
Steel price keeps increasing in China

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A data released by the Chinese ministry of commerce showed that propelled by climbing coke and international steel prices, steel offer in China's domestic market kept increasing in recent period. The steel prices averaged CNY 5909 per tonne in April 2008 up by 2.32% QoQ from March 2008. In specific, wire rod price rose by 3.75% QoQ, sheet or plate gained 1.5% QoQ, pipe or tube and section increased by 3.05% QoQ.

Amid surging coking coal price internationally, the Chinese coke price accelerates moving up. In Shanxi, metallurgical coke was standing at CNY 2350 per tonne on April 30th 2008 up by CNY 250 per tonne from the end of March 2008. Meanwhile, negotiation with Australian miners of iron ore contract price is still pending, adding to uncertainties of future steel market.

The ministry of commerce predicts that there is further room for steel prices to increase in future, as the cost keeps moving up and rising international market remains.

(Sourced from MySteel.net)

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