
Chinese stainless steel makers disagree on July price adjustment

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Mysteel learned from their gathering meeting in Guangzhou on June 19th 2008 that the stainless steelmakers failed to make consensus on the extent of July EXW price rise.

The steelmakers said the market inventory has shrunken with the help of cutting output and supply guideline and some think the bottom has come, thus possibly the market will rebound in near future.

Due to previous big losses at the agents, steelmakers discussed to lower 300 series prices by some CNY 1500 per tonne and keep 400 series stable. Lianzhong yet said may hike 200 series by CNY 800 per tonne around.

For the moment, there are two different opinions: first, the stainless prices should be further deducted to relax pressure of large inventory, as a result of limited output cut in previous period; second, more price cutback may strike the market further and lead to depreciation of the stainless resources quickly, thus flat quotation or slight promotion will tip favor of the market.

As seen from the gathering meeting, Mysteel thinks the demand is not to warm up very fast and continued output cut and price control are needed to stabilize the market.

(Sourced from Mysteel.net)

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