

**China Price Monitor PP Pricing**  
**September 8, 2009**  
**(Pricing for September 4, 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	10500	11600	*	*	*	10600	11196	*	*	*
PP Block Co high-melt	10800	11060	*	*	*	10600	11196	*	*	*
BOPP Film Homo	10110	10300	*	*	*	10345	11026	*	*	*
PP Homo Yarn	9900	10360	*	*	*	10345	11026	*	*	*
PP Fiber	10000	10450	*	*	*	-	-	*	*	*
PP Homo Injection	9900	10300	*	*	*	10345	11026	*	*	*
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

### This week's executive summary

- The Chinese PP market continued to be deteriorated this week, citing soft crude oil values and sparse deals settled. Prices irresistibly went down under such bearish sentiment.
- The current stagnated situation was mainly charged upon thin transactions over recent 3 weeks. According to the announcement of listing prices policies from local producers, most players attempted to move cargoes by hands of cutting offers due to lacking of confidence. However buyers actually still remained quiet in anticipation of prices downtrend in future.
- Additionally some expanded capacities were scheduled to be launched since from this month. Spot cargoes supply extremely should be increased in near future, traders said. Hence many players agreed that prices had further downside potentiality.
- Meanwhile, Propylene monomers prices unfortunately turned to be soft with a slight decrease. Imported market which always suffered from anemic domestic market still remained quiet with limited offers and bids found this week.

China PP Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Nov	Dec	Jan,09	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Comments
Petrochina	Daqing Refinery	Daqing	Heilongjiang	PP	300										10	5	
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40	15		2									
				PP New	300			2				6	30				
Sinopec	Yanshan PC	Beijing	Beijing		*	*	*	*	*	*	*	*	*	*	*	*	*
Sinopec	Yangzi PC	Nanjing	Jiangsu		*	*	*	*	*	*	*	*	*	*	*	*	*
...	...	...		...	...	...	...	...	...	...	...	...	...	...	...	...	...
<b>Total</b>					<b>6483</b>	<b>189</b>	<b>181</b>	<b>130</b>	<b>93</b>	<b>127</b>	<b>130</b>	<b>188</b>	<b>108</b>	<b>83</b>	<b>88</b>	<b>7</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

- Sanyuan PC reduced operating rate to 70% on 15 August.
- Fujian United (originally-named Fujian Refinery) shut down its 120 kt/yr PP unit from 19 July to 3 August for regular maintenance due to shortage of propylene and again to shut down unexpectedly since from 13 August and restarted on 24 August due to a technical problem. Meanwhile, its newly-launched 400 kt/yr PP unit was planned to start up recently.
- Dushanzi PC was confirmed its PP unit 140 kt/yr changed from 120 kt/yr, including 2 lines of 70 kt/yr respectively. The one shut down on 25 July and planned to restart on 31 August while the other shut down on 30 July and restarted on 15 August for regular maintenance due to shortage of propylene.
- Daqing Refinery shut down its 300 kt/yr PP unit on 21 August and planned to restart on 6 September for regular maintenance.
- Zhenhai Refinery shut down its 200 kt/yr PP unit from 20 August to 22 August for regular maintenance.
- Yanshan PC shut down unexpectedly its PP 450 kt/yr unit of totally 3 lines due to the technical problem; the first line of 200 kt/yr shut down from 25 August to 26 August; the second line of 40 kt/yr shut down from 1 September to 3 September and the third line of 200 kt/yr shut down from 19 August and planned to restart on 21 August.
- Yan'an Refinery was confirmed to start up its newly-launched PP unit of 200 kt/yr recently

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