

China Price Monitor PP Pricing

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(Pricing for Sept. 10 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	10700	11620	*	*	*	11503	11671	*	*	*
PP Block Co high-melt	10900	11400	*	*	*	11503	11671	*	*	*
BOPP Film Homo	10550	10950	*	*	*	*	*	*	*	*
PP Homo Yarn	10470	11150	*	*	*	10829	10913	*	*	*
PP Fiber	10700	11100	*	*	*	*	*	*	*	*
PP Homo Injection	10550	11100	*	*	*	10829	10913	*	*	*

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

This week's executive summary

- Domestic homopolymer market was quiet this week. Muted crude oil futures market and lackluster PP e-business in Zhejiang upset domestic traders. Most of them sold stably.
- Domestic petrochemical producers did not adjust PP prices. Sinopec East China, PetroChina East China and PetroChina South China continued to fix PP prices, so traders held offers firm.
- The import PP market reported sporadic transactions this week dragged by poor buying interest. The domestic market was in a correction and most participants stood aside due to unclear reference from external environment and Chinese producers' price strategies.
- As Yangtze PC's PP unit resumed production this week, coupled with restart of plants at Formosa Ningbo and Daqing Refinery, supplies will likely increase and then the market is expected to lose upward momentum. Accordingly, domestic PP market will keep fluctuating next week.

China PP Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Dec	Jan, 10	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Comments
Petrochina	Daqing Refinery	Daqing	Heilongjiang	PP	300									11	20		
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40		24	25	31	30	31	30	31	31	10		
				PP New	300								4				
Sinopec	Yanshan PC	Beijing	Beijing		*	*	*	*	*	*	*	*	*	*	*	*	*
Sinopec	Yangzi PC	Nanjing	Jiangsu		*	*	*	*	*	*	*	*	*	*	*	*	*
...
Total					8443	188	108	*	*	*	*	*	*	*	*	*	*

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 9 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 during 11-19 August and again from 26 August to 2 September due to shortage of propylene both for regular maintenance. 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 August due to technical problem.
- Hunan Changsheng unexpectedly shut down its 100 kt/yr PP unit during 20-27 July and again from 27 August to 27 September due to short supply of propylene both for regular maintenance.
- FRPC unexpectedly shut down its 1PP new unit of 180 kt/yr during 18-22 August due to technical problem.
- Dushanzi PC was reported to shut down its No. 1 Line of 70 kt/yr of old PP on 7 September and planned to restart on 2 October for regular maintenance, while its new 2PP unit of 300 kt/yr during 9-27 August and again from 29 August to 4 September both due to short supply of propylene.
- 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 1PP unit of 170 kt/yr on 4 August and planed to restart in mid-September, while its 2PP unit of 280 kt/yr from 20 August and was planned to restart for late September both for regular maintenance.
- Yangzi PC both shut down its No.1 and No.2 unit of 200 kt/yr respectively on 11 and 12 August correspondingly both for regular maintenance, planning to restart on 7 September.
- Zhongsha PC (Sinopec-Sabic) shut down its PP unit of 450 kt/yr on 27 August and restarted on 3 September for regular maintenance.
- Daqing Refining shut down its PP unit of 300 kt/yr on 21 August and planned to restart on 21 September for regular maintenance.
- Qilu PC shut down its PP unit of 70 kt/yr on 27 August and restarted on 10 September due to short supply of propylene.