

China Price Monitor PP Pricing

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(Pricing for Oct 15, 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	11260	12320	*	*	*	12061	12227	*	*	*
PP Block Co high-melt	11600	12200	*	*	*	12144	12310	*	*	*
BOPP Film Homo	11140	11400	*	*	*	*	*	*	*	*
PP Homo Yarn	10900	11530	*	*	*	11315	11481	*	*	*
PP Fiber	11120	11500	*	*	*	*	*	*	*	*
PP Homo Injection	11050	11680	*	*	*	11315	11481	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Chinese PP prices surged following higher oil values after the one-week October holiday. Brisk speculative behaviors in 1H of the week, petrochemical producers' price lifts and users' requirements after the holiday further pushed traders' offers up. Some even suspended offering waiting for higher levels.
- However, such rapid increase frustrated users. Accordingly, in 2H of the week, the upward pace slowed and deals at high end stagnated. Many players stood on sidelines but in general most traders took optimistic outlooks.

Import prices climbed sharply after the holiday. Traders showed strong buying interest in refilling quite low inventories. But most cargo holders suspended offering, leaving limited sources in the market. With expectations on inflation, most importers took bullish outlooks and were intended to slow selling recently. The round of PP price rises was strongly fuelled by many factors, so users had to refill goods at the high levels, which added their production costs much. However, later some of them began reluctant to buy and just covered immediate requirements. **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	22		
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40		24	25	31	30	31	30	31	31	30	15	
				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

- 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.
- Panjin Ethylene shut down its new PP unit of 250 kt/yr on 9 October and restarted on 11 October for regular maintenance.
- Yanshan PC unexpectedly shut down its 1PP unit of 200 kt/yr during 25-30 September and again from 11 October to 15 October due to shortage of propylene.
- Yangzi PC shut down its Line B of 100 kt/yr 1PP unit on 27 September and confirmed to restarted on 12 October for regular maintenance.
- Yanan refinery shut down its new PP unit of 200 kt/yr for regular maintenance during 14-19 September.
- Hunan Changsheng unexpectedly shut down its 100 kt/yr PP unit during 20-27 July and again from 27 August to 28 September due to short supply of propylene both for regular maintenance.
- Dushanzi PC was reported to shut down its old PP unit of 140 kt/yr from 7 September to 1 October for regular maintenance, while its 250 kt/yr Line 1 of new unit unexpectedly shut down during 8-14 October due to the shortage of propylene.
- Formosa Ningbo shut down its 170 kt/yr Line 1 on 4 August and restarted on 10 October, while its 280 kt/yr Line2 also shut down on 20 August and restarted on 15 October both for regular maintenance.
- Zhongsha PC (Sinopec-Sabic) shut down its PP unit of 450 kt/yr on 27 August and restarted on 3 September for regular maintenance; and unexpectedly again shut down during 12-18 September due to technical problem.
- Daqing Refining shut down its PP unit of 300 kt/yr on 21 August and restarted on 23 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 and unexpectedly again shut down during 28-29 September due to a technical problem.