shutdowns

- Maoming PC's 250,000 tonne/year new LDPE unit was shut down on 2 July, and restarted on the night of 9 July.
- Panjing Ethylene's 75,000 tonne/year 1# line of HDPE unit was offline on 3 July for maintenance, and restarted on 6 July.
- Shanghai PC shut down its 45,000 tonne/year 1PE 2# line unit of LDPE on 27 June, and restarted on 9 July. Its 45,000 tonne/year 1PE 1# line unit of LDPE planned to shut down during 8-31. Its 100,000 tonne 2PE unit of LDPE was shut down on 9 July for 4-5 days maintenance.
- Zhongyuan Ethylene shut down its 200,000 tonne/year LLDPE unit on 3 June for 35-day maintenance, and planned to restart on 20 July.
- Daqing PC shut down 85,000 tonne/year LLDPE unit on 30 June for scheduled maintenance, and would restart it

