

Silicon Material

The domestic market price of level-1 material is 115 CNY/kg, and 110 CNY/kg for level-2 ones. The price of imported level-1 materials is \$18.632 /kg, while it stands at \$17.941 /kg for level-2 ones.

Recently, the demand for domestic silicon materials is low, and the inventory volume of some silicon material manufacturers remains at a high level. Considering they request payment in cash and they don't have their own sales channels, the result is great pressure on shipment expectations. With the exception of few specific manufacturers able to sell certain volume, trade volume for others is very disappointing. At the moment, since there is large volume of silicon material inventory in the market, it is difficult for the price of imported silicon to firm up.

Solar Wafer

This week, regarding mono-c-Si 125mm*125mm wafer, the price of tier-1 suppliers stood at 5.0 CNY/pc, and at 4.2 CNY/pc for tier-2 ones. As to mono-c-Si 156mm*156mm wafer, the price of tier-1 suppliers arrived at 7.6 CNY/pc, and 7.3 CNY/pc for tier-2 ones. In terms of poly-c-Si 156mm*156mm wafer, the price of tier-1 suppliers reached 6.50 CNY/pc, and 5.6 CNY/pc for tier-2 ones.

The demand for wafers increased slightly last week, but the market price is still low. Presently, most manufacturers are trying to cut down their cost. At the moment, the cost of poly-c-Si wafer is about 5.6 CNY/pc, but the market price remains sluggish, and some manufacturers are still underselling their products. With the reduction of wafer inventories, the utilization of some wafer manufacturers increased, whereas most of the shut-down firms do not plan to recover their production. The end of the year has brought some volume to manufacturers carrying on Golden Sun projects and distributing power projects, both of which promoted improvement of market demand recently. Despite order volume increases, prices of wafers continue to fluctuate with a tendency to further decrease. It is expected that the price will remain in such a situation in the short term.

Solar Cell

Currently, considering mono-c-Si 125mm*125mm cell, the price of tier-1 suppliers stands at 2.9 CNY/W, and 2.45 CNY/W for tier-2 ones. Regarding mono-c-Si 156mm*156mm cell, the price of tier-1 suppliers is at 3.0 CNY/W, and 2.55 CNY/W for tier-2 ones. In terms of poly-c-Si 156mm*156mm cell, the price of tier-1 suppliers has reached 2.45 CNY/W, and 2.15 CNY/W for tier-2 ones.

Due to the improvement of cell demand, the market pricing remains stable. Recently, the demands for mono-c-Si cells increased and since manufacturers dramatically reduced production of mono cells, the market seems to be experiencing a shortage of this product. While the price of this type of cell keeps consolidating at the low level, production cost of most small-scale manufacturers remains above ASP. Unable to sell at those levels to support their operations, production lines remain shut or levels of utilization are not being increased. Some manufacturers started rising their quotation, but the higher price is still not easily accepted by the market. This week, the demand for mono-c-Si 156mm*156mm cells is satisfactory. Considering the production of cells is concentrated with fewer manufacturers, the present market tends to stabilize and see an uptrend. At the moment, the trading condition of poly-c-Si cells is relatively stable. Under those conditions there are a large number of low-efficiency cells circulating in the market, pressuring down on a potential price increase. It is expected that the price will remain firm in the short term with a stable outlook.

Solar Module

Concerning mono-c-Si 190W module, the price of tier-1 suppliers stands at 4.30 CNY/W, and 3.9 CNY/W for tier-2 ones. As to mono-c-Si 245W module the price of tier-1 suppliers is at 4.85 CNY/W, and 4.35 CNY/W for tier-2 ones. In terms of poly-c-Si 230W module, the price of tier-1 suppliers has reached 4.0 CNY/W, and 3.50 CNY/W for tier-2 ones. Concerning mono-c-Si 195W module, the price of tier-1 suppliers stands at 4.4 CNY/W, and 4.0 CNY/W for tier-2 ones. As to mono-c-Si 250W module, the price of tier-1 suppliers is at 4.90 CNY/W, and 4.5 CNY/W for tier-2 ones. And in terms of poly-c-Si 240W module, the price of tier-1 suppliers has reached 4.20 CNY/W, and 3.95 CNY/W for tier-2 ones.

In the last trading days of November the market remained slack. Trading conditions at the

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ports abroad are still disappointing these days. Besides the European market, the shipment to other foreign markets like Australia and Japan are also sluggish. It is expected that the price will continue to consolidate during December, with a tendency downward. Continued pressures on liquidity may create last-ditch efforts to sell inventory, which can take a hold over the market pricing.

Tier-1 companies include the U.S. and HK stock market-listed entities, with large capacity and product circulation in the market, like **Suntech Power Holdings Co., Ltd. (ADR)(NYSE:STP)**, **Yingli Green Energy Hold. Co. Ltd. (ADR) (NYSE: YGE)**, **Canadian Solar Inc. (NASDAQ: CSIQ)**, **Trina Solar Limited (NYSE: TSL)**, **JA Solar Holdings Co., Ltd. (ADR)(NASDAQ: JASO)** and **ReneSola Ltd. (ADR)(NYSE: SOL)**

Prices quoted in CNY include 17% VAR domestic tax