
Shanxi pig iron market tight as stocks exhausted

Saturday, 04 Jul, 2009

It is reported that steelmaking pig iron market is booming in Shanxi prices surging. Mills have lifted purchase prices for many times as resources are limited with stocks already exhausted.

Local pervading quotation of steelmaking pig iron remains at CNY 2530 per tone, casting pig iron at CNY 2750 per tonne to CNY 2800 per tonne and ductile cast iron at CNY 2780 per tonne to CNY 2830 per tonne. The market is expected to continue upturn in the short term.

Current price rise should be attributed to increasing iron ore and coke prices, growing demand and limited resources. When iron ore and coke prices keep advancing and dragging up the production cost of pig iron at the same time, a big rebound and strong uptrend in the steel market give an incentive to small sized mills to grasp the chance and strength the purchase of pig iron, pulling up the demand for a short while.

Besides, Shanxi, Hebei and Shandong eye a short supply at present. Even northeast market that had dull sales at earlier days also stages large transactions this week. Local iron plants could sale out all the intraday products every day and receive more orders. Some local mills complained that they are unable to procure goods unless their purchase prices are competitive enough. However, most of iron plants that reduced or halted production amid economic turmoil at previous stage haven't resumed full output yet. Still badly shaken from astonishment, they just take cautious steps and hold out with deep confusion about future market, sharply tightening resources available.

(Sourced from MySteel.net)

Visit www.Mysteel.net for real time access to China steel news!

For more news visit at www.steelguru.com