

China Price Monitor PP Pricing

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(Pricing for August 15, 2008)

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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	12950	15340	12900	15250	-50	15348	15690	14665	15092	-684
PP Block Co high-melt	13560	14260	13500	14200	-60	-	-	-	-	-
BOPP Film Homo	12600	13370	12500	13200	-100	15092	15348	14494	15092	-598
PP Homo Yarn	12340	14080	12250	13900	-90	14494	14835	14237	15092	-256
PP Fiber	12600	13240	12500	13100	-100	-	-	-	-	-
PP Homo Injection	12600	13580	12500	12400	-100	14237	14835	14066	14665	-171
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 saw a rebound trend this week and market sentiment recovered gradually. Settlement prices in all sales branches of PetroChina increased.
- Traders and downstream converters increased purchasing volumes, leading to local producer inventories reducing markedly. However, some traders worried if uptrend continued as speculative activities mainly took place among traders.
- Powder PP trades improved from early in the week and producers lifted offers by CNY 200/tonne on depleting inventories. Teapot refineries, producing byproduct of propylene had to cut running rates due to bad loss and supply of propylene are expected to reduce by 30%, resulting in powder output decreasing.
- CFR market failed to pick up although CNY prices rebounded. CFR prices would fall further due to weaker crude oil and ethylene monomer values.
- It depended on local producer's depleting inventories and demand recovery of downstream sectors if domestic pp market turned better.

China PP Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Nov	Dec	JAN, 08	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Comments
Petrochina	Daqing Refinery	Daqing	Heilongjiang	PP	300									7			
Petrochina	Dalian PC	Dalian	Liaoning		270							15	30	31	1		
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40	4		3					20	31	31	31	
				PP New	300	4											
Sinopec	Yanshan PC	Beijing	Beijing		440	1	4	2	5		2		4	11			
Sinopec	Yangzi PC	Nanjing	Jiangsu		400			8	6	4	15						
Sinopec	Shanghai PC	Shanghai	Shanghai		450	10						8					
Sinopec	Maoming PC	Maoming	Guangdong	PP	170					3			4				
				PP New	300		2	17			3		17		1		
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai		250		7										
CNOOC and Shell	CSPC	Huizhou	Guangdong		240												
Formosa	Formosa Ningbo	Ningbo	Zhejiang		450										15		
Total					6418	114	107	37	69	39	41	53	90	154	110	31	

Note: Only top ten resin suppliers included, all suppliers shutdown list is available in the full China Price Monitor

Production News & Shutdowns

- Lanzhou PC shut down its 40,000 tonne/year old PP unit on 10 June due to lack of propylene, it planned to restart on October.
- Dalian PC shut down its 70,000 tonne/year old PP unit on 15 May, and the unit has not restarted yet.
- Formosa Ningbo shut down its 270,000 tonne/year PP unit on 1 August, and the unit has not restarted yet.
- Dushanzi PC shut down its 60,000 tonne/year PP unit line one during 5-9 August for maintenance.
- Qilu PC shut down its 70,000 tonne/year PP unit on 11 August for about one week maintenance.
- Panjin Ethylene shut down 50,000 tonne/year PP unit on 12 August for about 25-days maintenance.
- Maoming PC shut down its 250,000 tonne/year PP unit during 13-14 August due to unexpected accidents.

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