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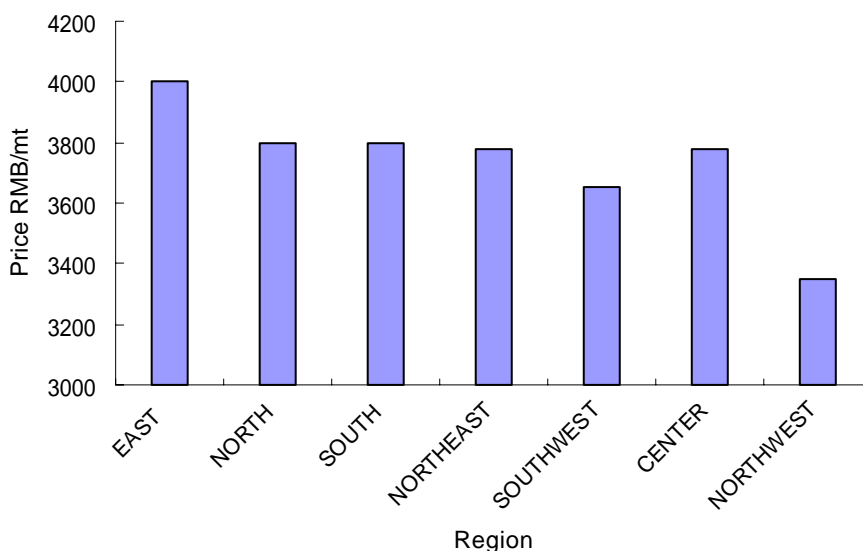
**23 June, 2008**

● **Review on Market**

Domestic carbide market was still fade last week. Operating rates of carbide producers in Inner Mongolia, Ningxia and Shanxi kept at a low level due to tight supply of white lime. With double influences of high-price cost and insipid demand, carbide prices just kept at a high level, but meant no sense. Besides, considering tight supply of coal and power, as well as environmental pressure, producers generally paid negative attitudes on the future market. The FD prices in E.China, N.China and S.China still leveled off, and carbide supply in Shandong and Henan remained short. Additionally, in Henan, Hubei, Hunan, Shandong and Shanxi, with influence of restricted power supply, the operating rate of producers were relatively low.

**SPOT PRICE OF CARBIDE**

DATE		EAST	NORTH	SOUTH	NORTHEAST	SOUTHWEST	CENTER	NORTHWEST
20 June	RMB/mt	3850-4150	3550-4050	3650-3950	3700-3850	3500-3800	3500-4050	3150-3550
20 June	USD/tonne	559-603	516-588	530-574	538-559	509-552	509-588	458-516



**Figure of Average Spot Price Last week**

## Carbide ex-work prices in main production zones

Date		Shenmu	Wuhai	Wumeng	Ordos	Ningxia	Shanxi	Baotou	Sichuan	Guizhou
20 June	RMB/mt	3150	3350	3500	3350	3400	3600	3500	3800-	3500
20 June	USD/tonne	472	487	523	494	487	530	501	552	509

- **Downstream demand**

Domestic PVC market was a little fade last week, deals were insipid. PVC producers maintained a high nomination with slow-moving deals. Concretely, prices of ethylene-based PVC were stable, and prices of acetylene-based PVC generally had RMB 100/mt rise.

- **Logistic**

In Inner Mongolia, the freight condition was still not smooth due to the difficult train wagon application. Prices of oil had a rise at the end of last week, it's predicted that the freight would go up in the future.

- **Raw Materials**

Recently, prices of blue coke and coke maintained stable. Recent prices of blue coke firmed between RMB 1200-1400/mt, and higher prices stayed between RMB 1700-1800/mt. Besides, coke was sold at RMB 2200-2300/mt.

## Prices of raw Materials in main production zones

Region	Shenmu	Wuhai	Wumeng	Ordos	Ningxia	Shanxi	Baotou	Sichuan	Guizhou
Blue Coke	1200	1350	1400	1300	1300	1400	1300	-	-
Coke	-	-	-	-	-	-	-	2200	1800
White Lime	400	250	300	300	300	290	370	300	240

- **Forecast**

Considering go-up oil and power prices, cost of carbide will continue to improve undoubtedly. Therefore, price of carbide was predicted to have a further rise in the future. However, fade downstream demand also played an important role on carbide price. Generally speaking, prices might level off in a short time, and go up with influence of increased power price finally.

The table below covered seven regional markets and contained provinces.

E.China	Jiangsu, Jiangxi, Zhejiang, Anhui, Shanghai
N.China	Beijing, Tianjin, Hebei, Inner Mongolia, Shanxi, Shandong
S.China	Guangdong, Guangxi, Fujian
NE.China	Heilongjiang, Jilin, Liaoning

SW.China	Sichuan, Chongqing, Yunnan, Guizhou
C.China	Henan, Hubei, Hunan
NW.China	Shaanxi, Qinghai, Gansu, Sinkiang, Ningxia

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