

China Price Monitor PP Pricing

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(Pricing for July, 25 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	14610	15940	14550	15900	-60	16302	16473	16302	16473	0
PP Block Co high-melt	14860	15220	14750	15100	-110	-	-	-	-	-
BOPP Film Homo	14680	14950	14600	14900	-80	15877	16217	15877	16217	0
PP Homo Yarn	14280	15120	14200	15000	-80	15877	16473	15877	16473	0
PP Fiber	14630	15140	14500	15100	-130	-	-	-	-	-
PP Homo Injection	14260	15160	14200	15100	-60	15877	16473	15877	16473	0
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Market price lowered following offer cuts of local producers. Distributors had to cut prices in order to complete monthly sales plans and also large cash-flow pressure at the end of month.
- Market sentiment pick up slightly approaching the end of this week as it was heard that Sinopec and PetroChina had joined hands to stabilize the market prices. Inquiries from buyers improved in east China and offers of traders rebounded slightly.
- Traders kept cautious for outlook as they perceived that high inventory levels at local producers were still hidden concerns.
- The high temperature was impacting on the operations of plants which were already struggling against a backdrop of austerity measures in the domestic macro economical policy. The plastics industry was experiencing a process of industrial restructuring.
- Some of the smaller traders and converters would be phased out, hence impacting demand in the short term. Therefore, there were no sufficient drives to realize a decent rebound.

China PP Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Oct	Nov	Dec	JAN, 08	Feb	Mar	Apr	May	Jun	Jul	Aug	Comments
Petrochina	Daqing Refinery	Daqing	Heilongjiang	PP	300	15									7		
Petrochina	Dalian PC	Dalian	Liaoning		270								15	30	18		
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40		4		3					20	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	12				3				4			
				PP New	300			2	17			3		17			
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai		250			7									
CNOOC and Shell	CSPC	Huizhou	Guangdong		240												
Formosa	Formosa Ningbo	Ningbo	Zhejiang		450												
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

- Yanshan PC shut down its 200,000 tonne/year 1# PP unit on 1 July due to shortage of propylene, and restarted on 9 July.
- Panjing Ethylene shut down its 65,000 tonne/year PP unit on 3 July for maintenance, and restarted on 6 July.
- Shanghai PC shut down its 200,000 tonne/year 3# PP unit on 11 July due to unexpected accidents, and restarted on 14 July.
- Zhongyuan Ethylene shut down its 60,000 tonne/year PP unit on 3 June for maintenance, and restarted on 25 July.
- 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.
- Daqing Refinery shut down its 300,000 tonne/year PP unit on 12 July for maintenance, and restarted on 19 July.
- Yan'an Refinery shut down its 100,000 tonne/year PP unit on 12 July for maintenance, and planned to restart on 25 July.