
Nickel price to remain weak for a long period in China

Saturday, 17 May, 2008

According to inspection by ministry of commerce of China, Chinese nickel price is likely to keep weak for a long time despite possible small rebound in the short term. The rapid expansion in capacity increase and efficient supply are believed to be the major reasons.

Average nickel price in April is CNY 247,300 per tonne, down by 4.7% MoM from March or 2.9% from January. In the short term, the strong demand for stainless steel from automobile, kitchen and home appliance industry is going to bring more demand for Nickel. Hence there would be price rebound for a short period.

However, there would not be great rebound in the long term taking into account the abundant supply in the world. At the same time, INSG indicated that the consumption of nickel would probably hit record high due to strong increase in stainless steel output. Nevertheless, the sufficient supply would level off international nickel price.

(Sourced from MySteel.net)

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