

## China Price Monitor PP Pricing

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(Pricing for Jan 7, 2011)

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Comparison of Domestic vs Import Prices as CNY/tonne										
	Transaction Prices for Domestic Resin including VAT				Change	Transaction Prices for Imported Resin CFR or CIF CMP including VAT & import duty				
	This Week		Next Week			This Week		Next Week		Change
	Low	High	Low	High		Low	High	Low	High	
PP Block Co low-melt	12350	13700	*	*	*	12934	13099	*	*	*
PP Block Co high-melt	12700	13220	*	*	*	12934	13099	*	*	*
BOPP Film Homo	12000	12390	*	*	*	-	-	*	*	*
PP Homo Yarn	11840	12480	*	*	*	12521	12727	*	*	*
PP Fiber	12000	12900	*	*	*	-	-	*	*	*
PP Homo Injection	11980	12600	*	*	*	12521	12727	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

### This week's executive summary

- Domestic PP market was bullish this week. International crude oil futures values stood as high as \$90/bbl at the beginning of Jan, inspiring market confidence, and hence traded prices increased. However, continuously weakening demand stirred trading sentiment in the second half of the week, so the market lost upward momentum.
- Domestic petrochemical producers lifted listed prices or settlement prices, inspiring market confidence. That's a driver behind the rise of domestic PP prices this week.
- Import transactions were lackluster, though buying sentiment was fuelled by higher oil values and domestic producers' price lifts. Some importers lifted offers but transactions were limited at the high end. Users showed thin buying interest and most of them stood on sidelines.
- Domestic PP prices rose for several straight days after New Year's Day holiday but to little avail because of weakening demand.

China PP Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Comments
Petrochina	Daqing Refinery	Daqing	Heilongjiang	PP	300						11	22					
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40	31	30	31	30	31	31	30	31	30	31	7	
				PP New	300					4				4			
Sinopec	Yanshan PC	Beijing	Beijing		*	*	*	*	*	*	*	*	*	*	*	*	
Sinopec	Yangzi PC	Nanjing	Jiangsu		*	*	*	*	*	*	*	*	*	*	*	*	
...	...	...		...	...	...	...	...	...	...	...	...	...	...	...	...	
<b>Total</b>					<b>8443</b>	<b>188</b>	<b>108</b>	<b>*</b>	<b>*</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

- Lanzhou PC unexpectedly shut down its 40 kt/yr PP old unit on 7 January and still not restarted yet due to the explosion at oil tank. Meanwhile, its new PP unit of 300 kt/yr also shut down due to regular maintenance during 10-14 November.
- Panjin Ethylene shut down its new PP unit of 250 kt/yr on 9 October and restarted on 11 October for regular maintenance.
- Yanshan PC unexpectedly shut down its 1PP unit of 200 kt/yr during 14-16 December and again shut down on 1 January both due to shortage of propylene. Its 2PP unit of 40 kt/yr also shut down on during 20-26 December for regular maintenance.
- ZRCC shut down its new PP unit of 300 kt/yr on 7 December and restarted on 20 December for maintenance.
- Hainan refinery shut down its PP unit of 200 kt/yr during 22-24 December for regular maintenance.
- Yanan refinery shut down its old PP unit of 100 kt/yr on 22 November but was unplanned to restart yet for regular maintenance.
- Dushanzi PC unexpectedly shut down its 70 kt/yr No.2 line of old unit on 2 November and restart it on 1 January due to the shortage of propylene, while its 300 kt/yr No.2 line of new unit during 24-29 October for regular maintenance.
- Formosa Ningbo shut down its 170 kt/yr Line 1 on 4 August and restarted on 10 October, while its 280 kt/yr Line2 also shut down on 20 August and restarted on 15 October both for regular maintenance, but unexpectedly shut down again during 6-16 November due to a technical problem for Line 2.
- Zhongsha PC (Sinopec-Sabic) shut down its PP unit of 450 kt/yr from 27 October to 1st November for regular maintenance and shut down again during 13-16 December for regular maintenance.
- Baotou Shenhua PC shut down its PP unit of 300 kt/yr on 27 September for regular maintenance and was failed to restart on 2 November. Further, it restarted fortunately on 2 December.
- Shanghai PC shut down its 2PP of 120 kt/yr during 15-22 November for regular maintenance, while its 120 kt/yr 1PP unit also shut down on 15 November and restarted on 9 December both for regular maintenance.
- Maoming PC shut down its 1PP unit of 170 Kt/yr on 29 November and restarted on 1 January 2011 for regular maintenance.
- FRPC shut down its old unit of 120 kt/yr during 6-12 December for regular maintenance.