
Coke plants in Shanxi advised to maintain June price in early July

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As coke market in Shanxi waits to see how Shanxi Coking Industry Association sets coke reference price for July, the market outlook turns out to be rather obscure. In June, steel price had continued to rise, and steel mills were also gradually enhancing their production, generating more demand for coke. Thus coke price went up by about CNY 70 per tonne in June impressing people with pleasing prosperity.

Recently, however, steel mills have been piling up a considerable amount of coke and steel price fluctuated; coke plants are still in a loss-making situation. In order to prevent coke price from continuing to rise disorderly which would aggravate coke market, Shanxi Coking Industry Association has advised coke plants to stay still in last month's CNY 70 per tonne rise in early July. In addition, the association advised coke industry to adhere to the 50% extent of production cut so as to stabilize supply, reduce stock and loss.

In comparison, large-scale coke enterprises in Shandong province are to raise coke price for July by CNY 50 per tonne. Steel mills have got the signal, and how it turns out remains to be seen in the contracts. Although Shanxi Coke Industry Association has pointed out that coke price is to be stabilized in early July and then to be reset in mid July according to the market, some steel mills in Hebei say that they have already received notification of CNY 60 per tonne price rise from coke plants in Shanxi, underscoring that maybe few coke plants will actually maintain June price.

(Sourced from MySteel.net)

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