

China Price Monitor HDPE Pricing
December 29, 2009
(Pricing for December 25 2009)

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| Comparison of Domestic vs Import Prices as CNY/tonne | | | | | | | | | | |
|--|---|-------|--------------------|------|--|-----------|-------|--------------------|------|--------|
| | Transaction Prices for Domestic Resin including VAT <i>(from pg 4)</i> | | | | Transaction Prices for Imported Resin CFR or CIF CMP including VAT & import duty <i>(from pg 7, converted to CNY)</i> | | | | | |
| | This Week | | Next Week Forecast | | Change | This Week | | Next Week Forecast | | Change |
| | Low | High | Low | High | | Low | High | Low | High | |
| HDPE BM | 10300 | 10810 | * | * | * | 10533 | 11043 | * | * | * |
| HDPE Film | 10308 | 11000 | * | * | * | 10703 | 11214 | * | * | * |
| HDPE Injection | 9940 | 10640 | * | * | * | 10533 | 11043 | * | * | * |
| HDPE Yarn | 10650 | 11090 | * | * | * | - | - | * | * | * |

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

This week's executive summary

- The uptrend in Chinese PE market was extended to this week.
- Supported by soaring futures values and Sinopec and PetroChina's price hikes, import and domestic prices rose.
- Traders, reporting no sales pressure, were optimistic about the outlook due to Maoming Petrochemical's maintenance to be launched soon and tight transportation capacity at the end of the year.
- Despite end-users' buyer resistance to high levels, traders were in a dominant position.
- However, there were unfavorable factors existing in the market.
- Poor downstream demand, along with ample supply of LLDPE and LDPE imports, made a further price rise uncertain.
- Given increasing futures values and producers' high settlement prices next week, the prices would likely move up further despite sporadic transactions.
- Otherwise, the prices would likely fluctuate within a narrow range due to a weak upward momentum..

Production News & Shutdowns

- FRPC shut its 400kt/yr new HDPE during on 30 November due to a technical problem, and restarted the unit on 20 December.
- TUCC shut down its 120kt/yr LLDPE unit during 8-9 December for maintenance, TUCC shut down the unit again on 21 December for one week maintenance.
- Daqing PC shut down its 80kt/yr line C of HDPE unit during 7-15 December due to a shortage of ethylene. Daqing shut down its LDPE unit during 23-27 December for maintenance.
- Panjin Ethylene shut down its 6.5kt/yr Line one of HDPE unit during 14-16 December for maintenance. Panjin Ethylene shut down its 130kt/yr HDPE unit on 23 December for maintenance.
- Yangzi PC shut down its 200kt/yr LLDPE unit during 17-22 December due to a technical problem. Yangzi shut down its 80kt/yr Line C of HDPE unit on 23 December due to unexpected accident.
- Maoming PC shut down its 350kt/yr HDPE unit on 25 December for maintenance.
- Dushanzi PC shut down its two lines of new FDPE unit with a capacity of 600kt/yr (including 300kt/yr LLDPE and 300kt/yr HDPE) during 22-25 December due to a technical problem. Dushanzi shut down its 100kt/yr HDPE unit on 21 December due to a technical problem.

| PE China Shutdown Schedule - expected number of shut down days | | | | | | | | | | | | | | | | | |
|--|--------------|----------|----------|-------|--------------------|------------|------------|------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Majority Owners | Plant | City | Province | Line | Annual Capacity KT | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan,09 | Feb | Comments |
| Sinopec | Yanshan PC | Beijing | Beijing | LDPE | 380 | 12 | 2 | | 18 | 31 | 30 | 14 | 1 | | 1 | | |
| | | | | HDPE | 140 | | | | | 1 | | | | | | | |
| Sinopec | Qilu PC | Zibo | Shandong | LDPE | 140 | 15 | 25 | | | | | | | | | | |
| | | | | LLDPE | 140 | 15 | 30 | | | 2 | | | | | | | |
| | | | | HDPE | 140 | 15 | 28 | | | | | | | | | | |
| Sinopec | Yangzi PC | Nanjing | Jiangsu | LLDPE | * | * | * | * | * | * | * | * | * | * | * | * | |
| | | | | HDPE | * | * | * | * | * | * | * | * | * | * | * | * | |
| Sinopec | Shanghai PC | Shanghai | Shanghai | LDPE | * | * | * | * | * | * | * | * | * | * | * | * | |
| | | | | HDPE | * | * | * | * | * | * | * | * | * | * | * | * | |
| ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | |
| | Total | | | | 8850 | 117 | 194 | 156 | * | * | * | * | * | * | * | * | |

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

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