

# Platts China Steel Sentiment Index Plunged in February

Sentiment fell as steel sector slowed before Chinese New Year

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BEIJING, Feb. 13, 2015 /PRNewswire/ -- The outlook for China's steel market for the next 30 days is down on the back of weaker expectations for new domestic and export orders ahead of the long Chinese New Year holiday, according to the latest Platts China Steel Sentiment Index (Platts CSSI), which reflects market participants' expectations.

The February Platts CSSI, at 8.8 out of a possible 100 points, is down 14.3 points from 23.1 in January and easily the lowest reading since the index was started in May 2013. It marks the eighth consecutive month of an index reading below 50 points. Similar to a purchasing managers' index, a CSSI reading above 50 indicates an increase/expansion and a reading below 50 indicates a decrease/contraction.

"Steel business activities are expected to be slow over the upcoming Chinese New Year holidays, which has weighed on the sentiment index," said *Paul Bartholomew*, Platts managing editor, steel & steel raw materials. "Steel production is widely expected to be lower over the next month, while steel inventories held by traders are expected to climb. Both of these factors are bearish weights to already-weak steel and steel raw materials prices."

## *Platts China Steel Sentiment Index - February 2015*

*(a figure above 50 indicates expectations of an increase; below 50 indicates a decrease)*

	February -----	Change from January -----	January -----
Platts China Steel Sentiment Index	8.8	-14.3	23.1
(Total New Orders) -----			
New Domestic Orders -----	7.6 ---	-15.1 -----	22.7 ----
New Export Orders -----	23.2 ----	-3.8 -----	27.0 ----
Steel Production -----	26.7 ----	-26.7 -----	53.3 ----
Physical steel inventories held by traders -----	86.4 ----	34.5 -----	52.0 ----

The market's expectations for new export orders deteriorated for the second consecutive month in February, falling 3.8 points from January to 23.2. China's removal of export tax rebates on certain alloy steel products has lowered expectations of export volumes.

The monthly Platts CSSI is based on a survey of approximately 50 to 75 China-based market participants including traders, stockists and steel mill operators. The survey of month-ahead sentiment is conducted during the last full working week of each month, with the results published via press release and Platts' products and services before the 10th of the next month. Platts began tracking steel sector sentiment in China in May 2013. The Platts China Steel Sentiment Index survey plays no role in Platts' formal price assessment processes.

For more information about steel and metals visit the website at [www.platts.com](http://www.platts.com).

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