

China Price Monitor PP Pricing
December 30, 2008
(Pricing for December 26, 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	7100	7800	7000	7600	-100	6951	7377	6951	7377	0
PP Block Co high-melt	7200	7460	7100	7350	-100	-	-	-	-	-
BOPP Film Homo	7140	7540	7000	7400	-140	6781	7036	6781	7036	0
PP Homo Yarn	6980	7660	6900	7500	-80	6781	7036	6781	7036	0
PP Fiber	7240	7640	7100	7500	-140	-	-	-	-	-
PP Homo Injection	7020	7560	6950	7500	-70	6781	7036	6781	7036	0
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

This week's executive summary

- Earlier this week PP market prices were stable at CNY 7,500/tones as most major traders had finished their December sales plan.
- However, in the middle of the week, with crude future prices falling sharply to nearly \$30/bbl, many domestic petrochemical producers decreased prices and cancelled listed prices for sales, resulting in downward anticipation for the market.
- Most market players expected next week prices would fluctuate in a small range on low inventories and little interests to trade during Chinese New Year's Holiday (1-3 January 2009).
- Many players are uncertain about the outlook as Sinopec will sell cargoes during 30-31 December in advance, and these cargoes are expected to be produced during Chinese Lunar New Year (25-31 January 2009). Thus, PP prices were mainly dominated by the January price policy at Sinopec.

China PP Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Comments
Petrochina	Daqing Refinery	Daqing	Heilongjiang	PP	300						7						
Petrochina	Dalian PC	Dalian	Liaoning		270				15	30	31	31	31	31	31	31	
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40					20	31	31	31	31	15		
				PP New	300								21	2			
Sinopec	Yanshan PC	Beijing	Beijing		440	5		2		4	11	5	3	2	26	25	
Sinopec	Yangzi PC	Nanjing	Jiangsu		400	6	4	15				13					
Sinopec	Shanghai PC	Shanghai	Shanghai		450				8			17	26	17	30	31	
Sinopec	Maoming PC	Maoming	Guangdong	PP	170		3			4			1			4	
				PP New	300			3		17		1	1				
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai		250												
CNOOC and Shell	CSPC	Huizhou	Guangdong		240												
Formosa	Formosa Ningbo	Ningbo	Zhejiang		450							28			30		
	Total				6543	39	41	53	90	154	127	174	162	120	190	174	
<i>Note: Only top ten resin suppliers included, all suppliers shutdown list is available in the full China Price Monitor</i>																	

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 2PP unit on 18 October for maintenance, and planned to restart on early 2009.
- Yanshan PC shut down its 40 kt/yr 2PP unit on 5 November due to poor demand, the unit restarted on 25 December.
- Yanshan PC shut down its 200 kt/yr 1PP unit during 8-10 December and during 12-16 December. Yanshan shut down its 200 kt/yr 3PP unit during 12-13 December due to breakdown of upstream cracker.
- TUCO shut down its 60 kt/yr PP unit on 28 September, it delayed the restart to March of 2009 due to the weak market.
- Panjin Ethylene shut down its 50 kt/yr PP unit during 1-4 December, and shut down the unit again on 9 December.
- Hunan Changsheng shut down its 100 kt/yr PP unit during 6-20 December due to shortage of propylene.
- Dushanzi PC shut down its 60 kt/yr line one of PP unit on 10 December for maintenance.
- Zhongyuan Ethylene shut down its 60 kt/yr PP unit during 23-25 December due to unexpected accidents.