

## China Price Monitor PP Pricing

March 24, 2010

(Pricing for March 28, 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	10550	12100	*	*	*	11537	11792	*	*	*
PP Block Co high-melt	11200	11540	*	*	*	11622	11877	*	*	*
BOPP Film Homo	10660	11000	*	*	*	132.5	132.5	*	*	*
PP Homo Yarn	10530	11060	*	*	*	10856	11026	*	*	*
PP Fiber	10610	11200	*	*	*	-	-	*	*	*
PP Homo Injection	10530	11050	*	*	*	10856	11026	*	*	*
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 remained bearish following tumbled oil futures prices, and transactions were limited. Most participants took pessimistic outlooks.
- Domestic market was subdued but the downward pace slowed late this week for two reasons. First, domestic enterprises continued to sell at set prices at the month end, lending support to the market, so traders had no sales pressure with offers stable. Second, oil prices rebounded in the second half of the week and players stood on sidelines with uncertain outlooks.
- PP import prices dropped continuously on slid propylene values and gloomy domestic market this week. Foreign suppliers announced June offers at quite low levels, but buying mood was thin, leading to limited trades.
- If oil prices continue to firm back, Chinese PP market will pick up but the upward room will be small because new/expansion projects are put into production and demand will be seasonally low in June.

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	Feb	Mar	Apr	May	Comments
Petrochina	Daqing Refinery	Daqing	Heilongjiang	PP	300		10	15									
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40							24	25	31	30	31	
				PP New	300												
Sinopec	Yanshan PC	Beijing	Beijing		*	*	*	*	*	*	*	*	*	*	*	*	
Sinopec	Yangzi PC	Nanjing	Jiangsu		*	*	*	*	*	*	*	*	*	*	*	*	
...	...	...		...	...	...	...	...	...	...	...	...	...	...	...	...	
<b>Total</b>					<b>8443</b>	<b>188</b>	<b>108</b>	*	*	*	*	*	*	*	*	*	

*Note: Only top ten resin suppliers included, all suppliers shutdown list is available in the full China Price Monitor*

## Production News & Shutdowns

- Yanan Refinery shut down its 100 kt/yr PP unit from 29 March to 26 April and meanwhile its 200 kt/yr new PP unit shut down from 28 April to 17 May for regular maintenance.
- Lanzhou PC unexpectedly shut down its 40 kt/yr PP old unit on 7 January and has still not restarted yet, due to the explosion at oil tank.
- Zhongsha PC (Tianjin Ethylene) unexpectedly shut down its 450 kt/yr PP new unit from 27 February to 4 March and again during 7-9 May both due to technical problem.
- Panjin Ethylene unexpectedly shut down its new PP unit of 220 kt/yr during 22-26 May due to the technical problem.
- Zhenhai Refinery shut down its old 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 and again shut down during 1-21 April for regular maintenance.
- Zhenhai Refinery shut down its new PP unit of 300 kt/yr from 13 March to 1 April for regular maintenance and further unexpectedly shut down from 6 May but has not restarted yet, due to the technical problem.
- Yanshan PC shut down No.1 line of its PP unit of 200 kt/yr during 14-19 May due to technical problem and again shut down from 20 May but has not restarted yet, due to short supply of propylene. Its No.3 line of 200 kt/yr during 25-27 March also for regular maintenance due to propylene shortage was shut down. Additionally, its No.2 line of 40 kt/yr was unexpectedly shut down during 9-10 April due to a technical problem.
- FRPC unexpectedly shut down one line of its 220 kt/yr new PP unit during 5-8 March due to the technical problem.
- Jinan Refinery shut down its PP unit of 120 kt/yr from 25 March to 3 May for regular maintenance.
- Huabei PC planned to shut down its PP unit of 100 kt/yr from 20 March to 6 May for regular maintenance and again unexpectedly shut down due to technical problem during 9-16 May.
- Sanyuan PC shut down its PP unit of 200 kt/yr from 20 April to 6 May for regular maintenance.
- Yangzi PC shut down its 100 kt/yr No.1 line of PP unit during 20-28 May for regular maintenance.

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