

Allen Zhang (CCAON- China)
+8622 2742 8231 -Tianjin
allenzhang@ccaon.com

Nancy Hao (CCAON- China)
+8610 64335599-635 -Beijing
nancyhao@ccaon.com

ISSUE NUMBER: 001
23 June, 2008

➤ **Supply**

Price of industry salt showed the up-ward trend in domestic market on tight supply, which was leaded by the solar salt prices.

- ✧ Solar salt: Price hiked because solar salt output decreased compared to the level of former years due to the impact of weather condition.
- ✧ Lake salt: Transportation was broken off momentarily due to the increased transport cost.
- ✧ Well salt: Price climbed up due to the increased coal and transport cost.

DOMESTIC PRICES (Ex-work)

| | Solar Salt | | Lake Salt | | Well Salt | | | |
|----------|------------|--------|-----------|---------|-----------|-------------|---------|-------|
| | RMB/mt | USD/mt | RMB/mt | USD/mt | RMB/mt | USD/mt | | |
| Liaoning | 240 | 35 | Inner | 230-240 | 33-35 | Hubei&Hunan | 300-320 | 44-47 |
| Hebei | 240 | 35 | Mongolia | | | Sichuan | 280-300 | 41-44 |
| Shandong | 210-220 | 31-32 | Qinghai | 170-180 | 25-26 | Yunnan | 300 | 44 |
| Tianjin | 220 | 32 | | | | Jiangsu | 300-340 | 44-49 |

➤ **Demand**

✧ **Caustic soda**

Domestic price of caustic soda kept on rising on a high level, especially for flake caustic soda. At the same time, price of liquid caustic soda edged up in East, North and South China.

◇ **Soda Ash**

Price of soda ash was consolidating for a week, and downstream glass industry maintained a low operating rate with demand weak for soda ash.

➤ **Forecast**

- ◇ Price upward pace would slow down for solar salt.
- ◇ Price of lake salt might climb up when transportation turned to be smooth.
- ◇ Price of well salt would rise on upward cost of coal.

NOTE: Information contained in this reports is obtained from sources believed to be reliable, however no a responsibility nor a liability will be accepted by CCAON commercial decision claimed to have been based on the content of the report. Reproduction of any part of this work by any process whatever without written permission of CCAON is strictly forbidden.