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## Steel traders should help stabilize market - CISA

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Economic Information Daily cited Mr Wu Xichun of China Iron & Steel Association as saying that steel traders in China should readjust their functional positioning, innovating operation mode and helping stabilize market.

Mr Wu said there are over 150,000 trading houses in China steel circulating market, but most of them are small sized and focusing on speculative behaviors, instead of this, they should act as impounding reservoirs to help stabilize steel market.

He said that "Taking this year market as an example, China steel market roared up during April and July on central government stimulus, therefore steel traders rushed to build up stocks which further exacerbated supply shortages and pushed up market prices."

He added that "However, the rosy market started to plunge since August and these trading firms again rushed to dump sell, further blowing up p market supplies and dragging down prices notably."

Mr Wu said traders should expand their business operations from single buying and selling to increasing added value through service. Meanwhile, they should also strengthen cooperation with steel producers to establish a win to win and risk sharing system.

(Sourced from Economic Information Daily)

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