
Rays of recovery - Analysts views

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Analysts and economists said during a panel discussion at the Institute of Scrap Recycling Industries in Las Vegas that world economies will recover, but they differed on the ultimate length of the current downturn.

Ms Michelle Applebaum was the most pessimistic. She said that "I don't see a lot of good going on, because I talk to a lot of steel people." She added that any recovery in steel markets would have to be led by China, which accounts for 60% of global capacity, 50% of production and 40% of consumption.

Ms Applebaum said that steel is the vanguard of the global economy, and that there was still deterioration in steel markets, month on month. She noted, however, that the steel industry usually lags the general economy in any recovery.

Mr Brian Wesbury chief economist at First Trust Advisors said that "We have now seen every measure of economic activity improve; even the fall in housing sales is slowing. We will be surprised by how the economy bounces back."

Mr William O'Neill managing partner of Logic Advisors said that the bottoming out of the current economic crisis will last much longer. The downturn was more like a pool, descending rapidly, flattening at the bottom for a stretch before rising again. He added that "We are in a bottom process, but not a V."

Mr O'Neill and Mr Wesbury agreed, however, that any recovery, regardless of when it happens, was likely to be rapid. He said that "I do believe that we will see a recovery take shorter time than we expect. I don't expect a 'V' recovery, but we will see a recovery and it will be faster than it should be."

(Sourced from www.platts.com)

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