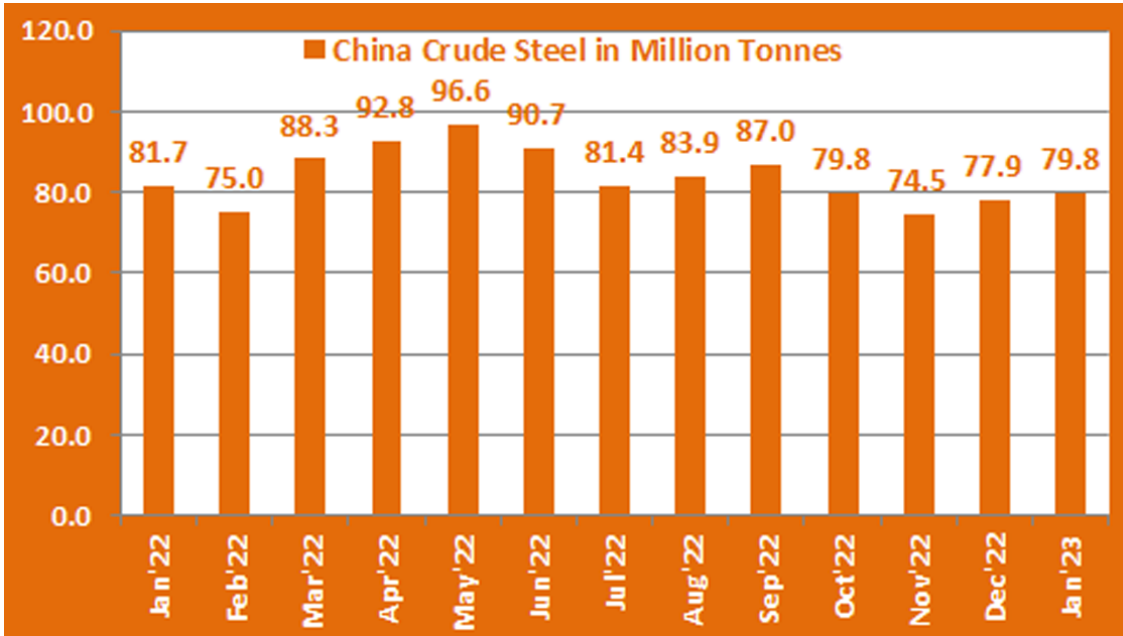


Chinese Steel Demand Starts Recovering

China Federation of Logistics and Purchasing China Steel Logistics Committee Purchasing Managers Index for the Chinese steel sector was at 50.1 in February 2023, up 3.5 from 46.6 in January. In February, the production index for the Chinese steel sector stood at 51.1, up 0.9 MoM, the new order index stood at 48.9, up 5.0 MoM, signaling that demand from downstream users continued to improve, though it was still below 50.0. Moreover, in February, the index of raw material purchase prices stood at 64.7, lower 1.9 MoM, while above 60 percent for the second consecutive months, indicating that raw material prices have been at relatively high levels. At the same time, in February, the index of inventories of finished steel stood at 56.0, 3.2 points higher than in January, continuing to move up for the sixth consecutive months. As the weather gets warmer, conditions at construction sites will get better, which will exert a positive impact on the demand for finished steel. Steelmakers will be more willing to produce, while the two government sessions to be held in Beijing in March will restrict production of steel, which will bolster steel prices to some extent. Furthermore, raw material prices will move at relatively high levels amid good expectations towards the rising output of steel, which will provide solid support for steel prices. It is thought that steel prices in the Chinese domestic market will move up slightly



China's January Crude Steel Production Recovers to October Level



Chinese Steel Prices Remain Stable

Despite boosted by positivity, Chinese domestic steel prices remained stable in February 2022

Rebar – Down CNY 20 MoM or USD 3

HR – Up CNY 10 MoM or USD 1

