

China Price Monitor PP Pricing

April 12, 2011

(Pricing for April 8, 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	12520	14500	*	*	*	13329	13817	*	*	*
PP Block Co high-melt	12690	13160	*	*	*	13573	14062	*	*	*
BOPP Film Homo	12450	12750	*	*	*	-	-	*	*	*
PP Homo Yarn	12050	12650	*	*	*	13573	13736	*	*	*
PP Fiber	12450	12750	*	*	*	-	-	*	*	*
PP Homo Injection	12310	13000	*	*	*	13492	13654	*	*	*

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

This week's executive summary

- The PP market transaction was sluggish in first half of this week due to Tomb-Sweeping Day. While in the second half of this week, traders came back to the market, but inquiries were still thin, amid unsmooth selling, so offers in part regions became soft.
- Although the buying interest was still weak at present, most Sinopec offered their quotations, which fixed the cost for dealers. Therefore, they kept their offer stable to avoid losses, keeping at a wait-to-see stance.
- The PP import market was still weak. Considering the tight capital flow due to tight credit, downstream factories were resisting the high end price, keeping at a wait-to-see stance. While sellers mainly kept their offers stable due to the high global oil price which added the cost, therefore, the negotiation was hard.
- The capital flow was restricted impacted by the increase of RMB deposit and lending interest rates by Central Bank. The downstream buying interest was in a lull due to Credit tightening and high feedstock prices, and can not be improved in a short term. In addition, considering the high global oil price which added the petrochemical cost, it is estimated that the PP market will fluctuate next week.

China PP Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Jun	Jul	Aug	Se p	Oct	Nov	Dec	Jan,11	Feb,11	Mar,11	Apr,11	Comments
Petrochina	Daqing Refinery	Daqing	Heilongjiang	PP	300			11	22								
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40	30	31	31	30	31	30	31	31	28	25	8	
				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 40kt/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 200kt/yr on 26 January, 2011 and restarted on 14 February,2011 and again took off line during 1-4 March both due to shortage of propylene.
- Yanan refinery shut down its old PP unit of 100kt/yr on 22 November, 2010 and still not restarted yet for regular maintenance.
- Zhongsha PC (Sinopec-Sabic) shut down its PP unit of 450kt/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 200kt/yr during 21-27 February for regular maintenance.
- Guangzhou PC shut down its PP unit of 170kt/yr for regular maintenance on 20 Feb and would be restarted on 3rd April for regular maintenance.
- WEPEC shut down its PP unit of 100kt/yr for regular maintenance starting on 24 Feb and would be restarted on 5 April.
- Dagang PC's PP unit of 100kt/yr was scheduled for turnaround amid whole March.
- Qingdao Refinery shut down its PP unit of 200kt/yr on 28 February and restarted on 9th March for regular maintenance.
- Jingmen PC shut down its PP unit of 120kt/yr on 24 February and planned to restart on 20 March for regular maintenance.
- Dalian PC's unit of 70kt/yr was taken-off line on 10th March for the turnaround but no details involving of restarting had not been reported yet.
- Qilu PC's PP unit shifted production from EPS30R to EPS30RA on 13 Mar.
- Maoming PC's 1# PP unit shifted production from HHP4to EPC30R-H and its 2# PP unit shifted to F-280M on 12 Mar.
- Yangtze PC's 1PP unit shifted production from J340 to C180 on 17 Mar.
- Fujian Union shut down its 120,000tonne/year old unit on March 28 for regular maintenance.
- Dalian PC's unit of 200,000tonne/yr was taken-off line on 29th March for the turnaround, and the restart date was April10.
- Dalian Xitai 100,000tonne/year unit shut down on Feb.24th, and plan to restart on April 12th.