

China Price Monitor PP Pricing

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(Pricing for Nov 26, 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	12350	13900	*	*	*	12660	12826	*	*	*
PP Block Co high-melt	13120	13540	*	*	*	12743	12909	*	*	*
BOPP Film Homo	12180	13000	*	*	*	-	-	*	*	*
PP Homo Yarn	12010	12830	*	*	*	11913	12079	*	*	*
PP Fiber	12400	13160	*	*	*	-	-	*	*	*
PP Homo Injection	12020	13150	*	*	*	11913	12079	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Chinese PP market remained bearish this week. The prices continued to drop in the first half of the week following decreased oil prices and LLDPE futures values. In the second half of the week, transactions had a short-lived recovery and offers firmed back, but most buyers lacked of confidence and stood on sidelines, leading to limited deals.
- Domestic producers cancelled settlement prices to post list prices or lowered offers directly this week, dragging local prices down. However, the news that some producers would cut PP supplies to secure supplies of finished oil lend support to players.
- Import transactions were lackluster. Offers continued to fall in the first half of the week. Although the downtrend slowed in the second half, deals were limited. Negotiations between suppliers and buyers about December-loading deals were underway, but the progress was slow amid buyers' wait-to-see stance.
- The PP market was dismal this week due to unfavorable factors such as volatile oil prices. It was expected prices will fluctuate in a small range next week as petrochemical producers would make little adjustment at the month end.



China PP Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Jan, 10	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	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	31	26	
				PP New	300							4				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. Meanwhile, its new PP unit of 300kt/yr also shut down due to regular maintenance during 10-14 November.
- 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 4-8 November and again shut down during 15-21 November both 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 old PP unit of 100 kt/yr on 22 November but unplanned to be restarted yet for regular maintenance.
- Dushanzi PC unexpectedly shut down its 70 kt/yr No.2 line of old unit on 2 November due to the shortage of propylene with no any news predicting restarting, while its 300 kt/yr No.2 line of new unit during 24-29 October for regular maintenance.
- 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 and again due to a technical problem during 6-11 November.
- Zhongsha PC (Sinopec-Sabic) shut down its PP unit of 450 kt/yr from 27 October to 1st November for regular maintenance.
- Baotou Shenhua PC shut down its PP unit of 300 kt/yr on 27 September for regular maintenance.
- and was failed to restart on 2 November; it still not announced any plans regarding of restarting further.
- FRPC shut down its new 2PP unit of 220 kt/on during 6-11 November for regular maintenance.
- Shanghai PC shut down both its 1PP and 2PP unit of 120 kt/yr respectively from 15 November to 22 November for regular maintenance.

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