

China Price Monitor PP Pricing

July 5, 2011

(Pricing for July 1, 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	11350	12440	*	*	*	11815	12218	*	*	*
PP Block Co high-melt	11550	11690	*	*	*	11815	12218	*	*	*
BOPP Film Homo	11700	11980	*	*	*	-	-	*	*	*
PP Homo Yarn	11530	12120	*	*	*	11654	12218	*	*	*
PP Fiber	11690	12150	*	*	*	-	-	*	*	*
PP Homo Injection	11580	12290	*	*	*	11654	12218	*	*	*

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

This week's executive summary

- By the end of June, PP domestic market was greatly impacted by the price settlement policy in petrochemical companies. In first half of this week, PP market was soft affected by the bearish global crude oil market and the dropped price in petrochemical companies. However, WTI crude oil futures price had recovered to \$95/bbl later this week, which supported market transaction. Sellers try to slightly lift PP price.
- Meanwhile, PP import market kept stable. Offers of propylene monomer and quotations from oversea suppliers were kept stable, so PP import market stops dropping. However, most traders still lacked confidence to the outlook. Later this week, supported by the recovered crude oil futures price, deals became moderate, and most of the transactions were completed at low end prices, but sluggish deals were closed at high end price.
- In early July, Sinopec may adopt list prices, so it is estimated that PP price may fluctuate next week considering the poor downstream demand.

China PP Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Se p	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Comments
Petrochina	Daqing Refinery	Daqing	Heilongjiang	PP	300	22											
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40	30	31	30	31	31	28	25	29	20	3		
				PP New	300			4									
Sinopec	Yanshan PC	Beijing	Beijing		*	*	*	*	*	*	*	*	*	9	3		
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 30th, 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 170kt/yr on Jun 9th, and restart date was unknown.
- Panjin Ethylene shut down its 50kt/yr on 24May for maintenance, restart on May 27th.
- Shanghai PC shut down its 120kt/yr unit on 13Jun, with unknown restart date.
- Sanyuan PC shut down its 200kt/yr unit on 11Jun, restart on Jun 20th.
- Sanyuan PC shut down its 200kt/yr unit on 16Jun, restart on Jun 22th.

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