

## China Price Monitor LDPE+LLDPE Pricing

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(Pricing for December 18 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	15100	15760	*	*	*	-	-	*	*	*
LDPE Film	12080	15100	*	*	*	11622	12473	*	*	*
LLDPE General Film	12800	13200	*	*	*	11196	11622	*	*	*

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

### This week's executive summary

- Crude oil prices, ending consecutive falls in nine days, rebounded sharply this week.
- This, along with soaring futures values and domestic producers' price hikes, made the Chinese PE market in a speculative air and stimulated transactions.
- PetroChina hiked its LDPE EXWH prices frequently with the largest weekly rise reported at CNY400/tonne.
- Maoming PC would launch maintenance in late December and there was a lack of large-volume import arrivals.
- All this pushed domestic LDPE prices sharply up this week.
- The large price rise of LLDPE was mainly driven by soaring crude oil and futures values, Sinopec and PetroChina's price hikes, traders' reluctance to sell and increasing demand due to high operating rates of agricultural film producers in north China.
- In the second half of this week, traders, considering that their offer uplifting was the major engine for the fast uptrend instead of downstream demand, lost confidence and operated cautiously. They showed a stronger interest in moving cargoes at high levels.

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,10	Feb	Comments
Sinopec	Yanshan PC	Beijing	Beijing	LDPE	380	12	2		18	31	30	14	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	*	*	*	*	*	*	*	*	*	*	*	*	
...	...	...		...	...	...	...	...	...	...	...	...	...	...	...	...	
<b>Total</b>					<b>8850</b>	<b>117</b>	<b>194</b>	<b>156</b>	<b>74</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	

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

## Production News & Shutdowns

- FRPC shut its 400kt/yr new HDPE during on 30 November due to a technical problem.
- Zhongyuan Ethylene shut down its 200kt/yr LLDPE unit on 24 November for maintenance, and plan to restart on 7 December.
- TUCC shut down its 120kt/yr LLDPE unit during 8-9 December for maintenance.
- Daqing PC shut down its 80kt/yr line C of HDPE unit on 7 December due to a shortage of ethylene.
- Panjin Ethylene shut down its 6.5kt/yr Line one of HDPE unit during 14-16 December for maintenance.
- Yangzi PC shut down its 200kt/yr LLDPE unit on 17 December due to a technical problem.

Note: \* replaced the actual data which are only provided to CBI CPM subscribers.

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