

China Price Monitor PP Pricing
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(Pricing for December 11, 2009)

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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	10500	11360	*	*	*	10771	11026	*	*	*
PP Block Co high-melt	10860	11140	*	*	*	10771	11026	*	*	*
BOPP Film Homo	10080	10350	*	*	*	132.5	132.5	*	*	*
PP Homo Yarn	9630	10400	*	*	*	10005	10345	*	*	*
PP Fiber	10140	10600	*	*	*	-	-	*	*	*
PP Homo Injection	9780	10500	*	*	*	10005	10345	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- PP prices in China rose significantly this week, especially those of copolymer, driven by strong crude oil prices and producers' price hikes.
- The Chinese PP domestic market remained to be softer and continued its downtrend in prices within this week, reporting fairly quiet transaction sentiment and seldom deals settled at the high price level, citing plunged oil values approaching down to \$70/bbl.
- Meanwhile, local petrochemical suppliers who cut list prices dragged this market further down, and market players promptly made pessimistic operations of cutting offers under currently bearish conditions, considering traditionally financial pressure by the end of this year.
- Despite of oil diving, overseas suppliers who were taking wait-see attitude were hesitated to hold offers on next January unreleased, based on still strong propylene prices and pre-fulfilled selling targets this month. However, importers were generally reported to cut their offers, speeding up in moving cargoes.
- Accordingly, downstream users also kept wait and see and purchased calculating their fundamental need. Some players were found to expect the traditionally concentrated pre-stock from end using beyond the Chinese Spring Festival.

China PP Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan, 10	Feb	Comments
Petrochina	Daqing Refinery	Daqing	Heilongjiang	PP	300					10	15			15			
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40												
				PP New	300		6	30									
Sinopec	Yanshan PC	Beijing	Beijing		*	*	*	*	*	*	*	*	*	*	*	*	*
Sinopec	Yangzi PC	Nanjing	Jiangsu		*	*	*	*	*	*	*	*	*	*	*	*	*
...
Total					7773	130	188	*	*	*	*	*	*	*	*	*	*
<i>Note: Only top ten resin suppliers included, all suppliers shutdown list is available in the full China Price Monitor</i>																	

Production News & Shutdowns

- FRPC was reported to start up its 400 kt/yr new PP units including 2 lines. One of its lines confirming 180 kt/yr unexpectedly shut down during 1-4 December due to technical problem
- Yanshan PC unexpectedly shut down its 200 kt/yr 1PP unit due to a technical problem on 17 November and restarted on 21 November.
- Hunan Changsheng shut down its PP unit of 100 kt/yr during 9-13 November for regular maintenance.
- Formosa Ningbo shut down its 170 kt/yr PP unit from 1 December but had not restarted both yet for regular maintenance due to a shortage of propylene feedstock.
- Zhongyuan Ethylene shut down its 60 kt/yr PP unit for regular maintenance on 25 November and restarted on 7 December.
- Zhenhai Refinery unexpectedly shut down its 250 kt/yr unit due to technical problem on 25 November and restarted on 6 December.
- Hainan Refinery shut down its 200 kt/yr PP unit for regular maintenance on 20 December and planned to restart by the end of January 2010.
- WEPEC shut down its 100 kt/yr on 7 December and restarted on 24 December for regular maintenance.