

China Price Monitor PP Pricing
February 28, 2011
(Pricing for February 25, 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	12410	13820	*	*	*	13246	13410	*	*	*
PP Block Co high-melt	12650	12900	*	*	*	13246	13410	*	*	*
BOPP Film Homo	12100	12500	*	*	*	-	-	*	*	*
PP Homo Yarn	11900	12400	*	*	*	12836	13246	*	*	*
PP Fiber	11980	12500	*	*	*	-	-	*	*	*
PP Homo Injection	11950	12700	*	*	*	12836	13246	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Chinese PP market was bearish in thin trade caused by continuously weak demand. In the second half of the week, a surge in international oil prices encouraged traders to lift their PP offers, but trade volumes remained light.
- The majority of domestic petrochemical producers adhered to fixed-price selling strategies, plus sharply increased oil values, so domestic players regained some confidence, but the consistently weak demand hampered real transactions.
- PP import market appeared better than last week for two factors. First, strengthening international oil prices and ethylene prices lent support to the market. Second, traders had their inventories partly digested and foreign suppliers reported a spate of turnarounds, sending Mar offers at high levels this week. Accordingly, PP import prices edged up in the second half of the week and trade volumes improved.
- It is expected Chinese PP market will fluctuate in a small range next week given unfavorable factors and inverted gap between domestic and imported prices. If oil prices continue the strong uptrend, the PP prices will jump in short term.

China PP Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Ma y	Ju n	Jul	Au g	Sep	Oct	No v	De c	Jan ,11	Feb ,11	Mar,11	Comments
Petrochina	Daqing Refinery	Daqing	Heilongjiang	PP	300				11	22							
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40	31	30	31	31	30	31	30	31	31	25		
				PP New	300			4				4					
Sinopec	Yanshan PC	Beijing	Beijing		*	*	*	*	*	*	*	*	*	*	*	*	
Sinopec	Yangzi PC	Nanjing	Jiangsu		*	*	*	*	*	*	*	*	*	*	*	*	
...	
Total				9833			*	*	*	*	*	*	*	*	*	*	

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.
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- Yanshan PC unexpectedly shut down its 1PP unit of 200 kt/yr on 26 January, 2011 and restarted on 14 February, 2011 due to shortage of propylene.
- Yanan refinery shut down its old PP unit of 100 kt/yr on 22 November, 2010 and still not restarted yet for regular maintenance.
- Dushanzi PC unexpectedly shut down its 70 kt/yr No.2 line of old unit on 2 November, 2010 and restarted it on 1 January, 2011 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, 2011 due to a technical problem.
- Zhongsha PC (Sinopec-Sabic) shut down its PP unit of 450 kt/yr on 29 January, 2011 and restarted promptly on 30 January, 2011 for an unexpected technical issue.
- Shaoxing Sanyuan PC planned to shut down its PP unit of 200 kt/yr on 21 Feb and restarted on 1st March for regular maintenance.
- Guangzhou PC shut down its PP unit of 170 kt/yr for regular maintenance on 20 Feb and planned to restart on 1st April.
- WEPEC shut down its PP unit of 100 kt/yr for regular maintenance starting on 24 Feb and planned to restart on 5 April.

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