

China Price Monitor PP Pricing

July 13, 2010

(Pricing for July 9, 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	9980	11300	*	*	*	10607	10861	*	*	*
PP Block Co high-melt	10330	10680	*	*	*	10692	10861	*	*	*
BOPP Film Homo	10070	10430	*	*	*	131.5	131.5	*	*	*
PP Homo Yarn	9820	10440	*	*	*	9847	9974	*	*	*
PP Fiber	10230	10660	*	*	*	-	-	*	*	*
PP Homo Injection	9860	10570	*	*	*	9847	9974	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Domestic PP market was dismal and transactions were limited. Traders continued to cut offers. In the second half of the week, oil futures prices rebounded and traders firmed offers back, but with few favorable factors in the market, local transactions remained muted.
- Zhenhai Etylene's new supplies and bearish oil futures market forced traders to sell PP off, and weak demand worsened market confidence further, so low-priced goods flocked in.
- July import transactions came to an end. The trade volumes increased following supplier' price cuts. Importers remained cautious, unwilling to hold excessive inventories.
- PP market will remain dismal on lack of favorable factors and prices will likely continue to fall.

China PP Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Oct	Nov	Dec	Jan,10	Feb	Mar	Apr	May	Jun	Jul	Aug	Comments
Petrochina	Daqing Refinery	Daqing	Heilongjiang	PP	300												
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40				24	25	31	30	31	30	9		
				PP New	300												
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 from 3 June, and not restarted yet, while its 200 kt/yr new PP unit shut down from 28 April to 17 May both for regular maintenance.
- Lanzhou PC unexpectedly shut down its 40 kt/yr PP old unit on 7 January and still not restarted yet due to the explosion at oil tank.
- Zhongsha PC (Tianjin Ethylene) unexpectedly shut down its 450 kt/yr PP both during 7-9 May and 16-28 June due to technical problem.
- Panjin Ethylene unexpectedly shut down its new PP unit of 220 kt/yr during 24-26 May due to the technical problem. Additionally, its 50 kt/yr old PP unit shut down from 5 July and not restarted yet due to a 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 unexpectedly shut down its new PP unit of 300 kt/yr on 6 May and restarted on 24 June due to technical problem.
- Yanshan PC shut down No.1 line of its PP unit of 200 kt/yr from 24 May to 1 June and again from 23 June but not restarted yet both for regular maintenance and due to shortage of propylene. Additionally, its No.2 line of 40 kt/yr was shut down during 19-21 June 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 and again unexpectedly shut down due to technical problem during 2-7 July.
- Yangzi PC shut down its 100 kt/yr No.1 line of PP unit during 20-28 May for regular maintenance.
- Hunan Changsheng unexpectedly shut down its 100 kt/yr PP unit during 7-19 June due to the technical problem.
- Langang PC shut down its 110 kt/yr from 12 July, and not restarted yet for regular maintenance.
- Dushanzi PC was reported to shut down its old PP unit of 70 kt/yr from 19 June, and not restarted yet for regular maintenance. Additionally, its new PP unit of 250 kt/yr was shut down from 27 June, and not restarted yet due to the technical problem.
- Daqing PC shut down its 100 kt/yr from 9 July and planned to restart on 16 August for regular maintenance