Platts China Steel Sentiment Index Edged Up in April

Sentiment supported by expectations of stronger construction steel demand

BEIJING, April 6, 2015 /PRNewswire/ -- The outlook for China's steel market over April remained at similar levels to March, underpinned by expectations of stronger construction activity during China's warmer spring months, according to the latest Platts China Steel Sentiment Index (Platts CSSI), which showed a headline reading of 74.7 out of a possible 100 points.

The April index rose 2.4 points from 72.2 in the previous month, and was the highest reading since March last year. The CSSI reflects expectations of market participants for the month ahead. A CSSI reading above 50 indicates an increase/expansion and a reading below 50 indicates a decrease/contraction.

"The latest CSSI shows the seasonal aspect of China's steel market as March and April in both 2014 and 2015 were by far the strongest months in terms of expectations of new orders," said Paul Bartholomew, Platts managing editor, steel & steel raw materials. "With Chinese New Year and the coldest winter months now out of the way, construction activity is expected to resume and help drive demand for steel. There has been greater emphasis on domestic demand for steel in the past two months rather than exports, which China relied on heavily last year."

Platts China Steel Sentiment Index - April 2015
(a figure over 50 indicates expectations of an increase; under 50 indicates a decrease)

	April	Change from Mar	March
CSSI (Total New Orders)	74.7	2.4	72.2
New Domestic Orders	76.7	1.5	75.1
New Export Orders	51.5	12.1	39.3
Steel Production	55.3	3.8	51.4
Inventory held by steel traders	17.4	-58.6	76.1
Construction steel prices	78.5	41.0	37.5

The crude steel production reading of 55.3 indicated the market expects output to remain at similar levels to last month. There was a big change in the outlook for steel inventories, with most industry participants expecting steel inventories to start declining after staying high for much of this year.

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.

Separate to the CSSI, the monthly average price for China domestic reinforcing bar (rebar) assessed by Platts was $376/metric ton (/mt) in March, up from $372.5/mt in February. For more information, please visit: http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/steel.pdf

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