

Monday Market Monitor - China (WEEK 48) - Sunny days

Monday, 30 Nov, 2009

Chinese market sentiment continues to be buoyant. Local values have rallied over the last four weeks, driven by speculators, rising input costs and government promises to continue to support economic expansion. Several mills have recently lifted their official ex-works prices as a sign of confidence in the changed market conditions. Nevertheless, the specter of oversupply still dominates the steel sector because the producers have failed to curb production.

The Chinese Long Product Price Index CLPPI improved by 78 point whereas the Chinese Flat Products Index CFPPI continued improving by posting gain of 90 points. The overall price index CHISPI increased by 85 points.

Class	20-Nov	27-Nov	Change	%
CLPPI	5903	5981	78	1.3%
CFPPI	6021	6111	90	1.5%
CHISPI	5970	6055	85	1.4%

CLPPI - Chinese Long Product Price Index

CFPPI - Chinese Flat Product Price Index

CHISPI - Chinese Steel Price Index

Long Products

Category	20-Nov	27-Nov	Change	%
PI-WRC	5121	5201	80	1.6%
PI-Rebar	6850	6925	75	1.1%

PI - Product Index

Flat Products

Category	20-Nov	27-Nov	Change	%
PI-PLTS	5189	5291	101	2.0%
PI-HR	5965	6043	78	1.3%
PI-CR	6749	6868	119	1.8%
PI-GP	6389	6482	93	1.5%

PI - Product Index

To know more about these indices please visit
http://steelprices-china.com/spi_services/spi.html

1. Long products -

Billets

150*150

Q235

Location	CNY	USD
Fujian Province	50	7
Hebei Province	50	7

Jiangsu Province	50	7
Shandong Province	100	15
Shanxi Province	50	7
Tianjin	0	0

Change is on November 27th as compared to November 20th 2009

Change is per tonne

WRC

6.5mm

Common

Location	CNY	USD
Changsha	80	12
Chengdu	100	15
Guiyang	60	9
Hangzhou	50	7
Kunming	60	9
Nanjing	0	0
Shanghai	-10	-1
Urumchi	0	0
Zhengzhou	30	4

Change is on November 27th as compared to November 20th 2009

Change is per tonne

Rebars

20mm

HRB 400

Location	CNY	USD
Beijing	80	12
Changsha	80	12
Chengdu	120	18
Chongqing	40	6
Fuzhou	-10	-1
Guangzhou	30	4
Guiyang	60	9
Hangzhou	30	4
Harbin	100	15

Hefei	20	3
Jinan	0	0
Kunming	80	12
Lanzhou	0	0
Nanchang	30	4
Nanjing	10	1
Shanghai	-10	-1
Shenyang	80	12
Shijiazhuang	70	10
Taiyuan	0	0
Tianjin	110	16
Urumchi	0	0
Wuhan	70	10
Xian	0	0
Zhengzhou	20	3

Change is on November 27th as compared to November 20th 2009

Change is per tonne

2. Flats products - Revival marred with caution

The flat product market continued revival with Hebei Iron & Steel's increasing December prices by CNY 3545-4400 per tonne with VAT for HRC, and to CNY 4750-5700 per tonne with VAT for CRC.

In response to higher December ex-works prices, spot market prices have also increased. In Shanghai, prevailing prices of Q235 5.5mm HRC are around CNY 3700-3750 per tonne with VAT, up by CNY 100 per tonne from earlier this month. Prices for 1.0mm CRC are currently CNY 5,000 per tonne with VAT, up CNY 200 per tonne from early November.

Traders opine that sentiment is being supported by the mills' higher prices. However, as spot prices are now close to mills' December prices, HRC traders are cautious about the market trend as they believe demand for HRC is still not strong enough to support further price rises.

CRC traders are more optimistic about the market next year. They say CRC market inventory is generally not so high, because large mills such as Baosteel, Wuhan Iron & Steel and Anshan Iron & Steel are focusing on producing auto sheet, thereby reducing the volume of commercial CRC on the market.

HRC

4.75mm

Common

Location	CNY	USD
Beijing	100	15
Changsha	20	3

Chengdu	50	7
Chongqing	100	15
Fuzhou	0	0
Guangzhou	0	0
Hangzhou	20	3
Harbin	60	9
Hefei	-20	-3
Jinan	50	7
Kunming	120	18
Lanzhou	100	15
Nanchang	30	4
Nanjing	70	10
Shanghai	-50	-7
Shenyang	80	12
Shijiazhuang	100	15
Taiyuan	100	15
Tianjin	50	7
Urumchi	30	4
Wuhan	10	1
Xian	100	15
Zhengzhou	50	7

Change is on November 27th as compared to November 20th 2009

Change is per tonne

Plates

20mm

Common

Location	CNY	USD
Beijing	100	15
Changsha	100	15
Chengdu	100	15
Chongqing	70	10
Fuzhou	100	15

Guangzhou	70	10
Hangzhou	40	6
Harbin	50	7
Hefei	160	23
Jinan	50	7
Kunming	70	10
Lanzhou	0	0
Nanchang	80	12
Nanjing	30	4
Shanghai	50	7
Shenyang	50	7
Taiyuan	130	19
Tianjin	100	15
Urumchi	0	0
Wuhan	30	4
Xian	100	15
Zhengzhou	20	3

Change is on November 27th as compared to November 20th 2009

Change is per tonne

CR

1.0mm

Common

Location	CNY	USD
Beijing	150	22
Changsha	120	18
Chengdu	70	10
Chongqing	110	16
Fuzhou	100	15
Guangzhou	50	7
Hangzhou	120	18
Harbin	50	7
Hefei	30	4

Jinan	0	0
Kunming	100	15
Lanzhou	100	15
Nanchang	20	3
Nanjing	100	15
Qingdao	0	0
Shanghai	130	19
Shenyang	100	15
Shijiazhuang	50	7
Taiyuan	290	43
Tianjin	50	7
Urumchi	100	15
Wuhan	20	3
Xian	50	7
Zhengzhou	230	34

Change is on November 27th as compared to November 20th 2009

Change is per tonne

HDG

0.5mm

Common

Location	CNY	USD
Beijing	100	15
Boxing	90	13
Chongqing	150	22
Fuzhou	50	7
Guangzhou	0	0
Hangzhou	50	7
Harbin	80	12
Nanchang	100	15
Shanghai	20	3
Shenyang	200	29
Tianjin	100	15

Wuhan	0	0
Xian	0	0
Zhengzhou	0	0

Change is on November 27th as compared to November 20th 2009

Change is per tonne

3. Export levels -

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