
Market scenario for chrome in China

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Cr series alloys markets have been running on a high track since the year beginning and ferrochrome price has presented overwhelming upswings in the January to April 2008 period, spurred by both robust demand and increased cost.

Ferrochrome markets accelerated the uptrend in March 2008 as supplies of ferrochrome and chrome ore concentrate from South Africa dropped sharply, breaking the balanced supply and demand relationship. The supply short for high carbon ferrochrome swelled rapidly and drove up prices at home and abroad.

High carbon ferrochrome price continued the uptrend in April 2008. Producers and traders raise prices notably in view of high prices offered by stainless steel makers in early April 2008. Domestic price rose to CNY 16,250 per tonne in the month end with record high monthly growth of CNY 3,000 per tonne. Rocketing price can be attributed to robust demand from downstream industries.

As for market operations in May 2008, most analysts believe that ferrochrome market will face some adjustments. Downstream users can not recognize current price hikes owing to uncertain stainless steel market. Besides, small hydropower stations will indicate low costs in Southwest China during the high water period and will hinder swift price increase of ferroalloy products or even trigger some market adjustments.

(Sourced from MySteel.net)

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