
Monthly report on Chinese HR and CR market for May 2009

Thursday, 02 Jul, 2009

China HRC/CRC price rallied in May. Figures from Steelhome website disclosed that up to May 31, prices of 1.0mm CR sheet, 2.75mm HR coil and 5.75mm HR coil gathered from 28 key cities averaged CNY4392, CNY3680 and CNY 3520 per ton, a growth of CNY196, CNY174 and CNY178 per ton compared with the end of April.

Price rebound in international market, expanding domestic demand, increased money supply and rising ex-works price of steel mills would bolster steel prices in domestic market. However, overcapacity, bullish import and shrinking export would bring about huge supply pressure. HRC/CRC price is expected to sustain the “technical rally” accompanied by periodical vibration.

I China HRC/CRC prices rallied technically in May

I.1 China HRC/CRC supply remain high

I.2 HRC/CRC export plunged significantly in April, compared with successive rise in the import.

I.3 HRC supply hover highly in light of the output recovery, export slump and rapid import.

I.4 Favorable factors loom out in Chinese economy, HRC/CRC inventory showed different development trend.

II HRC/CRC Market Outlook in June

II.1 International prices bounced up on massive output cutbacks

II.2 More credit loans available eased money supply in China

II.3 Raw material cost boosted

II.4 Chinese steel mills raised the ex-works price of HRC/CRC

II.5 Domestic output increased further

II.6 No improvement in HRC/CRC export

Table 1: SteelHome (China) Steel Price Index for May 2009

Table 2: HRC/CRC prices in key markets in May 2009 (price in CNY/ton)

Table 3: China HRC/CRC output in Jan.-Apr. 2009 (quantity in million tons)

Table 4: HRC/CRC import and export in April 2009 (quantity in 10000 tons)

Table 5: HRC ex-works price adjustment in May (price in CNY per ton)

Table 6: CR coil ex-works price adjustment in May(price in CNY/t)

Graph 1: Average price of HRC/CRC in key Chinese markets in 2008-2009

Graph 2: Monthly output of HR coil in 2008-2009

Graph 3: Accumulative output of HR coil in 2008-2009

Graph 4: Monthly output of CR coil in 2008-2009

Graph 5: Accumulative output of CR coil in 2008-2009

Graph 6: Daily output of HRC/CRC in 2007-2009

Graph 7: HRC monthly import and export in 2008-2009

Graph 8: CRC monthly import and export in 2008-2009

Graph 9: HRC supply and growth in 2008-2009

Graph 10: CRC supply and growth in 2008-2009

Graph 11: Average daily supply of HRC/CRC in 2007-2009

Graph 12: HRC/CRC inventory in key Chinese markets in 2007-2009

Graph 13: Daily sales of HRC in Shanghai market in 2008-2009

Graph 14: Steelhome (Global) Steel Price Index

Graph 15: HRC price in key countries in 2007-2009

Graph 16: CRC price in key countries in 2007-2009

Graph 17: Steelhome China raw material price index in 2007-2009

Price:

USD 500

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