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## Monday Market Monitor - China (WEEK 04) - Down by 1pct WoW

Monday, 01 Feb, 2010

Steel prices in China, after an upward journey since October 2009 beginning, dropped in last week 2 weeks as inventories piled up and concerns grew that the government may curb lending.

Chinese steel mills are facing double whammy as while the input materials are going up, their finished steel realization is on down trend on credit squeeze and inventory built up.

It is seen that coke prices, during this period, have gone up by more than CNY 100 per tonne while scrap has also gone up by CNY 50 per tonne to CNY 100 per tonne in different locations. On the other hand selling price of benchmark products for both long and flat categories ie rebars and HR have dropped by more than CNY 100 per tonne on average during this period.

Mr Ma Haitian an analyst with Beijing Antaika Information Development Co said inventories of steel products, including holdings by traders, producers and end users are estimated to exceed 50 million tonnes setting a record. That's compared with an estimated 18 million tonnes a year ago.

He said that "Some may trim their inventories at discounted prices to collect money before the Chinese New Year holiday in February. Speculation of interest rate hikes and other tightening measures also added to concerns about capital availability in the market."

China growth rate in the Q4 accelerated at the fastest pace since 2007, as the nation USD 586 billion stimulus spending and record lending stoked car and property sales. That's raised concerns the government may increase interest rates or take other measures to curb inflation and limit asset bubbles.

The steel prices continued to weaken in China last week. The Chinese Long Product Price Index CLPPI decreased by 59 points whereas the Chinese Flat Products Index CFPPI decreased by 66 points. The overall price index CHISPI decreased by 63 points.

Class	22-Jan	29-Jan	Change	%
CLPPI	6224	6165	-59	-0.9%
CFPPI	6429	6362	-66	-1.0%
CHISPI	6340	6277	-63	-1.0%

CLPPI - Chinese Long Product Price Index

CFPPI - Chinese Flat Product Price Index

CHISPI - Chinese Steel Price Index

### Long Products

Category	22-Jan	29-Jan	Change	%
PI-WRC	5433	5377	-56	-1.0%
PI-Rebar	7181	7119	-62	-0.9%

PI - Product Index

### Flat Products

Category	22-Jan	29-Jan	Change	%
PI-PLTS	5624	5582	-42	-0.7%
PI-HR	6278	6204	-75	-1.2%
PI-CR	7473	7407	-66	-0.9%

PI-GP	6757	6706	-51	-0.8%
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PI - Product Index

To know more about these indices please visit  
[http://steelprices-china.com/spi\\_services/spi.html](http://steelprices-china.com/spi_services/spi.html)

1. Long products

Billets  
150\*150  
Q235

Location	CNY	USD
Fujian	-70	-10
Hebei	-30	-4
Jiangsu	0	0
Shandong	-72	-11
Shanxi	-90	-13
Tianjin	-78	-11

Change is on January 29th 2010 as compared to January 22nd 2009  
Change is per tonne

WRC  
6.5mm  
Common

Location	CNY	USD
Changsha	-82	-12
Chengdu	-70	-10
Guiyang	-97	-14
Hangzhou	-51	-7
Kunming	-57	-8
Nanjing	-35	-5
Shanghai	-33	-5
Urumchi	0	0
Zhengzhou	-32	-5

Change is on January 29th 2010 as compared to January 22nd 2009  
Change is per tonne

Rebars  
20mm  
HRB 400

Location	CNY	USD
Beijing	-22	-3
Changsha	-152	-22
Chengdu	-83	-12
Chongqing	-73	-11
Fuzhou	-119	-17
Guangzhou	-70	-10
Guiyang	-72	-11
Hangzhou	-12	-2
Harbin	0	0
Hefei	-10	-1
Jinan	0	0
Kunming	-22	-3
Lanzhou	-12	-2
Nanchang	-80	-12
Nanjing	0	0
Shanghai	-21	-3
Shenyang	0	0
Shijiazhuang	18	3
Taiyuan	0	0
Tianjin	-1	0
Urumchi	0	0
Wuhan	-29	-4
Xian	-51	-7
Zhengzhou	-22	-3

Change is on January 29th 2010 as compared to January 22nd 2009

Change is per tonne

## 2. Flats products

HRC

4.75mm

Common

Location	CNY	USD
Beijing	-62	-9
Changsha	-79	-12
Chengdu	-10	-1
Chongqing	-39	-6
Fuzhou	-87	-13
Guangzhou	-45	-7
Hangzhou	-60	-9
Harbin	-60	-9
Hefei	-58	-9
Jinan	-78	-11
Kunming	-11	-2
Lanzhou	-38	-6
Nanchang	-82	-12
Nanjing	-91	-13
Shanghai	-29	-4
Shenyang	-50	-7
Shijiazhuang	-80	-12
Taiyuan	-10	-1
Tianjin	-35	-5
Urumchi	0	0
Wuhan	-45	-7
Xian	-29	-4
Zhengzhou	-50	-7

Change is on January 29th 2010 as compared to January 22nd 2009

Change is per tonne

Plates

20mm

Common

Location	CNY	USD
Beijing	-30	-4
Changsha	-23	-3

Chengdu	-52	-8
Chongqing	-80	-12
Fuzhou	-21	-3
Guangzhou	-27	-4
Hangzhou	-10	-1
Harbin	-11	-2
Hefei	-51	-7
Jinan	-8	-1
Kunming	-54	-8
Lanzhou	-21	-3
Nanchang	-49	-7
Nanjing	-82	-12
Shanghai	-45	-7
Shenyang	0	0
Taiyuan	0	0
Tianjin	-39	-6
Urumchi	0	0
Wuhan	-20	-3
Xian	-45	-7
Zhengzhou	0	0

Change is on January 29th 2010 as compared to January 22nd 2009

Change is per tonne

CR  
1.0mm  
Common

Location	CNY	USD
Beijing	0	0
Changsha	-8	-1
Chengdu	-39	-6
Chongqing	-50	-7
Fuzhou	-217	-32
Guangzhou	-65	-10

Hangzhou	-161	-24
Harbin	96	14
Hefei	-30	-4
Jinan	0	0
Kunming	0	0
Lanzhou	-30	-4
Nanchang	0	0
Nanjing	-160	-23
Qingdao	-159	-23
Shanghai	-95	-14
Shenyang	0	0
Shijiazhuang	-139	-20
Taiyuan	-108	-16
Tianjin	0	0
Urumchi	0	0
Wuhan	-13	-2
Xian	0	0
Zhengzhou	-28	-4

Change is on January 29th 2010 as compared to January 22nd 2009

Change is per tonne

HDG

0.5mm

Common

Location	CNY	USD
Beijing	-52	-8
Boxing	-62	-9
Chongqing	0	0
Fuzhou	-130	-19
Guangzhou	0	0
Hangzhou	0	0
Harbin	-101	-15
Nanchang	0	0

Shanghai	-85	-12
Shenyang	-49	-7
Tianjin	-72	-11
Wuhan	0	0
Xian	0	0
Zhengzhou	113	17

Change is on January 29th 2010 as compared to January 22nd 2009

Change is per tonne

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