

## China Price Monitor PP Pricing

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(Pricing for February 26, 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	11950	*	*	*	11707	11962	*	*	*
PP Block Co high-melt	11360	11840	*	*	*	11877	11962	*	*	*
BOPP Film Homo	10660	11080	*	*	*	132.5	132.5	*	*	*
PP Homo Yarn	10530	10960	*	*	*	10941	11196	*	*	*
PP Fiber	10930	11320	*	*	*	-	-	*	*	*
PP Homo Injection	10700	11350	*	*	*	11111	11281	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

### This week's executive summary

- The Chinese PP market saw the warmer sentiment and prices hikes after the Lunar New Year holidays, boosted both by rebounding oil and lifted offers by local suppliers.
- Buying interest picked up particularly early of this week, sources reported. Most traders went back to the market expecting build up their inventories, most of which were remained at low level closer the festival seasons.
- However, unfortunately, buying momentum was anticipated to kick off adequately till the lantern festival, and current market uptrend could not be fundamentally supported, players said.
- Overseas suppliers were mostly hesitated towards their new offers release of March shipment, due to the concern that propylene still hovered around at high level and domestic market was unclear. A handful of them announced selling indications targeting higher, but consequently received no many bids from distributors, however, who argued that market saw price disparities between import and domestic grades.
- Domestic prices were potential to be gradually upward, despite of a confluence of bullish and bearish factors; the latter was typically represented by the new capacities coming on stream, while the former was extraordinarily reflected by the tight spot availabilities, other participants believed.

China PP Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan, 10	Feb	Mar	Comments
Petrochina	Daqing Refinery	Daqing	Heilongjiang	PP	300				10	15			15				
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40									24	25		
				PP New	300	6	30										
Sinopec	Yanshan PC	Beijing	Beijing		*	*	*	*	*	*	*	*	*	*	*	*	
Sinopec	Yangzi PC	Nanjing	Jiangsu		*	*	*	*	*	*	*	*	*	*	*	*	
...	...	...		...	...	...	...	...	...	...	...	...	...	...	...	...	
<b>Total</b>					<b>8443</b>	<b>188</b>	<b>108</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	
<b>Note: Only top ten resin suppliers included, all suppliers shutdown list is available in the full China Price Monitor</b>																	

## Production News & Shutdowns

- Yanan Refinery shut down its 100 kt/yr PP unit on 23 December and has not restarted yet for regular maintenance due to a shortage of propylene feedstock.
- Lanzhou PC unexpectedly shut down its 40 kt/yr PP old unit on 7 January and has not restarted yet due to the explosion at oil tank.
- Zhongsha PC (Tianjing Ethylene) unexpectedly shut down its 450 kt/yr PP new unit from 24 January to 8 February due to technical problem, and again shut down during 18-21 February for regular maintenance.
- Panjin Ethylene shut down its new PP unit of 220 kt/yr from 22 February to 1 March for regular maintenance.
- Dalian West-Pacific shut down its PP unit of 100 kt/yr from 21 February to 3 March for regular maintenance.
- Zhenhai Refinery shut down its PP unit of 250 kt/yr from 13 February and not restarted yet for regular maintenance in order to ensure the normal supply of propylene for new capacity.