

China Price Monitor PP Pricing

February 1, 2011

(Pricing for January 28, 2011)

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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	
PP Block Co low-melt	12350	13700	*	*	*	13020	13102	*	*	*
PP Block Co high-melt	12700	13100	*	*	*	13020	13102	*	*	*
BOPP Film Homo	11950	12500	*	*	*	-	-	*	*	*
PP Homo Yarn	12040	13000	*	*	*	12445	12527	*	*	*
PP Fiber	10930	11320	*	*	*	-	-	*	*	*
PP Homo Injection	12020	12600	*	*	*	12445	12609	*	*	*
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 muted this week with little fluctuation in the prices. Weakening demand approaching the Chinese Lunar New Year holiday and some traders' absence from the market led to limited transactions.
- Domestic petrochemical producers sold at settlement prices which helped lock in traders' profits, so key traders were reluctant to cut offers, lending support to domestic PP prices.
- Import transactions decreased sharply on a wide gap between sellers and buyers and weakening demand near the holiday. However, import offers were firm on high costs.
- Transactions will be thinnest next week and most players will not return until the Lantern Festival.

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,11	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	28	
				PP New	300					4					4		
Sinopec	Yanshan PC	Beijing	Beijing		*	*	*	*	*	*	*	*	*	*	*	*	
Sinopec	Yangzi PC	Nanjing	Jiangsu		*	*	*	*	*	*	*	*	*	*	*	*	
...	
Total					8443	188	108	*	*	*	*	*	*	*	*	*	*

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, 2010 and still not restarted yet due to the explosion at oil tank.
- Yanshan PC unexpectedly shut down its 1PP unit of 200 kt/yr during 4-12 January and shut down again on 26 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 took its new PP unit of 300 kt/yr off line 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 restarted it on 1 January due to the shortage of propylene, while its 300 kt/yr No.2 line of new unit was also unexpectedly taken off-line during 14-20 January due to a technical problem.
- Formosa Ningbo shut down its 170 kt/yr Line 1 on 4 August and restarted on 10 October, while its 280 kt/yr Line 2 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.

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