
Nickel drops for 3 day in London as steel mills cut usage

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It is reported that nickel fell for a third consecutive day in London, trading at more than a two year low as stainless steel producers reduced usage of the metal.

As per report China's biggest maker of the rust resistant alloy Shanxi Taigang Stainless Steel Co said that it plans to produce more goods with a low nickel content. Outokumpu Oyj also said that distributors postponed purchases because of the nickel price decline and softening demand in construction.

Mr Sudakshina Unnikrishnan a commodity analyst at Barclays Capital in London said that "We haven't seen any positive development in the stainless steel industry. Demand for nickel is weak in China, the US and Europe."

The contract for delivery in three months fell as much as USD 550 or 2.8% to USD 19,400 a tonne, the lowest intraday price since June 26, 2006.

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