



Steel sector eyes bright outlook after rebound in market

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By Amber Ji | March 14, 2015, Saturday |

CHINA'S steel market expects a bright outlook this month after the market rebounded dramatically following the Chinese New Year break on hopes of stronger domestic orders, according to the latest China Steel Sentiment Index.

The index hit a headline reading of 72.2 out of a possible 100 points in March, up 63.4 points from February's record low of 8.8. The March reading was the strongest since April last year.

The CSSI, compiled by global steel information provider Platts, reflects expectations of market participants for the month ahead.

Due to technical reasons the index comes out around the 10th of each month, Platts said.

Similar to a purchasing managers' index, a CSSI reading of more than 50 signals an increase and one below 50 indicates a decline.

"A rebound in sentiment after the Chinese New Year holiday is normal, but it was even more dramatic this year as it followed several months of declining orders and weak activity in the Chinese steel market," said Paul Bartholomew, Platts' steel analyst.

The index's reading for crude steel production of 51.4 points indicated the market did not expect any big rise in output this month.

Bartholomew, however, said the market is pessimistic about exports because the removal of export tax rebates on certain alloy steel products at the beginning of this year will begin to have some impact.

The monthly Platts CSSI is based on a survey of around 50 to 75 traders, stockists and steel mill operators in China.