

## China Price Monitor PP Pricing

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(Pricing for May 15, 2009)

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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	10390	12100	10300	12000	-90	9055	9905	9055	9905	0
PP Block Co high-melt	10080	10500	9900	10300	-180	9055	9905	9055	9905	0
BOPP Film Homo	9400	9700	9350	9600	-50	9055	9905	9055	9905	0
PP Homo Yarn	9350	9680	9300	9600	-50	9055	9905	9055	9905	0
PP Fiber	9610	9780	9550	9700	-60	-	-	-	-	-
PP Homo Injection	9390	10050	9300	9900	-90	9055	9905	9055	9905	0
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

### This week's executive summary

- Favorable and unfavorable factors co-existed in the China's PP market with prices fluctuating in a narrow range.
- Due to different price policies of Sinopec and PetroChina in different regions, local prices also tracked different trends.
- Most participants agreed that domestic producers' inventories would increase due to low-priced recycled PP and PP powder.
- Besides, it was heard that massive deep-sea cargoes would arrive, which exerted negative impact on the domestic market.
- As a result, traders accelerated sales and maintained inventories low.
- Most importers held stable offers due to low costs, and domestic distributors were also reluctant to sell at low levels as market prices had fallen below their purchasing costs, which gave support to the market.
- So participants expected the prices would fluctuate just in a narrow range in the short term.

China PP Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Aug	Sep	Oct	Nov	Dec	Jan,09	Feb	Mar	Apr	May	Jun	Comments
Petrochina	Daqing Refinery	Daqing	Heilongjiang	PP	300												
Petrochina	Dalian PC	Dalian	Liaoning		270	31	30	31	30	31	31	28	31	30	31	30	
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40	31	31	31	15		2						
				PP New	300		21	2			2				6	30	
Sinopec	Yanshan PC	Beijing	Beijing		440	5	3	2	26	25	5		3	6	3		
Sinopec	Yangzi PC	Nanjing	Jiangsu		400	13							4	2	1		
Sinopec	Shanghai PC	Shanghai	Shanghai		450	17	26	17	30	31	15						
Sinopec	Maoming PC	Maoming	Guangdong	PP	170		1			4							
				PP New	300	1	1										
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai		250								21		10	25	
CNOOC and Shell	CSPC	Huizhou	Guangdong		240												
Formosa	Formosa Ningbo	Ningbo	Zhejiang		450	28			30		12	7		12			
<b>Total</b>					<b>6463</b>	<b>174</b>	<b>161</b>	<b>120</b>	<b>189</b>	<b>181</b>	<b>130</b>	<b>93</b>	<b>127</b>	<b>130</b>	<b>140</b>	<b>99</b>	
<i>Note: Only top ten resin suppliers included, all suppliers shutdown list is available in the full China Price Monitor</i>																	

## Production News & Shutdowns

- Panjin Ethylene shut down its 50 kt/yr PP unit on 9 December, and plans to restart on 18 May 2009.
- Yanshan shut down its 40 kt/yr 1PP and 40 kt/yr 2PP on 13 May for maintenance, the 40 kt/yr PP unit was restarted on 13 May.
- Qilu PC planned to shut down its 70 kt/yr PP unit from 15 April to 16 May for maintenance.
- Guangzhou PC planned to shut down its 70 kt/yr Line B of PP unit from 27 April to 19 May for maintenance.
- Yangzi PC shut down its 200 kt/yr 2PP unit on 29 April for maintenance, and restarted on 1 May. Yangzi shut down its 100 kt/yr Line B of 1PP unit during 7-11 May for maintenance.
- Wuhan Phoenix shut down its 100 kt/yr PP unit on 10 May for maintenance, and plans to restart on 10 June.
- Hunan Changsheng shut down its 100 kt/yr PP unit during 8-20 May for maintenance.
- Shanghai Secco plans to shut down its 250 kt/yr PP unit on 21 May and restart in mid-June for maintenance.
- Sanyuan lifted operating rate to 60% on 7 April, lifted rate to 70% on 14 April, and to 80% on 5 May.
- Formosa Ningbo PC ran low with operating rate at 70%.

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