
China's domestic steel prices decline by 3.27% in the last 3 weeks

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It is known that under the China's curbing tax policy, China's domestic steel prices have been descending over the last three weeks. According to statistics offered by China's National Development & Reforms Commission by monitoring over 22 major markets last week, comprehensive price for the four major steel varieties averaged CNY 4142 per tonnes down by 1.1% WoW or down by 2% YoY.

Since the China's ministry of finance announced to levy steel export tax of 5% to 10% May 21st 2007 effective from June 1st 2007 the domestic steel prices have posted three consecutive weeks decline an accumulated fall of 3.27%.

From May 21st to 27th 2007 the four major varieties comprehensive price averaged CNY 4226 per tonnes down by 1.3% WoW or up by 5.7% YoY. During the next week May 28th to June 3rd 2007 the price fell further to CNY 4190 per tonnes down by 0.9% WoW or up by 2.1% YoY. Till June 10th 2007 the average price stood CNY 4140 per tonnes lower than before the announcement of tax hike by 3.27% fall in percentage.

Last week wire rod, rebar, medium plate and HR/CRC prices were posted at CNY 3679 per tonnes, CNY 3654 per tonnes, CNY 4227 per tonnes and CNY 5008 per tonnes respectively down by 1.7%, 1.4%, 1% and 0.7% in WoW comparison or YoY rise of 1.6% and 5.6% and YoY fall of 4.1% and 7.6% respectively.

Last week, the international steel price index stood at 175.3 up by 1.7% WoW or 10.4% YoY suggesting widening gap between domestic and the overseas prices.

(Sourced from MySteel.net)

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