

China Price Monitor PP Pricing
June 13, 2008
(pricing for June 9, 2008)

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China PP Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Sep	Oct	Nov	Dec	JAN, 08	Feb	Mar	Apr	May	Jun	Jul	Comments
Petrochina	Daqing Refinery	Daqing	Heilongjiang	PP	300	20	15										
Petrochina	Dalian PC	Dalian	Liaoning		270												
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40			4		3						3	
				PP New	300			4									
Sinopec	Yanshan PC	Beijing	Beijing		440	1		1	4	2	5		2			3	
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	5	12					3				4	
				PP New	300				2	17			3			12	
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai		250				7								
CNOOC and Shell	CSPC	Huizhou	Guangdong		240	2											
Formosa	Formosa Ningbo	Ningbo	Zhejiang		450												
Total					6418	94	114	107	37	69	39	41	53	75	79	7	
<i>Note: Only top ten resin suppliers included, all suppliers shutdown list is available in the full China Price Monitor</i>																	

Production News & PP Shutdowns

- Shaoxin Fulin PC shut down its 200,000tonne/year PP unit on 1 June for maintenance, and it was restarted on 6 June. It only run 50% of full capacity after restarting.
- Zhongyuan Ethylene planned to shut down its 60,000tonne/year PP unit on 3 June for a 35-day maintenance.
- Maoming PC shut down all PP units with 470,000tonne/year of total capacity on 3 June caused by a lightning-hit induced fire. It restarted its 170,000tonne/year PP unit on 6 June, and the 300,000tonne/year unit was expected to restart on 15 June.
- Lanzhou PC shut down its 40,000tonne/year old PP unit on 10 June due to lack of propylene.

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	15200	16540	15000	16300	-200	17157	17759	17501	17759	+344
PP Block Co high-melt	15940	16680	15700	16400	-240	17157	17759	17501	17759	+344
BOPP Film Homo	15580	16690	15350	16350	-230	15782	17157	17157	17501	+1376
PP Homo Yarn	15720	17180	15500	16900	-220	16899	17329	17415	17501	+516
PP Fiber	15880	16530	15600	16350	-280	-	-	-	-	-
PP Homo Injection	15600	16680	15350	16400	-250	16899	17329	17415	17501	+516

Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.

This week's executive summary

- Domestic PP prices corrected after hitting high levels and sellers were anxious to move cargoes to lock in profit.
- Significant offer lifts of Sinopec and PetroChina's all sales branches after Dragon Boat Festival did not held back price decrease.
- Co-polymer prices also retreated on slack demand as well as bearish trend of the whole PP.
- Sinopec subsidiary Maoming Petrochemical is expected to restart its 640,000 tonne/year No 2 cracker in Guangdong province this weekend after a lightning-induced fire on 3 June led to a shutdown.
- The derivative units, including a 250,000 tonne/year LDPE, a 350,000 tonne/year HDPE and a 300,000 tonne/year PP would be restarted following the resumption of the cracker.
- Sinopec adjusted its production plan to cut less output because production losses resulting from Maoming accident had already offset the need for reduced production.