

China Price Monitor PP Pricing

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(Pricing for March 12, 2010)

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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	11050	12100	*	*	*	11792	11877	*	*	*
PP Block Co high-melt	11450	11800	*	*	*	11877	11962	*	*	*
BOPP Film Homo	10800	11000	*	*	*	132.5	132.5	*	*	*
PP Homo Yarn	10470	11050	*	*	*	10941	10941	*	*	*
PP Fiber	11000	11350	*	*	*	-	-	*	*	*
PP Homo Injection	10590	11300	*	*	*	10941	11026	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- The Chinese PP market unfortunately remained dropped, with bearish sentiment intense suffering from the currently weak polyolefin products. Particularly, polyethylene pressed more, in light of its inventories picked up dramatically.
- Furthermore, local suppliers newly-announced a changeable pricing policy to hurt confidence of major distributors, whose profit could not be guaranteed as it was settled.
- Negotiations still kept flat and deals were reported limited generally, despite of offers cutback, sellers complained. Buying interest in spot parcels from end-using had waned amid its relatively-normal feedstock and continuingly downward market performance, sources reported.
- Inventories holders both domestic and imported expected to move cargoes, due to their unresolved financial pressure and extremely-limited storage space, unfavorably with the only hands of cutting offers, but fact saw a failure.
- Sparse deals were concluded, overseas suppliers reflected. Large amounts of importers were sustaining the misfortune with prices settled lower-than-cost. Buyers strictly refused to accept imported offers, amid the competitively-priced domestic material, sources reported.

China PP Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan, 10	Feb	Mar	Comments
Petrochina	Daqing Refinery	Daqing	Heilongjiang	PP	300				10	15			15				
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40									24	25	11	
				PP New	300	6	30										
Sinopec	Yanshan PC	Beijing	Beijing		*	*	*	*	*	*	*	*	*	*	*	*	
Sinopec	Yangzi PC	Nanjing	Jiangsu		*	*	*	*	*	*	*	*	*	*	*	*	
...	
Total					8443	188	108	*	*	*	*	*	*	*	*	*	
<i>Note: Only top ten resin suppliers included, all suppliers shutdown list is available in the full China Price Monitor</i>																	

Production News & Shutdowns

- Yanan Refinery shut down its 100 kt/yr PP unit on 23 December, 2009 and restarted on 3 March, 2010 for regular maintenance due to a shortage of propylene feedstock.
- Lanzhou PC unexpectedly shut down its 40 kt/yr PP old unit on 7 January and has not restarted yet due to the explosion at oil tank.
- Zhongsha PC (Tianjing Ethylene) unexpectedly shut down its 450 kt/yr PP new unit during 18-21 February for regular maintenance and again expectedly shut down due to technical problem from 27 February to 4 March.
- Panjin Ethylene shut down its new PP unit of 220 kt/yr from 22 February to 3 March for regular maintenance and again unexpectedly shut down from 8 March but has not restarted yet due to technical problem.
- Zhenhai Refinery shut down its PP unit of 250 kt/yr from 13 February to 13 March for regular maintenance in order to ensure the normal supply of propylene for new capacity.
- Yanshan PC shut down No.1 line of its PP unit of 200 kt/yr for regular maintenance during 2-9 March.
- Tianjin United unexpectedly shut down its PP unit of 60 kt/yr during 3-4 March due to technical problem.
- Daqing PC unexpectedly shut down its PP unit of 100 kt/yr from 12 March and not restarted yet due to the outage.
- FRPC unexpectedly shut down one line of its 220 kt/yr new PP unit during 5-8 March due to the technical problem.
- WEPEC shut down its PP unit from 21 February to 3 March for regular maintenance.