

## China Price Monitor PP Pricing

October 28, 2008

(Pricing for October 24, 2008)

Source: CBI (Shanghai) Co., Ltd.

Tel. +(86 21) 51550731

E-mail: [chemicalresearch@cbichina.com](mailto: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	9280	11380	9000	11000	-280	8230	8826	7803	8230	-426
PP Block Co high-melt	9610	10580	9300	10300	-310	-	-	-	-	-
BOPP Film Homo	8830	9300	8500	9000	-330	7377	7974	6525	6951	-852
PP Homo Yarn	8140	10730	7800	10400	-340	7377	7974	6525	6951	-852
PP Fiber	8820	9300	8500	9000	-320	-	-	-	-	-
PP Homo Injection	8260	9294	8000	9000	-260	7377	7974	6525	6951	-852
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

### This week's executive summary

- Domestic PP market rebounded at the beginning of this week as crude oil prices rose and PP futures prices rebounded in early week. Crude oil futures prices tumbled at the market close to a 16-month low on Wednesday, dampening market sentiment and spot prices turned to fall down.
- Sinopec Sales Companies delayed settlement to next week but failed to encourage downhearted distributors. PP yarn prices were close to CNY 8,000/tonne.
- Import prices also tumbled. Suppliers cut offers considering the uncertain financial environment.
- It was reported that some Korean homo-PP were traded at \$870/tonne, which was unfavorable to the domestic market.

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	31	
				PP New	300										21	2	
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	17	
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			
<b>Total</b>					<b>6418</b>	<b>37</b>	<b>69</b>	<b>39</b>	<b>41</b>	<b>53</b>	<b>90</b>	<b>154</b>	<b>127</b>	<b>174</b>	<b>162</b>	<b>87</b>	

*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 for maintenance during 14 August - 17 October. Shanghai PC shut down its 120 kt/yr 2PP unit on 18 October for maintenance.
- Yanshan PC shut down its 40 kt/yr 2PP unit during 8-10 October due to unexpected accidents. Yanshan PC shut down its 200 kt/yr 1PP unit during 18 September - 2 October for planned 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.
- TUCO shut down its 60 kt/yr PP unit during 28 September – 31 October for maintenance.
- Hunan Chuangsheng PC planned to shut down its 100 kt/yr PP unit during 22-28 October due to unexpected accidents.