

---

## Thin room for further steel price declines - CISA

*Sunday, 25 Oct, 2009*

According to China Iron & Steel Association, China steel prices kept falling in September due to fast capacity expansion which further exacerbated market supply glut. And the steel association expected the market would level off in late market though it still relies on the degree of capacity expansion.

According to the latest figures released by National Statistics Bureau recently, crude steel output in September stood at 50.71 million tonnes up by 28.7% YoY from a year ago, and the second-high this year.

Daily output in the month hit an all time high at 1.69 million tonnes. Steel stocks in major cities also kept rallying and total stocks up 2.74% on month by the end of September approaching this year record.

As to future market, CISA said there will be slim space for further steel price declines in view of the slumping profit at steel mills. Profit at large and medium sized steel mills dived 77.65% on year in the first 9 months. Meanwhile, costs would also prop up steel prices.

CISA said "Demand-driven policies are still there and the rising global steel prices would also tip in favor of domestic steel exports."

(Sourced from MySteel.net)

Visit [www.Mysteel.net](http://www.Mysteel.net) for real time access to China steel news

For more news visit at [www.steelguru.com](http://www.steelguru.com)