

China Price Monitor PP Pricing

May 24, 2011

(Pricing for May 20, 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	12490	14500	*	*	*	13085	13571	*	*	*
PP Block Co high-melt	12770	13000	*	*	*	13166	13571	*	*	*
BOPP Film Homo	12650	12850	*	*	*	-	-	*	*	*
PP Homo Yarn	12410	12700	*	*	*	13328	13490	*	*	*
PP Fiber	12600	12910	*	*	*	-	-	*	*	*
PP Homo Injection	12490	13100	*	*	*	13166	13247	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- The whole PP market continued to be soft due to weak demand. Inventory and sales pressure added apparently, but traders only lowered their offers slightly considering the high cost pressure. Transaction was sluggish, and offers were spiraling down.
- Global crude oil futures prices and LLDPE values still fluctuating substantially this week, adding the continuous weak downstream demand, part domestic petrochemical companies cancelled settlement price and adopt list prices or lowered list prices, which dampened traders' confidence, so offers were likely to go downward.
- The PP import market was soft this week impacted by the thin domestic market and weak demand. What's more, Chinaplas held in Guangzhou attracted many traders which aggravated the thin market. The whole transactions was sluggish and chaos. Offers were kept stable with last week, with sporadic deals.
- Considering the weak transaction and fund pressure, it is estimated the PP market will be soft next week.

China PP Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Jul	Aug	Sep	Oct	Nov	Dec	Jan,11	Feb,11	Mar,11	Apr,11	May11	Comments
Petrochina	Daqing Refinery	Daqing	Heilongjiang	PP	300		11	22									
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40	31	31	30	31	30	31	31	28	25	29	20	
				PP New	300	4				4							
Sinopec	Yanshan PC	Beijing	Beijing		*	*	*	*	*	*	*	*	*	*	*	9	
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.
- 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.
- Zhenhai refinery shutdown its 250kt/yr on April 9th, and restarted on April 14 for regular maintenance.
- Hebei Huabei Petrochemical shutdown its 100kt/yr on April 20th, and restarted date not fixed now.
- Zhongyuan ethylene shutdown its 60kt/yr on May 5, restart date in July, for regular maintenance .
- Yanshan shutdown its 200kt/yr on May 18th, and restart date was unknown.
- Tianjin union shutdown its 60kt/yr on May 9th, and restart on May 11 for regular maintenance .
- Ningbo Fosma shutdown its 280kt/yr on May 12th, and restart on May 21 for regular maintenance .

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