
China daily crude steels production drops slightly in September

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According to the China Iron and Steel Association, China daily crude steel output dropped slightly in the middle of September and its heavy stocks of steel products failed to get obvious decline in the month.

The latest data from CISA show that the country daily crude steel output was estimated at 1.66 million tonnes in the second ten days of September, edging down 11,000 tonnes from that in the first ten day period and down 33,000 tonnes from that in August. Its commercial stocks of steel products have stood at 11.23 million tonnes by the end of September compared with 11.3 million tonnes at the month's beginning.

Analysts pointed out those steel enterprises were generally confident in the market in the Q4 and therefore unwilling to cut production. However, as steel prices continued dipping in September, market sentiment has become prudent.

Mr Wu Xichun a consultant with CISA earlier warned large and mid sized Chinese steel plants that if they don't cut output, they might face the hardest period in the Q4.

Analysts with Umetal noted that the daily crude steel output of 1.66 million tons can be annualized at 604.08 million tons, still at a high level. The analyst said that major steel plants are expected to slash output by a larger margin in October.

(Sourced from www.chinamining.org)

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