

China Price Monitor LDPE+LLDPE Pricing

March 24, 2009

(Pricing for March 20, 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	8980	9460	9100	9500	+120	8813	8813	8813	8898	+0
LDPE Film	8450	8978	8600	9000	+150	8303	8643	8558	8728	+255
LLDPE General Film	8880	8940	9000	9200	+120	8217	8643	8473	8643	+255
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Chinese PE market moved up this week as crude oil values broke above \$50/tonne and futures prices remained on a rising streak, giving support to the market.
- In addition, spot supply was limited due to unstable production and end users began to accept high prices on increasing cost of PE.
- But transactions of LDPE and LLDPE were sporadic, especially those of LLDPE.
- Agricultural film production in North China came to an end and most producers preferred purchasing import futures, resulting in weak demand for spot cargoes.
- At the end of this week, some traders' interest in speculation cooled down due to slackening demand from agricultural film producers. Market prices are anticipated to fall slightly next week.
- However, most traders still held an optimistic outlook and thought the market would rise further next week bolstered by firm import prices, limited spot supply and domestic petrochemical producers' intentions to lift offers.

PE China Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan,09	Feb	Mar	Apr	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380		2	7	4	3	30	11			1		
				HDPE	140	1		3	2		2	2			9		
Sinopec	Qilu PC	Zibo	Shandong	LDPE	140	2				1	3	7					
				LLDPE	140			8	0.5			4					
				HDPE	140	2		4	9				4	3			
Sinopec	Yangzi PC	Nanjing	Jiangsu	LLDPE	200		18				5						
				HDPE	260			10	10		4				3		
Sinopec	Shanghai PC	Shanghai	Shanghai	LDPE	190		23	11	29	1	30	30	5				
				HDPE	250						3						
Sinopec	Maoming PC	Maoming	Guangdong	LDPE	120	4	6	4	1	3	5		17	7	1		
				New LDPE	250	20	8	1	1	5	8	7	4	4			
				LLDPE	200	5	1			2	4		1	1	8		
				HDPE	350	17		7	5	10	1	9	4				
Petrochina	Daqing PC	Daqing	Heilongjiang	LDPE	65			2		4	12			5	12		
				New LDPE	200				17					1			
				LLDPE	85	1	12						6				
				HDPE	240	17		7	5	7	4	17	6	7	16		
Petrochina	Jilin PC	Jilin	Jilin	LLDPE	275	14											
				HDPE	300	15									11		
Petrochina	Lanzhou PC	Lanzhou	Gangsu	LDPE	200			2	21	2			2				
				LLDPE	60			16	23			5					
				HDPE	170			16	23			5	21	6	3		
				New HDPE	300				21	2							
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai	LLDPE	300										15		
				HDPE	300												
CNOOC and Shell	CSPC	Huizhou	Guangdong	LDPE	250												
				HDPE	200												
	Total				7065	140	100	121	194	83	145	163	132	90	132	0	

Note: Only top ten resin suppliers included, all suppliers shutdown list is available in the full China Price Monitor

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Production News & Shutdowns

- TUCC shut down its 120 kt/yr LLDPE unit from 28 September of 2008, it delayed restart to 8 March of 2009 due to weak demand.
- Maoming PC shut down its 120 kt/yr old LDPE unit during 9-10 March due to unexpected accidents. Maoming shut down its 200 kt/yr LLDPE unit during 3-11 March for maintenance.
- Yanshan PC shut down its 60 kt/yr No.2 line of old LDPE unit on 12 March for one-day due to the glitch of machinery. Yanshan plans to shut down its 70 kt/yr No.1 line of HDPE unit from 23 March to 1 April for maintenance.
- Yangzi PC shut down its 80 kt/yr No.1 line of HDPE unit during 18-23 March for maintenance.
- 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 6.5 kt/yr old LDPE unit on 22 February due to shortage of ethylene, and restarted it on 4 March, Daqing plans to shut down the unit again during 16-25 March for maintenance. Daqing PC shut down its 80 kt/yr Line B of HDPE unit during 4-11 March for maintenance. Daqing shut down its 240 kt/yr HDPE units during 16-25 March for maintenance. Daqing PC shut down its 80 kt/yr Line A of HDPE unit during 11-25 March due to shortage of feedstock ethylene.
- Jilin PC shut down its 300 kt/yr HDPE unit during 12-23 March for maintenance.
- Lanzhou PC shut down its 85 kt/yr No.2 line of HDPE unit on 10 March for regular maintenance.
- Shanghai Secco shut down its 300 kt/yr LDPE and 300 kt/yr HDPE units on 8 March due to unexpected accidents.