

## China Price Monitor PP Pricing

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(Pricing for Aug 20 2010)

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Comparison of Domestic vs Import Prices as CNY/tonne										
	Transaction Prices for Domestic Resin including VAT				Change	Transaction Prices for Imported Resin CFR or CIF CMP including VAT & import duty				
	This Week		Next Week			This Week		Next Week		
	Low	High	Low	High		Low	High	Low	High	
PP Block Co low-melt	10730	11710	*	*	*	11469	11554	*	*	*
PP Block Co high-melt	11200	11440	*	*	*	11469	11554	*	*	*
BOPP Film Homo	10650	10980	*	*	*	*	*	*	*	*
PP Homo Yarn	10350	11110	*	*	*	10877	11131	*	*	*
PP Fiber	10630	11200	*	*	*	*	*	*	*	*
PP Homo Injection	10450	11140	*	*	*	10877	11131	*	*	*

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

### This week's executive summary

- Chinese PP spot transactions were smooth with prices increasing slightly. The prices were stable early this week and climbed up from mid week, but the upward pace slowed late this week alongside decreased crude oil prices.
- Sinopec announced settlement prices. Traders were reluctant to sell at low prices given that settlement prices in some regions were relatively high, so local prices were generally steady.
- Some foreign suppliers cited September offers with deals concluded. The offering levels were much higher than August and well beyond buy ideas. However, most importers enquired actively on high propylene values, tight import supplies and fears that arrivals would be limited with higher costs.
- In a nutshell, Chinese PP market moved up. If crude oil prices are steady and demand increases, the prices will keep rising.

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	31	20	
				PP New	300											4	
Sinopec	Yanshan PC	Beijing	Beijing		*	*	*	*	*	*	*	*	*	*	*	*	*
Sinopec	Yangzi PC	Nanjing	Jiangsu		*	*	*	*	*	*	*	*	*	*	*	*	*
...	...	...		...	...	...	...	...	...	...	...	...	...	...	...	...	...
<b>Total</b>					<b>8443</b>	<b>188</b>	<b>108</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</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 was confirmed to shut down its 100 kt/yr PP unit from 3 June to 2 August 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, while its new unit of 300 kt/yr shut down for regular maintenance during 12-16 July
- Panjin Ethylene unexpectedly shut down its new PP unit of 250 kt/yr from 5 July to 8 August for regular maintenance. Additionally, its 50 kt/yr old PP unit unexpectedly shut down during 5-17 July due to a technical problem.
- Yanshan PC shut down No.1 line of its PP unit of 200 kt/yr from 19 July to 4 August and again from 11 August to 19 August both for regular maintenance and due to shortage of propylene. Additionally, its No.3 line of 200 kt/yr also shut down during 12-15 July for regular maintenance.
- Sanyuan PC unexpectedly shut down its PP unit of 200 kt/yr during 2-7 July and again during 2-7 August both due to technical problem.
- Hunan Changsheng unexpectedly shut down its 100 kt/yr PP unit during 7-19 June due to the technical problem and again shut down during 20-27 July for regular maintenance.
- FRPC unexpectedly shut down its 1PP new unit of 180 kt/yr on 18 August and not restarted yet.
- Dushanzi PC was reported to shut down its No. 1 Line of 70 kt/yr of old PP on 19 June and restarted on 2 August, while its new PP unit of 300 kt/yr on 9 August and not restarted yet due to short supply of propylene, both for regular maintenance.
- Daqing PC shut down its 100 kt/yr from 9 July to 9 August for regular maintenance.
- Huabei PC unexpectedly shut down its 100 kt/yr on 24 July and restarted on 2 August due to a technical problem.
- Zhongyuan Ethylene shut down its PP unit of 60 kt/yr on 1st August and officially reported back on stream on 9 August for regular maintenance.
- Formosa Ningbo shut down its No.1 line of its PP unit of 170 kt/yr on 4 August and planed to restart in mid-September for regular maintenance. Additionally, its No.2 line of its PP unit of 280 kt/yr planned to shut down on 20 August and restarted in late September for regular maintenance.
- Yangzi PC shut down its NO.1line of its PP unit of 200 kt/yr on 11 August and not restarted yet for regular maintenance. Additionally, its No.2 line of its PP unit of 200kt/yr also shut down on 12 August and not restarted yet for regular maintenance.