

China Price Monitor PP Pricing
September 30, 2008
(Pricing for September 26, 2008)

Source: CBI (Shanghai) Co., Ltd.

Tel. +(86 21) 51550731

E-mail: chemicalresearch@cbichina.com

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	12320	13200	12300	13200	-20	12030	12454	11605	11605	-425
PP Block Co high-melt	12880	13530	12800	13500	-80	-	-	-	-	-
BOPP Film Homo	11680	12800	11600	12700	-80	11180	11180	10755	10755	-425
PP Homo Yarn	11480	12190	11400	12100	-80	11180	11605	10755	11180	-425
PP Fiber	11660	12200	11600	12100	-60	-	-	-	-	-
PP Homo Injection	11560	12060	11500	12000	-60	11180	11605	10755	11180	-425
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- At the beginning of the week, PP prices continued to fall as crude oil prices fell below \$100/tonne.
- Negative sentiment grew stronger as Sinopec and PetroChina continued to implement price cut and price listing.
- Within 3 months, prices had fallen from the historic high to the lowest levels in this Spring Festival.
- Traders were negative over the outlook, and were reluctant to trade in spite of sharp rebound in crude oil values overnight Thursday. Few players dared to purchase, though there was an extensive agreement that market prices had bottomed out.
- Trades increased sharply Thursday when downstream converters were encouraged in purchasing due to sharp rises in crude oil values overnight.
- However, converters had limited purchase demand due to sales and cash-flow pressure, and as feedstock values were likely to fall in the short term. Thus, the sparse purchase volume was not strong enough to push up prices further..

China PP Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Dec	JAN, 08	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Comments
Petrochina	Daqing Refinery	Daqing	Heilongjiang	PP	300								7				
Petrochina	Dalian PC	Dalian	Liaoning		270						15	30	31	31	31		
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40		3					20	31	31	31		
				PP New	300											17	
Sinopec	Yanshan PC	Beijing	Beijing		440	4	2	5		2		4	11	5	3		
Sinopec	Yangzi PC	Nanjing	Jiangsu		400		8	6	4	15				13			
Sinopec	Shanghai PC	Shanghai	Shanghai		450						8			17	26		
Sinopec	Maoming PC	Maoming	Guangdong	PP	170				3			4				1	
				PP New	300	2	17			3		17		1	1		
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai		250	7											
CNOOC and Shell	CSPC	Huizhou	Guangdong		240												
Formosa	Formosa Ningbo	Ningbo	Zhejiang		450									28			
	Total				6418	37	69	39	41	53	90	154	127	174	158	26	

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

Production News & Shutdowns

- Dalian PC shut down its 70 kt/yr old PP unit on 15 May, and the unit has not restarted yet.
- Shanghai PC shut down its 120 kt/yr 1PP unit on 14 August, and the unit has not restarted yet.
- Shaoxin Sanyuan PC shut down its 200 kt/yr PP unit during 3-13 September for maintenance.
- Lanzhou PC shut down its 40 kt/yr old PP unit on 10 June due to lack of propylene, it planned to restart on October. Its 300 kt/yr new PP unit was shut down on 9 September due to an accident of upstream cracker.
- Daqing PC shut down its 100 kt/yr PP unit during 1-17 September for scheduled maintenance.
- TUCC shut down its 60 kt/yr PP unit on 28 September for 28-days maintenance.
- Qilu PC shut down its 70 kt/yr PP unit during 18-23 September due to lack of propylene.
- Yanshan PC shut down its 200 kt/yr PP unit line one on 18 September for maintenance, the unit has not restarted yet.
- Maoming PC shut down its 470 kt/yr units during 24-25 September due to the attack of Typhoon Hagupit.

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