

Platts China Steel Sentiment Hits Record High in March

Market Buoyed by Stronger Domestic Demand and Steel Prices at Nine-Month High

PR Newswire
BEIJING

BEIJING, March 8, 2016 [/PRNewswire/](#) -- Optimism has returned to the Chinese steel market on the back of buoyant domestic demand for steel and stronger prices, resulting in the Platts China Steel Sentiment Index (CSSI) hitting a record high of 89.42 out of a possible 100 points in March, according to the latest survey conducted by Platts.

The headline index for March rose 53.72 points from the month before and was the strongest reading since the CSSI began in May 2013. A reading above 50 indicates expectations of an increase/expansion and a reading below 50 indicates a decrease/contraction.

The outlook for new domestic orders over the coming month jumped 57.87 points from February to 92.75, while expectations for export orders improved by 5.62 points from the month before to 50.92.

Price expectations for flat steel products, such as hot rolled coil, rebounded by 20.28 points to 73.25, while the price outlook for long steel products, such as rebar, stayed flat on last month's 50.0 points.

"The steel market recovery seen from the start of 2016 in China has continued beyond the Lunar New Year holiday period in February to the point where domestic hot rolled coil prices are now at a nine-month high," said *Paul Bartholomew, senior managing editor of steel & raw materials for Platts*, the leading independent provider of information and benchmark prices for the commodities and energy markets. "Prices have been supported by low inventory levels, and China's steel mills have lifted production again to take advantage of a rare period of stronger margins."

Platts China Steel Sentiment Index - March 2016
(a figure over 50 indicates expectations of an increase; under 50 indicates a decrease)

	March 2016	Change from February (points)
CSSI (Total New Orders)	89.42	53.72
New Domestic Orders	92.75	57.87
New Export Orders	50.92	5.62
Steel Production	59.38	21.44
Flat steel prices	73.25	20.28
Long steel prices	50	0
Inventory held by traders	51.93	-35.39

The outlook for crude steel production in March rebounded by 21.44 points from the month before to 59.38, the highest reading for this measure since June 2014. The outlook for steel inventories fell 35.39 points from February to 51.93 in March, indicating the market expects a big draw-down of stocks on stronger sales over the coming month.

"Macro data, such as the manufacturing purchasing managers' indices, suggest end-user demand for steel in China remains weak. The concern, therefore, is there could be too much steel again within a few months which could result in a price correction," Bartholomew said.

The CSSI is based on a survey of approximately 60 to 75 China-based market participants including traders and steel mills. Data is compiled by Platts' Shanghai steel team.

Separate to the CSSI, prices of China export hot rolled coil, as assessed by Platts in February averaged \$280.4 per metric ton (/mt) on a free-on-board (FOB) China basis. This was up 3% from the January average of \$272.35/mt.

The Platts China Steel Sentiment Index survey plays no role in Platts' independent price assessment processes. For more information on the Platts price assessment processes and methodology, visit:

<http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/steel.pdf>

For more information on metals, visit www.platts.com.

Contacts

Americas: Kathleen Tanzy, + 1 917 331 4607, kathleen.tanzy@platts.com

About Platts: Platts is the leading independent provider of information and benchmark prices for the commodities and energy markets. Customers in over 150 countries look to Platts' expertise in news, pricing and analytics to deliver greater transparency and efficiency to markets and help them make better informed trading and business decisions. Founded in 1909, Platts' coverage includes oil and gas, power, petrochemicals, metals, agriculture and shipping. A division of McGraw Hill Financial, Platts is headquartered in London and employs over 1,000 people in more than 15 offices worldwide. Additional information is available at <http://www.platts.com>.

About McGraw Hill Financial: McGraw Hill Financial (NYSE: MHFI) is a leading financial intelligence company providing the global capital and commodity markets with independent benchmarks, credit ratings, portfolio and enterprise risk solutions, and analytics. The Company's iconic brands include Standard & Poor's Ratings Services, S&P Capital IQ and SNL, S&P Dow Jones Indices, Platts, CRISIL and J.D. Power. The Company has approximately 20,000 employees in 31 countries. Additional information is available at www.mhfi.com.

SOURCE Platts

SOURCE: Platts

Platts China Steel Sentiment Hits Record High in March

Market Buoyed by Stronger Domestic Demand and Steel Prices at Nine-Month High

PR Newswire

BEIJING, March 8, 2016

BEIJING, March 8, 2016 /PRNewswire/ -- Optimism has returned to the Chinese steel market on the back of buoyant domestic demand for steel and stronger prices, resulting in the Platts China Steel Sentiment Index (CSSI) hitting a record high of 89.42 out of a possible 100 points in March, according to the latest survey conducted by Platts.

The headline index for March rose 53.72 points from the month before and was the strongest reading since the CSSI began in May 2013. A reading above 50 indicates expectations of an increase/expansion and a reading below 50 indicates a decrease/contraction.

The outlook for new domestic orders over the coming month jumped 57.87 points from February to 92.75, while expectations for export orders improved by 5.62 points from the month before to 50.92.

Price expectations for flat steel products, such as hot rolled coil, rebounded by 20.28 points to 73.25, while the price outlook for long steel products, such as rebar, stayed flat on last month's 50.0 points.

"The steel market recovery seen from the start of 2016 in China has continued beyond the Lunar New Year holiday period in February to the point where domestic hot rolled coil prices are now at a nine-month high," said **Paul Bartholomew, senior managing editor of steel & raw materials for Platts**, the leading independent provider of information and benchmark prices

for the commodities and energy markets. "Prices have been supported by low inventory levels, and China's steel mills have lifted production again to take advantage of a rare period of stronger margins."

Platts China Steel Sentiment Index – March 2016

(a figure over 50 indicates expectations of an increase; under 50 indicates a decrease)

	March 2016	Change from February (points)
CSSI (Total New Orders)	89.42	53.72
New Domestic Orders	92.75	57.87
New Export Orders	50.92	5.62
Steel Production	59.38	21.44
Flat steel prices	73.25	20.28
Long steel prices	50	0
Inventory held by traders	51.93	-35.39

The outlook for crude steel production in March rebounded by 21.44 points from the month before to 59.38, the highest reading for this measure since June 2014. The outlook for steel inventories fell 35.39 points from February to 51.93 in March, indicating the market expects a big draw-down of stocks on stronger sales over the coming month.

"Macro data, such as the manufacturing purchasing managers' indices, suggest end-user demand for steel in China remains weak. The concern, therefore, is there could be too much steel again within a few months which could result in a price correction," Bartholomew said.

The CSSI is based on a survey of approximately 60 to 75 China-based market participants including traders and steel mills. Data is compiled by Platts' Shanghai steel team.

Separate to the CSSI, prices of China export hot rolled coil, as assessed by Platts in February averaged \$280.4 per metric ton (/mt) on a free-on-board (FOB) China basis. This was up 3% from the January average of \$272.35/mt.

The Platts China Steel Sentiment Index survey plays no role in Platts' independent price assessment processes. For more information on the Platts price assessment processes and methodology, visit:

<http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/steel.pdf>

For more information on metals, visit www.platts.com.

Contacts

Americas: Kathleen Tanzy, + 1 917 331 4607, kathleen.tanzy@platts.com

About Platts: Platts is the leading independent provider of information and benchmark prices for the commodities and energy markets. Customers in over 150 countries look to Platts' expertise in news, pricing and analytics to deliver greater transparency and efficiency to markets and help them make better informed trading and business decisions. Founded in 1909, Platts' coverage includes oil and gas, power, petrochemicals, metals, agriculture and shipping. A division of McGraw Hill Financial, Platts is headquartered in London and employs over 1,000 people in more than 15 offices worldwide. Additional information is available at <http://www.platts.com>.

About McGraw Hill Financial: McGraw Hill Financial (NYSE: MHFI) is a leading financial intelligence company providing the global capital and commodity markets with independent benchmarks, credit ratings, portfolio and enterprise risk solutions, and analytics. The Company's iconic brands include Standard & Poor's Ratings Services, S&P Capital IQ and SNL, S&P Dow Jones Indices, Platts, CRISIL and J.D. Power. The Company has approximately 20,000 employees in 31 countries. Additional information is available at www.mhfi.com.

SOURCE Platts

CONTACT: Americas: Kathleen Tanzy, + 1 917 331 4607, kathleen.tanzy@platts.com; EMEA: Arnaud Humblot +44 207 176 6685, arnaud.humblot@platts.com and Alex Brog +44 207 176 7645, alex.brog@platts.com; Singapore: Platts (platts@ryancommunication.com)

Web Site: <http://www.platts.com>

