S&P Global Platts China Steel Sentiment Rebounds in March

Outlook for Long Steel Products Stays Positive, Steel Output Expected to Rise

BEIJING and NEW YORK, March 10, 2017 /PRNewswire/ -- Chinese steel market sentiment rebounded in March, boosted by positive expectations for new orders of domestic long steel products, according to the latest S&P Global Platts China Steel Sentiment Index (CSSI), which showed a headline reading of 49.19 out of a possible 100 points.

The March CSSI rose by 23.98 points from February's 25.21 as the outlook for new domestic orders strengthened by 26.27 points from last month to 50.80 in March. Expectations for export order opportunities remain subdued, however, with the measure dipping 2.50 points from February to 30.51.

A reading above 50 indicates expectations of an increase/expansion and a reading below 50 indicates a decrease/contraction.

Expectations for long steel product prices increased by 4.17 points to 62.50 in March, while the outlook for flat steel prices fell to a 17-month low of just 12.50, down 7.29 from February.

The outlook for steel production rebounded to a 10-month high of 56.67, up by 18.03 from February. Steel inventories held by traders were largely expected to fall in March, dropping 21.97 points from last month to 32.28 in March.

S&P Global Platts China Steel Sentiment Index –March 2017
(a figure over 50 indicates expectations of an increase; under 50 indicates a decrease)

	March 2017	Change from February (points)
CSSI (Total New Orders)	49.19	23.98
New Domestic Orders	50.80	26.27
New Export Orders	30.51	-2.50
Steel Production	56.67	18.03
Flat steel prices	12.50	-7.29
Long steel prices	62.50	4.17
Inventory held by traders	32.28	-21.97

Paul Bartholomew, S&P Global Platts senior managing editor of steel & raw materials, said "Another round of steel production restrictions in China's Hebei province, along with closures of induction furnaces inJiangsu province, are supporting the positive outlook for long steel product orders and prices, while end-user demand in the construction sector has improved due to the warmer weather."

He explained that stronger prices have incentivized uplift in steel production with output of longs, such as rebar, picking up.

"Steel inventories, which have been higher than usual sinceChinese New Year, are expected to be drawn down. It remains to be seen if domestic demand is strong enough to absorb the additional output as export opportunities are under pressure from lower-priced material from Turkey in particular," Bartholomew said.

The CSSI is based on a survey of 75 to 90 China-based market participants including traders and steel mills. Data is compiled by Dai Yuelin, Sharon Liao, Zhang Jing, Lucy Tang, Joy Zhuo and David He in Shanghai.

According to S&P Global Platts price assessments, separate to the CSSI, the Platts China export hot rolled coil price averaged $501.4 per metric ton (mt), free on board (FOB) China in February. This was up 1% on$497.1/mt FOB in January.

If you would like to see a history graphic of the Platts China Steel Sentiment Index, contact the media contacts below.

The Platts China Steel Sentiment Index survey plays no role in Platts' formal price assessment processes. For more information, please visit: http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/steel.pdf

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

About S&P Global Platts
At S&P Global Platts, we provide the insights; you make better informed trading and business decisions with confidence. We're the leading independent provider of information and benchmark prices for the commodities and energy markets. Customers in over 150 countries look to our expertise in news, pricing and analytics to deliver greater transparency and efficiency to markets. S&P Global Platts coverage includes oil and gas, power, petrochemicals, metals, agriculture and shipping.

S&P Global Platts is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit www.platts.com.

SOURCE S&P Global Platts

For further information: EMEA: Arnaud Humblot +44 207 176 6685, arnaud.humblot@spglobal.com and Alex Brog +44 207 176 7645, alex.brog@spglobal.com; Singapore: Platts (platts@ryancommunication.com)

---

https://press.spglobal.com/2017-03-10-S-P-Global-Platts-China-Steel-Sentiment-Rebounds-in-March