

UMETAL WEEKLY

STEEL

Wire Rod & Rebar; HR; CR; Medium Plate; Coated & Galvanized

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Steelmaker' EXW Price Changes (RMB/t)

Steelmaker	Product	Price	Change
Shagang	HRC	3,280	+20
	High-speed Wire Rod	3,370	+20
	HRB335 Rebar	3,370	+30
Laiwu Steel	HRC	3,270	+20
	HRB335 Rebar	3,340	+30



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Steel Stocks in Major Cities of China (1,000t)

Product	City	Apr.30	May 8	Change
Wire Rod (26 Cities)	Shanghai	79.42	73.38	-6.04
	Guangzhou	130	120	-10
	Beijing	67.5	75.1	+7.6

Rebar (26 Cities)	Shanghai	348.06	341.84	-6.22
	Guangzhou	415	440	25
	Hangzhou	350.1	347.8	-2.3

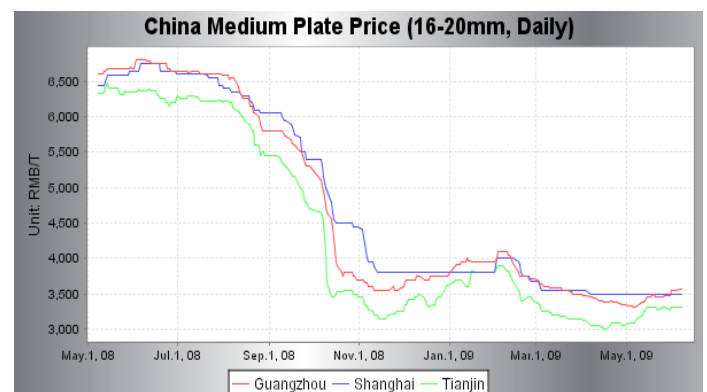
HR Coil/ Plate (23 Areas)	Shanghai	761.99	772.73	+10.74
	Guangzhou	745	734	-11
	Taichang Port	125	120.1	-4.9

CR Coil/ Plate (14 Regions)	Shanghai	324	323	-1
	Lecong	450	435	-15
	Nanjing	37	34	-3

Medium Plate (19 Areas)	Shanghai	307.14	309.4	+2.26
	Tianjin	90	90	-8

Coated	Shanghai	18.1	17.9	-0.2
Galvanized	Shanghai	102.4	106.4	+4

Umetal Price Chart



2009 Subscription Rate:

12 Months: US\$780 or EUR625

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UMETAL RESEARCH CENTRE

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Industry News in Brief

CISA: Tax Rebates on Steel Export Need Further Adjustments

UMETAL-CHINA, China's steel and steel billet exports, converted into crude steel, totaled 5.4667 million tonnes in the first quarter of 2009, a decrease of 6.7262 million tonnes or 55.16% year-on-year, according to statistics from the customs. The crude steel export in Q1 accounted for nearly 4.29% of the country's total output, much lower than the 8% target planned in its steel sector promotion program.

During China Iron & Steel Association's 2009 Steel Industry Information Conference on Apr.28, 2009, Luo Bingsheng, CISA vice president strongly advised that steel export tax rebates need further adjustments, so as to change the passive situation of China's steel export.

He added, a massive influx of international steel products like HR coil/plate and silicon steel sheet has been witnessed in China's steel market due to various factors like the exchange rate fluctuation, having hit the domestic market. China even acted as a net steel importer in March.

Currently, China's steel export situation has changed dramatically under the international financial crisis, thus, the export restrictions on some steel products like long products and HRC no longer correspond with the current situations faced by China's steel enterprises, and the export tax rebates on steel products such as CR plate should also be raised.

In addition, Luo also suggested relevant authorities creating a fair tax environment for China's domestic steel enterprises. Currently, no tax has been imposed on steel imports by domestic steel processors and traders, while people need to pay taxes when making purchases of domestically made steel products. That apparently goes against the survival and development of China's domestic steel enterprises, Luo noted.

(Reporting by Liu Weina; compiling by Gina Zhu)

MIIT: Crude Steel Production Slows Down in Mid-April, Steel Prices Rebound

UMETAL-CHINA, China's crude steel production somewhat slowed down in April 2009. According to the statistics on 67 steel enterprises (accounting for nearly 77% of the national output) by China Ministry of Industry and Information Technology (MIIT), their crude steel output in Mid-April totaled 10.93 million tonnes, with the daily output at 1.09 million tonnes, down 31,000 tonnes or 2.8% from early April.

The decrease rate of steel inventories became larger in April. Social stockpiles of steel products have been falling back since the beginning of April. By mid-April, the steel inventories in major cities of China have decreased 880,000 tonnes from the end of March to 9.96 million tonnes, with the decrease rate at 8.1%.

Specifically, wire rod and rebar inventories stood at 1.25 million tonnes and 3.59 million tonnes respectively in mid-April, down by 20.9% and 11.8% from the end of March, while the stocks of HR coil/plate, CR steel and medium & heavy plate each slipped by 1.5%, 0.8% and 1.6% to 2.68 million tonnes, 1.18 million tonnes and 1.26 million tonnes, respectively.

In addition, steel prices began to rebound in mid-April, with wire rod and rebar spot prices seeing constant increases since the third week of April. Wire rod and rebar were offered at RMB3,387/tonne and RMB3,441/tonne on Apr.20, 2009, each up RMB82/tonne and RMB74/tonne from the lowest level this year.

The rebound in flat products prices lagged behind that of long products prices, HR plate and medium plate began to rebound on Apr.17 and Apr.20, 2009.

The recent rebound of steel prices is mainly as a result of demand increase with the arrival of construction season in northern part of China and the dealers' replenishment of steel inventories. To learn the tendency of the coming steel market still needs calm observation given the overall excessive supply of steel capacity and the not obviously improved market demand. (source: MIIT; compiling by [Gina Zhu](#))

China: Utilization Rate of Steel-making Production Capacity Hits New Low Since 2001

UMETAL-CHINA, The utilization ratio of China's steel-making production capacity is expected to be around 74.64% in 2009, hitting a new low since 2001, said Dr. Jiang Feitao with the Institute of Industrial Economics, Chinese Academy of Social Science.

He noted that China's steel-making production capacity saw the utilization ratio at 75.83% in the year of 2008, while the utilization rates from 2001 to 2007 were all above 80%, with that for 2002 once surging to 92.35%.

Nevertheless, China's crude steel production is very optimistic in comparison with the sharp slip in global crude steel production capacity.

According to the statistics from China Iron and Steel Association (CISA), the country produced a total of 127.4433 million tonnes of crude steel during the Jan.-Mar. period in 2009, up by 1.19% year-on-year, while the global crude steel output reduced by 22.92% in the first quarter. During the same period, European Union, North America and Japan all saw the decrease rates of crude steel output exceed 42%.

China's crude steel production capacity maintained at a high level, mainly driven by the demand for construction steel, while the recovery of flat steel

production still faces the pressures of serious oversupply, Dr. Jiang added. (reporting by Liu Weina; editing by [Gina Zhu](#))

China Sees Increased Net Steel Imports in April 2009

UMETAL-CHINA, China exported 1.41 million tonnes of steel in April 2009, down 260,000 tonnes from March, and slipping by 70.5% year-on-year, while the total exports from January to April reduced by 59.5% y-o-y to 6.55 million tonnes, according to the country's latest customs statistics.

The country imported 1.62 million tonnes of steel in April, rising by 350,000 tonnes from March or by 7.77% from the same period of 2008. The net steel imports for April stood at 210,000 tonnes.

During the same period, China had no steel billet export but imported 670,000 tonnes of steel billet, 210,000 tonnes more than that in March. Thus, the country's net steel billet imports reached 670,000 tonnes in April, equivalent to 880,000 tonnes of crude steel. (source: China Customs; editing by [Gina Zhu](#))

China Steel Pipe Export May Be Halved in 2009 on Slipped Int'l Demand

UMETAL-CHINA, With lagged effects of oil price slip in the second half of 2008, China's steel pipe export may fall sharply this year, with the decrease rate likely to be around 50%, the insiders predicted during the Shanghai Tube Expo 2009.

China's overall steel export reduced sharply in the second half of 2008 due to the shrunk international demand, but steel pipe export was quite different.

Some enterprises that mainly produce steel pipe used in oil drilling still had many export contracts in H2 2008, as the oil prices stayed at a relatively high level in H1 2008.

Moreover, the Chinese Government's favorable policies like raising export tax rebates also stimulated steel pipe production.

Under the circumstances, China exported 9.895 million tonnes of steel tube in 2008, accounting for 22.4% of the total steel tube output, up by 15.28% year-on-year. Of the total, the export of steel pipe used in oil drilling stood at 7.80 million tonnes, taking 78.8% of the overall steel pipe export.

A source from China Steel Pipe Association under China Steel Construction Society pointed out that China's steel pipe export is closely related with the international oil & gas development and the oil prices, and also lags behind the changes of oil prices. Because of that particularity, China's steel pipe industry may not follow closely behind when other industries first bottom out under the economic recovery.

He noted, China's steel tube export is expected to slip by 50% or so in 2009 to 5 million tonnes, and the total annual output may range from 40 million tonnes to 4.2 million tonnes. (reporting by Zhang Ping; editing by [Gina Zhu](#))

China: Shougang Jingtang Project to Start Trial Production

UMETAL-CHINA, The first phase of its first-stage construction at Shougang Jingtang Iron & Steel Works is scheduled to go into trial production on May 20, Xinhuanet reported.

The steel works started on March 12, 2007 have a total annual production capacity of 8.98 million tonnes of pig

iron, 9.7 million tonnes of crude steel and 9.13 million tonnes of finished steel. The first-stage project will be put into production in 2010.

Of the total, the stage I phase I project with a capacity of 4.85 million tonnes of crude steel is due to start trial production on May 20. It's under the final adjusting process currently. (source: Xinhuanet; editing by [Yvonne Zhang](#))

China: Baosteel Sees 97.7% Slump in Q1 Net Profits

UMETAL-CHINA, According to Baosteel's quarterly report released today, this leading steelmaker in China realized a total net profit of RMB89 million in the first quarter of 2009, plunging 97.7% from a year ago when its earnings per share posted at RMB0.01.

For the first quarter this year, Baosteel produced 4.72 million tonnes of pig iron and 5.13 million tonnes of crude steel; the operating income fell 30.9% from the year earlier to RMB14.48 billion.

Considering the downturn in the steel industry, Baosteel predicted that its net profits in the first half of 2009 will also drop significantly compared with the same period of last year. (reporting by Liu Weina; compiling by [Yvonne Zhang](#))

China: Baosteel Yantai Project to Start Operation in October 2009

UMETAL-CHINA, "With total investment of RMB4.88 billion, the Yantai-based project of Baosteel, a top steelmaker in China, sees its first phase project going smoothly, striving for an early commissioning in October this year." Wang Xiaochang, a senior

engineer with Yantai City Fushan High-tech Industrial Zone's Planning & Construction Office told the reporters on Apr.29, 2009.

He said, nearly 70% of the project's factory building main structure has been completed currently, and the main body of the office building is also nearing completion.

As Baoshan Iron & Steel Co. Ltd.'s biggest investment project out of Shanghai, Yantai Lubao Steel Pipe Co. Ltd.'s establishment will make Yantai City's Fushan district become an important high-quality seamless pipe production base domestically or even globally.

The said project will make deep processing of Baosteel's tube billet to mainly produce seamless steel pipe products of large-diameter, corrosion-resistance, high pressure-resistance and high alloy, so as to substitute import.

Specifically, the project with a designed annual seamless pipe output of 600,000 tonnes, has been divided into two phases, with the first phase involving RMB2.3 billion of investment, and the second RMB2.58 billion. It's expected that the project will be able to realize RMB10 billion of output value and RMB1.3 billion in profit tax by the end of the eleventh Five Year Plan, when the project goes into full operation. (source: Xinhuanet; editing by [Gina Zhu](#))

China: Wuhan Steel's Price Policy for June 2009

UMETAL-CHINA, On May 7, 2009, Wuhan Steel, one of China's leading steel mills, released its price policy for June 2009.

Based on its May prices, Wuhan Steel uplifts EXW prices of cold-rolled products by RMB50/tonne, and now 1.0mmQ195 cold-rolled sheet and 1.0mmQ195 cold-rolled coil are priced at RMB4,010/tonne and RMB3,960/tonne respectively.

Hot-rolled coil prices remain stable, and now 2.75mm*1250Q235 hot-rolled coil goes at RMB3,300/tonne and 5.5mm*1500Q235 hot-rolled coil at RMB3,240/tonne.

Medium plate prices also keep unchanged, and now 14-20mmQ235 medium plate is offered at RMB3,570/tonne.

All the above prices do not include the 17% VAT and have taken effect at 0:00 on May 7, 2009. (reporting by Hu Yanping; compiling by [Yvonne Zhang](#))

Chinese Steelmaker Offers US\$450/t Ship Plate to S. Korea

UMETAL-CHINA, It's learnt that one major steel mill in China has signed a deal with South Korean Hyundai Heavy Industries to supply ship plate priced at US\$450/tonne FOB in the second quarter of 2009.

Other Chinese steel mills seem to have failed to settle such a supply agreement with South Korean buyers, as ship plate inventories of South Korean shipbuilders remain high.

Meanwhile, Japanese steel mills are facing tough negotiations with South Korean shipbuilders. One Japanese ship plate producer admits that South Korean users' procurement at the moment will be limited. (editing by [Yvonne Zhang](#))

China Voices Protest Against US Steel Probe

The Chinese government is deeply concerned about US investigations into tubular and pipe steel imported from China, the Ministry of Commerce said yesterday.

Spokesman Yao Jian made the remarks in response to a decision by the US Department of Commerce on Wednesday to launch anti-dumping and countervailing duty investigations into specific types of Chinese steel pipes used in oil and gas drilling.

The case was filed in April by US Steel and other manufacturers who say Chinese producers get government subsidies that help them export to the United States at unfairly low prices.

They want anti-dumping duties ranging from 37 percent to 99 percent on the goods, as well as additional countervailing duties to offset the alleged subsidies.

Yao said the Chinese industries had protested against the US decision. "Steel pipes are the main Chinese steel product exported to the US. The move will seriously hurt Sino-US steel trade and have a negative impact on related US industries", Yao noted.

He said the US would send wrong signals to the world, and China would respond appropriately. (source: China Daily; editing by Yvonne Zhang)

Umetal Reports

Umetal: Baosteel's June Price Policy Helps Stabilize Market

UMETAL-CHINA, Baosteel which market insiders regards as the wind vane of the Chinese steel industry, announced its price policy for June 2009 Monday. As seen in "[Baosteel's Price Policy for June 2009](#)", this company reduced EXW prices of low carbon hot-rolled coil, wide and heavy plate, color coated steel and low grade non-oriented electrical steel by RMB200-300/tonne while maintaining prices of others.

The June price policy is within the previous market expectation. Baosteel just adjusts a few higher-priced steel products, with the number of product categories whose prices are lowered apparently decreasing, compared with the May price policy. Prices of major common carbon steel products such as common carbon hot-rolled coil, hot-rolled pickled steel, cold-rolled steel and hot-dip galvanized steel remain unchanged.

This price policy indicates Baosteel's willing to stabilize the steel market and its expectation that the market is likely to warm up in the near future, Umetal understands.

Since the latter half of April, boosted by the rebounds in the construction steel market, flat products also witnessed signs of a leveling-off. 4.75mm common carbon hot-rolled coil is prevailing at RMB3,210/tonne in Shanghai area now, an increase of RMB120/tonne from the lowest this year.

Market inventories are on a downward trend, of which rebar inventories drop to 3.55 million tonnes from the peak of 4.3 million tonnes when hot-rolled coil inventories slip to 2.65 million tonnes from the 2.86 million tonnes.

However, the market fundamentals remain weak. Under the circumstances, Baosteel holds steady EXW prices of most steel products while cutting prices of some higher-priced product categories in accordance with the market development, giving a support to the market confidence.

What's worth attention is that Baosteel's June prices are still higher than the current market sales prices. For instance, SPCC 1.0mm*1250 cold-rolled coil goes at RMB4,100/tonne now in China while Baosteel's products are priced at RMB4,395/tonne after tax.

As a result, distributors and end users, who have been suffering losses from their contracts with Baosteel in the previous months, are not keen on placing orders.

(US\$1=RMB6.8270; contributing by Hu Yanping;
compiling by Yvonne Zhang)

China: HRC Prices See Small Increases in Shanghai (May 4)

UMETAL-CHINA, Some individual dealers in Shanghai raised their offers for 1500mm common carbon HRC up to RMB3,350/tonne today. The market expectation has turned much better in spite of weak transactions.

On May 1st, 2009, Jiangsu province-based Shagang issued its price policy for early May, according to which HRC EXW prices keep unchanged, indicating that the steel enterprises' expectations on the coming market have risen.

In addition, some new resources will enter the market of Shanghai in May, to increase the inventory pressures of the market.

Under the circumstances, real demand will be the main factor in supporting the market prices. Whereas, the terminal demand has not showed an obvious better turn yet. (Contributing by Liu Danyang; editing by Gina Zhu)

The table below shows more details. (RMB/tonne)

Product	Specification	Price
Common Carbon HRC	1500mm	3,300-3,330
Common Carbon HRC	1800mm	3,370-3,400
Low Alloy Coil	1500mm	3,400
Low Alloy Coil	1800mm	3,450
HRC	SPHC 2.5-3.0mm	3,480

China: Construction Steel Prices Slip Slightly in Beijing (May 6)

UMETAL-CHINA, Construction steel prices slip slightly in the market of Beijing today, with high-speed wire rod prices down RMB20/tonne to RMB3,300/tonne, while coil rebar prices unchanged at RMB3,580/tonne.

Higher rebar offers fell back yesterday, but market transactions remained flat due to the rapid increases seen previously. Thus, a further slip is witnessed today.

As for wire rod, the local market of Beijing does not see satisfactory volume of deals, while wire rod inventories rise slightly. The dealers have to cut prices to promote sales.

Steel billet prices rise RMB30-50/tonne in the areas of Tangshan and Wu'an, coal prices also climb up. The increase in production cost will support steel prices. Under the circumstances, the decrease rate of construction steel prices is expected to be limited in Beijing. (Contributing by Chen Caixia; compiling by Gina Zhu)

The table below shows more details. (RMB/tonne)

Product	Specification	Price	Change
Rebar	HRB335 12-14mm	3,620-3,650	-30
Rebar	HRB335 16-25mm	3,480	-20
Rebar	HRB400 12-14mm	3,850	-
Rebar	HRB400 16-25mm	3,700	-

China: Medium Plate Market Still Steady in Shanghai (May 7)

UMETAL-CHINA, Medium & heavy plate prices remain stable in the market of Shanghai today, with transactions being flat.

According to market sources, the market turned better yesterday, but no dealers are trying to further raise their medium plate offers today, given lots of uncertainties in the coming market, especially the release of medium plate production capacity.

In accordance with relevant statistics, China's newly added medium plate production capacity in 2008 reached more than 20 million tonnes, with 1/4 of that not transferred into output due to the financial crisis, while the new capacity in 2009 is expected to be 10 million tonnes higher than that in 2008.

Therefore, the country's total steel plate production capacity may exceed 100 million tonnes by the end of 2009. Such a large capacity will be a potential threat to the coming steel plate market. (contributing by Yan Ping; editing by [Gina Zhu](#))

Product	Specification	Producer	Price
Low Alloy Medium Plate	14mm-20mm	Maanshan/Liuzhou Steel	3,420
Common Carbon Medium Plate	14mm-20mm	Xinyu/Yingkou Steel	3,350 -3,400
Common Carbon Medium Plate	8mm	-	3,700
Low Alloy Medium Plate	8mm	-	4,000
Low Alloy Heavy Plate	40mm	Jinan Steel	3,600
Common Carbon Medium Plate	14mm-20mm	Maanshan/Liuzhou Steel	3,270 -3,300

The table below shows more details. (RMB/tonne)

Weekly Analysis on China's Steel Market

UMETAL-CHINA, The week ending May 8, 2009 is the first trading week after the May Day holiday. Most kinds of steel products saw small price increases this week. Whereas, the increase rate won't be high under the circumstances of still-sluggish demand and uncertainties faced by the subsequent steel market.

I Wire Rod & Rebar

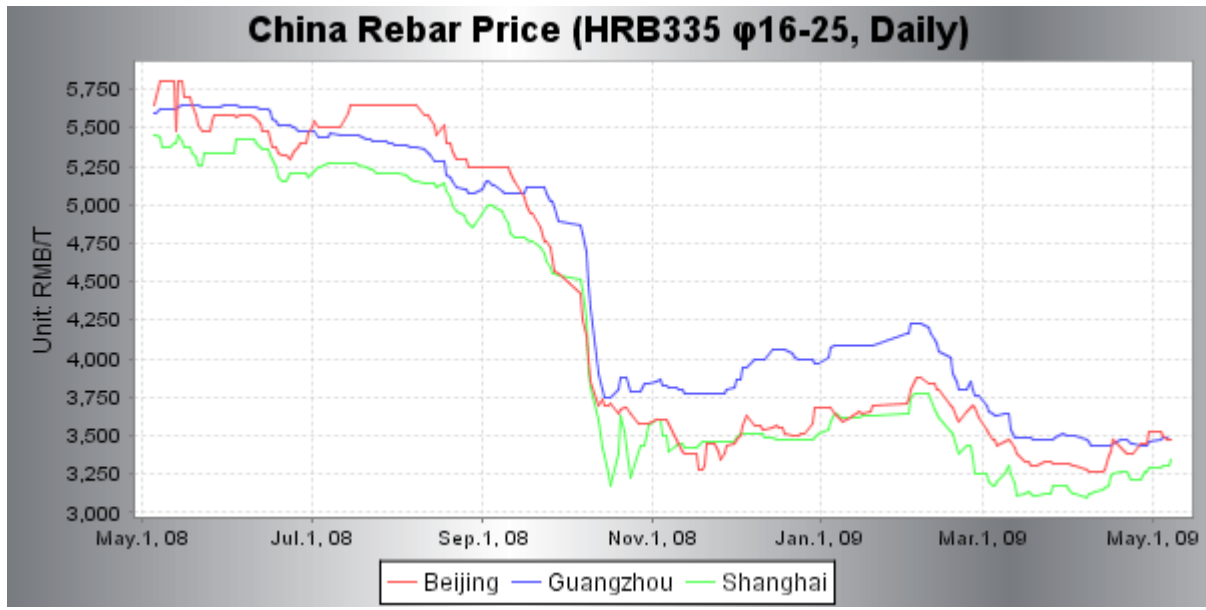
Construction steel market of China was weak during the first half of this week, while it saw price increases in the second half under the steel mills' favorable EXW price policies.

According to the statistics by Umetal, 20mm rebar prices averaged at RMB3,517/tonne on May 5, 2009, up RMB46/tonne from last weekend, while the average price of 6.5mm high-speed wire rod rose by RMB56/tonne to RMB3,476/tonne.

Currently, most dealers in northern part of China are optimistic about the coming market. May is the rush season for steel consumption, and most steelmakers have uplifted the construction steel EXW prices for May. Moreover, the raw materials market is relatively strong now.

All the abovementioned situations will help to drive up the construction steel prices, which will trend upward if the demand will see a recovery.

China Rebar Prices

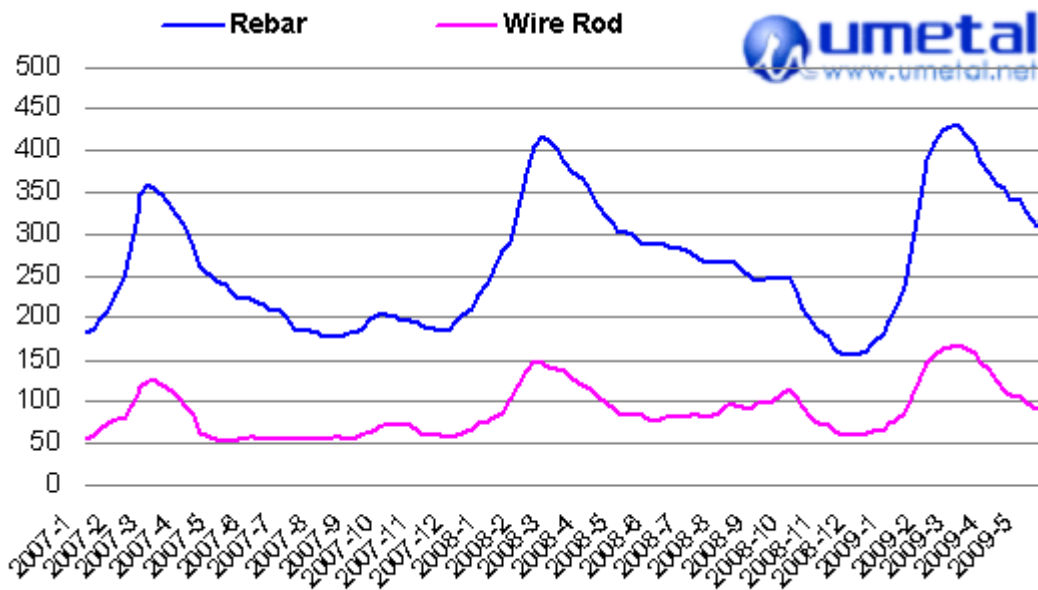


Wire Rod & Rebar Prices in Major Cities of China (RMB/t)

Region	6.5mm Fast-speed Wire Rod			20mm HRB335 Rebar		
	Apr.30	May 8	Change	Apr.30	May 8	Change
Shanghai	3,340	3,410	+70	3,290	3,340	+50
Hangzhou	3,400	3,480	+80	3,370	3,450	+80
Nanjing	3,420	3,480	+60	3,440	3,460	+20
Jinan	3,350	3,400	+50	3,290	3,320	+30
Hefei	3,550	3,620	+70	3,520	3,570	+50
Fuzhou	3,370	3,420	+50	3,350	3,400	+50
Nanchang	3,370	3,400	+30	3,390	3,420	+30
Guangzhou	3,370	3,400	+30	3,460	3,490	+30
Changsha	3,360	3,450	+90	3,580	3,630	+50
Wuhan	3,450	3,470	+20	3,400	3,420	+20
Zhengzhou	3,480	3,480	0	3,350	3,430	+80
Beijing	3,320	3,350	+30	3,530	3,500	-30
Tianjin	3,300	3,350	+50	3,500	3,480	-20
Shijiazhuang	3,350	3,380	+30	3,540	3,580	+40
Taiyuan	3,350	3,400	+50	3,440	3,460	+20
Shenyang	3,400	3,430	+30	3,320	3,350	+30
Harbin	3,400	3,480	+80	3,320	3,380	+60
Chongqing	3,460	3,540	+80	3,560	3,600	+40
Chengdu	3,530	3,570	+40	3,690	3,710	+20

Guiyang	3,540	3,530	-10	3,630	3,630	0
Kunming	3,580	3,600	+20	3,700	3,720	+20
Xi'an	3,400	3,450	+50	3,450	3,500	+50
Lanzhou	3,400	3,550	+150	3,600	3,780	+180
Urumqi	3,580	3,780	+200	3,580	3,780	+200
Ave. Price	3,420	3,476	+56	3,471	3,517	+46

Construction Steel Inventories



Wire Rod & Rebar Inventories in Major Cities of China (1,000t)

Region	Rebar			Wire Rod		
	Apr.30	May 8	Change	Apr.30	May 8	Change
Shanghai	348.06	341.84	-6.22	79.42	73.38	-6.04
Hangzhou	350.1	347.8	-2.3	68.7	66.5	-2.2
Hefei	78	73	-5	8	5	-3
Nanjing	145	141	-4	45	39	-6
Fuzhou	110	100	-10	50	50	0
Jinan	32	30	-2	6.5	6	-0.5
Nanchang	38	50	+12	10	12	+2
Changsha	83	82	-1	20	17	-3
Zhengzhou	82	84	+2	6	8	+2
Wuhan	145	148	+3	30	27	-3

Nanning	163	160	-3	68	64	-4
Liuzhou	41	38	-3	18.5	16	-2.5
Guangzhou	415	440	+25	130	120	-10
Chengdu	186.4	204.65	+18.25	37.6	39.46	+1.86
Guiyang	36.02	39.21	+3.19	17.54	19.43	+1.9
Kunming	103.5	103.47	-0.03	44.86	43.47	-1.39
Chongqing	122.5	124	+1.5	44.5	40.4	-4.1
Beijing	183.1	182.3	-0.8	67.5	75.1	+7.6
Tianjin	115	109	-6	40.5	32	-8.5
Taiyuan	40	38	-2	35	32	-3
Shijiazhuang	18	18	0	10	10	0
Lanzhou	71	71	0	52	55	+3
Xi'an	67.6	68.8	+1.2	108.8	110.4	+1.6
Harbin	130	117	-13	19	18	-1
Changchun	65	65	0	20	30	+10
Shenyang	230	220	-10	40	55	+15
Total	3398.28	3396.07	-2.21	1077.42	1064.14	-13.27

Steelmakers' EXW Price Adjustments

Steelmaker	Effective Date	High-speed Wire Rod	Change	16-25mm HRB335	Change
Fujian Sangang	5.1	3,360	+60	3,360	+60
Shagang	5.1	3,370	+20	3,370	+30
Liangyuan Steel	5.1	-	-	3,320	+20
Nanjing Steel	5.1	3,510	+30	3,530	-
Xinyu Steel	5.1	3,400	-	3,380	-
Lianyuan Steel	5.4	-	-	3,710	+50
Jinan Steel	5.5	-	-	3,450	-
WISCO Echeng Steel	5.5	3,710	+40	3,690	+20
Laiwu Steel	5.6	-	-	3,340	+30
Remark: Tax Included					

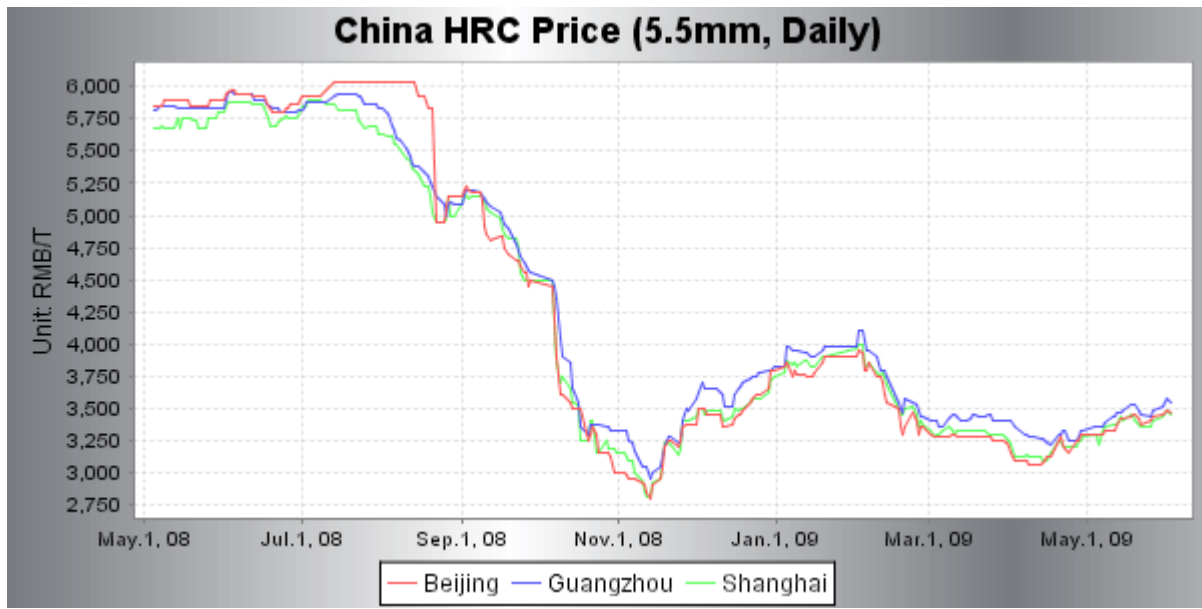
II HR Coil/Plate

HR coil/plate prices saw slight increases in major markets of China during this week ending May 8, 2009. On Friday, 3.0mm HRC prices averaged at RMB3,530/tonne in 24 major areas of China, rising RMB52/tonne from that before the May Day holiday, while that for 4.75mm HR coil/plate increased RMB56/tonne to RMB3,404/tonne.

There're two major reasons for the increase in HR coil/plate prices, namely, a positive sign in market transactions and the limited new resources supply in most markets of China.

However, the HRC prices are likely to fall back once a centralized arrival of new resources is witnessed. HR steel market of China is expected to maintain price fluctuations next week.

China HRC Prices



HRC Prices in Major Cities of China (RMB/t)

Region	3.0mm			4.75mm		
	Apr.30	May 8	Change	Apr.30	May 8	Change
Shanghai	3,380	3,420	+40	3,300	3,360	+100
Hangzhou	3,400	3,500	+100	3,270	3,340	+70
Nanjing	3,350	3,450	+100	3,340	3,400	+60
Jinan	3,520	3,550	+30	3,350	3,400	+50
Hefei	3,450	3,550	+100	3,250	3,420	+170
Fuzhou	3,600	3,550	-50	3,450	3,400	-50
Nanchang	3,570	3,600	+30	3,220	3,250	+30

Guangzhou	3,430	3,530	+100	3,320	3,390	+70
Changsha	3,500	3,570	+70	3,350	3,420	+70
Wuhan	3,550	3,600	+50	3,350	3,430	+80
Zhengzhou	3,400	3,400	0	3,350	3,350	0
Beijing	3,400	3,500	+100	3,330	3,350	+20
Tianjin	3,350	3,400	+50	3,300	3,320	+20
Shijiazhuang	3,420	3,500	+80	3,300	3,380	+80
Taiyuan	3,500	3,580	+80	3,350	3,400	+50
Shenyang	3,420	3,480	+60	3,220	3,280	+60
Harbin	3,450	3,500	+50	3,250	3,330	+80
Chongqing	3,680	3,680	0	3,550	3,580	+30
Chengdu	3,680	3,680	0	3,550	3,550	0
Kunming	3,650	3,650	0	3,550	3,550	0
Guiyang	3,620	3,620	0	3,520	3,520	0
Xi'an	3,360	3,470	+110	3,330	3,430	+100
Lanzhou	3,380	3,480	+100	3,230	3,350	+120
Urumqi	3,400	3,450	+50	3,320	3,500	+180
Ave. Price	3,478	3,530	+52	3,348	3,404	+56

HR Coil/Plate Inventories



HR Steel Inventories in Major Cities of China (1,000t)

Region	Apr.30, 2009	May 8, 2009	Change
Shanghai	761.99	772.73	+10.74

Fuzhou	7	7	0
Hangzhou	109	130.8	+21.8
Hefei	11	9	-2
Nanjing	51	53	+2
Jinan	20	20	0
Wuxi	132	120	-12
Changshu Port	90.06	89.45	-0.61
Taicang Port	125	120.1	-4.9
Changzhou	9.19	10.1	+0.91
Changsha	29	31	+2
Zhengzhou	38	41	+3
Wuhan	53	51	-2
Guangzhou	745	734	-11
Chengdu	62.1	65.4	+3.3
Chongqing	34	35	+1
Beijing	10	12	+2
Tianjin	151	145	-6
Lanzhou	31	30	-1
Xi'an	30	28	-2
Harbin	38	39	+1
Changchun	12	12	0
Shenyang	100	110	+10
Total	2649.34	2665.58	+16.24

Steelmakers' EXW Price Adjustments

Steelmaker	Specification	Price	Effective Date	Change	Remark
Wuhan Steel	Q235/SS400 5.5mm	3,440	May 8	-	Tax-excluded
Laiwu Steel	Common Carbon HRC	3,270	May 6	+20	Tax-included; Laiwu
Bayi Steel		3,630	May 9	+200	Tax-included, Urumqi
Shagang		3,280	May 1	-	Tax-included
Jinan Steel		3,630	May 4	-100	Tax-included

III CR Coil/Plate

China's CR coil/plate market showed an uptrend amid price fluctuations this week.

Average price for 1.0mm CRC stood at RMB4,249/tonne in 23 major areas of China, up RMB49/tonne compared with that before the May Day holiday, while the prices for Anshan Steel's 1.0mm CR plate were RMB4,200/tonne, RMB4,150/tonne and RMB4,180/tonne, respectively in Shanghai, Tianjin and Lecong.

Currently, the conflicts between supply and demand have somewhat reduced, while the cost support is relatively strong. Thus, market prices for CR coil/plate are expected to have a certain space for an increase.

China CRC Prices

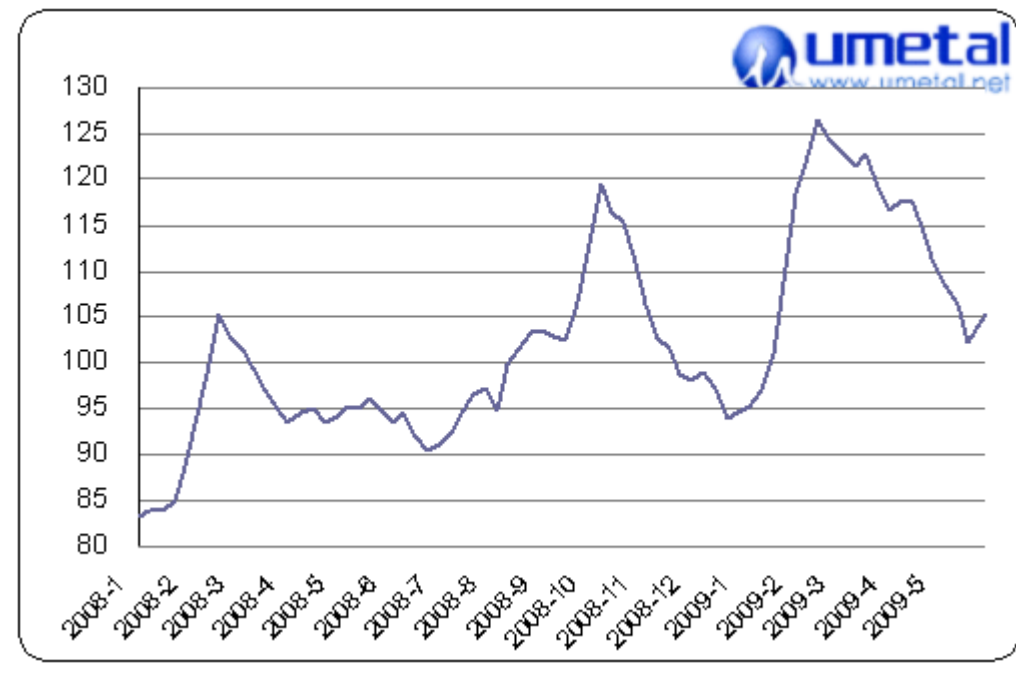


1.0mm CR Plate Prices in Major Cities of China (RMB/t)

City	1.0mm CR Plate			
	Apr.30	May 8	Change	Producer
-				
Shanghai	4,200	4,200	-	Anshan Steel
Hangzhou	4,150	4,200	+50	Anshan Steel
Jinan	4,050	4,100	+50	Benxi Steel
Guangzhou	4,050	4,180	+130	Anshan Steel
Wuhan	4,100	4,200	+100	WISCO
Zhengzhou	4,250	4,250	-	WISCO
Beijing	4,100	4,150	+50	Benxi Steel
Tianjin	4,100	4,150	+50	Anshan Steel

Shenyang	4,200	4,270	+70	Anshan Steel
Chongqing	4,500	4,500	-	Panzhuhua Steel
Xi'an	4,200	4,200	-	Anshan Steel
Ave. Price	4,200	4,249	+49	-

CR Coil/Plate Inventories



CR Steel Inventories in Major Cities of China (1,000t)

City	Apr.30	May 8	Change
Shanghai	324	323	-1
Hangzhou	32	40	+8
Nanjing	37	32-5	-
Jinan	6	5	-1
Changshu Port	35	19	-16
Changzhou	24	25	1
Zhengzhou	5	5	0
Wuhan	31	30	-1
Lecong	450	435	-15
Chengdu	19	18	-1
Beijing	6	7	+1
Tianjin	33	32	-1
Xi'an	21	20	-1
Shenyang	12	12	0

Total	1113	1085	-28
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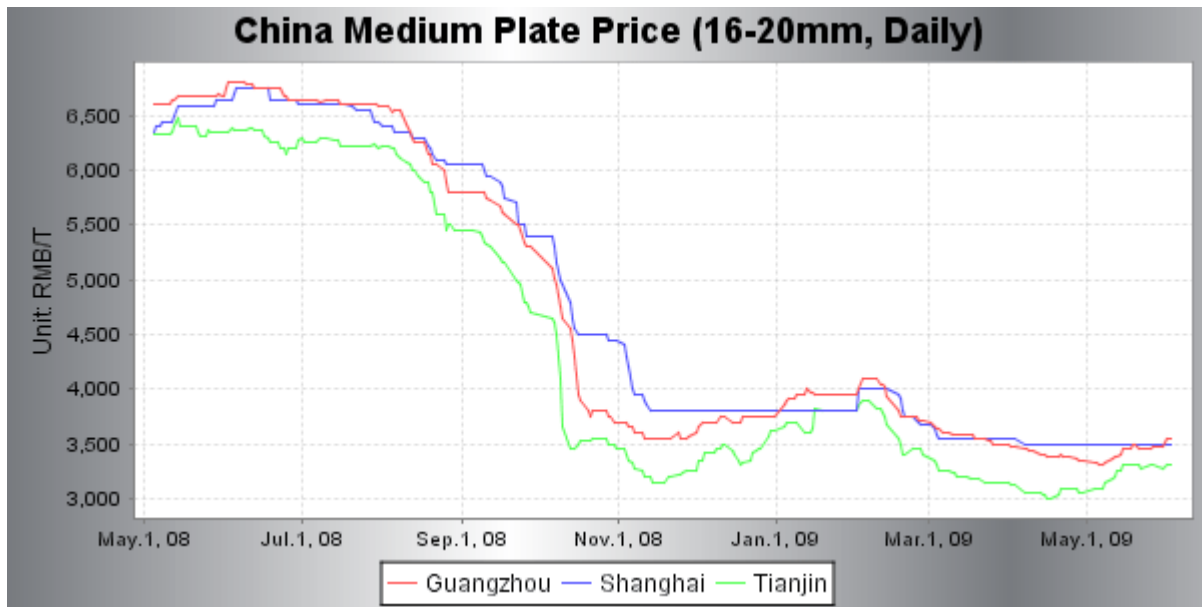
IV Medium & Heavy Plate

Medium & heavy plate market of China kept stable this week amid price ups and downs. The market prices saw an increase in some major areas of China under low inventory pressures and better market mentality, in spite of the still-weak demand.

The average medium plate market price was RMB3,330/tonne this week, up RMB36/tonne from last weekend.

The medium plate market will stay in a status of ups and downs in the coming market, before real demand sees an obvious better turn, Yan Ping, an analyst with Umetal noted.

China Medium Plate Prices



20mm Medium Plate Prices in Major Cities of China (RMB/t)

Region	20mm Medium Plate		
	Apr.30, 2009	May 8, 2009	Change
-			
Shanghai	3,500	3,500	-
Hangzhou	3,320	3,370	+50
Nanjing	3,230	3,350	+120
Jinan	3,220	3,220	-
Hefei	3,300	3,300	-
Fuzhou	3,380	3,350	-30

Nanchang	3,380	3,400	+20
Guangzhou	3,350	3,330	-20
Changsha	3,430	3,400	-30
Wuhan	3,240	3,300	+60
Zhengzhou	3,130	3,180	+50
Beijing	3,080	3,150	+70
Tianjin	3,060	3,150	+90
Shijiazhuang	3,050	3,150	+100
Taiyuan	3,120	3,150	+30
Shenyang	3,150	3,250	+100
Harbin	3,250	3,350	+100
Chongqing	3,700	3,700	-
Chengdu	3,420	3,420	-
Kunming	3,530	3,530	-
Xi'an	3,200	3,250	+50
Lanzhou	3,320	3,380	+60
Urumqi	3,400	3,400	-
Average Price	3,294	3,330	+36

Medium Plate Inventories



Medium Plate Inventories in Major Cities of China (1,000t)

Region	Apr.30, 2009	May 8, 2009	Change
Shanghai	307.14	309.4	+2.26

Hangzhou	80.6	76.8	-3.8
Hefei	11	9	-2
Nanjing	60	59	-1
Jinan	80	80	0
Wuxi	93	93	0
Taicang Port	30.3	28.1	-2.2
Changsha	28	29	+1
Zhengzhou	46	47	+1
Wuhan	67	66	-1
Guangzhou	132	129	-3
Chengdu	23.6	23.3	-0.3
Chongqing	26	23.5	-2.5
Beijing	25.8	26.1	0.3
Tianjin	98	90	-8
Xi'an	30	37	+7
Harbin	5	5	0
Chuangchun	4	5	+1
Shenyang	38	40	+2
Total	1236.37	1215.75	-20.62

Steelmakers' EXW Price Adjustments

Steelmaker	Specification	Price	Effective Date	Change
Wenfeng Steel	Q235 16- 20mm	3,050	May 6, 2009	-
Zhaoshun Steel	Q235 14-20mm	3,380	May 1, 2009	+80
Bayi Steel	Q235 14- 25mm	3,670	May 8, 2009	+200
Taiyuan Steel	Q235 14- 25mm	2,650(tax-excluded)	Apr.24, 2009	-170

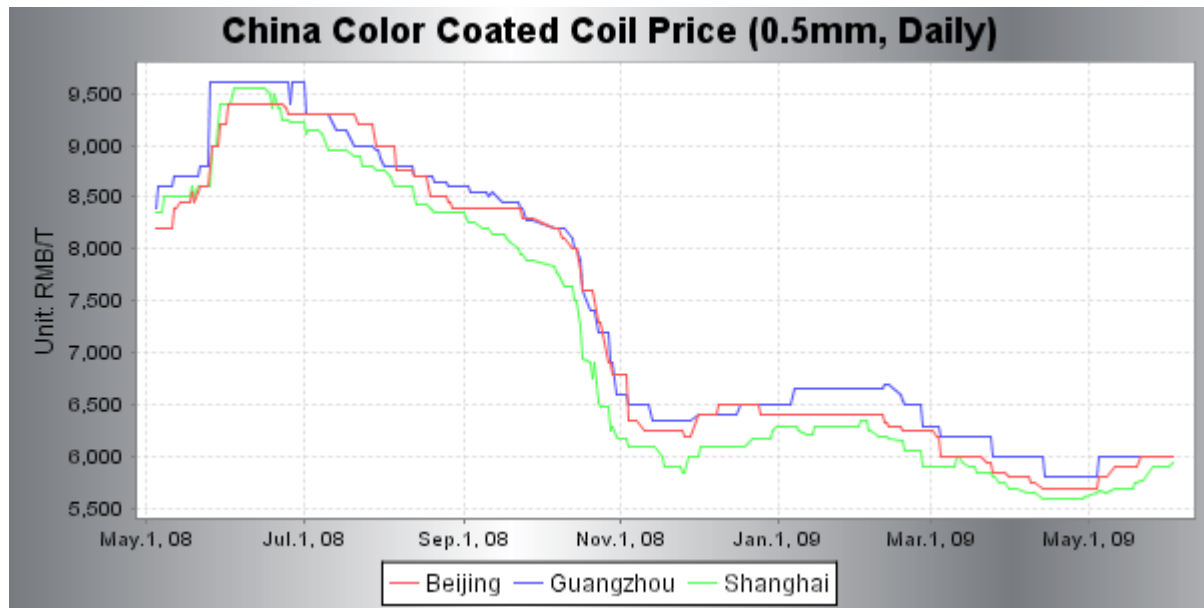
V Coated & Galvanized Steel

China's color coated and galvanized steel market experienced a cycle of tentative price rise-price corrections-selective price increase this week.

1.0mm galvanized sheet saw the average price in 16 major regions of China at RMB4,178/tonne, rising RMB49/tonne from last weekend, while that for 0.476mm color coated sheet stayed at RMB5,436/tonne in 14 main markets of China, up RMB90/tonne.

Presently, market prices for coated and galvanized sheet stay at a comparatively reasonable interval. Given the late arrival of resources in May, product supply in the spot market will be restrained in the short term. Under the circumstances, the market may stay strong next week.

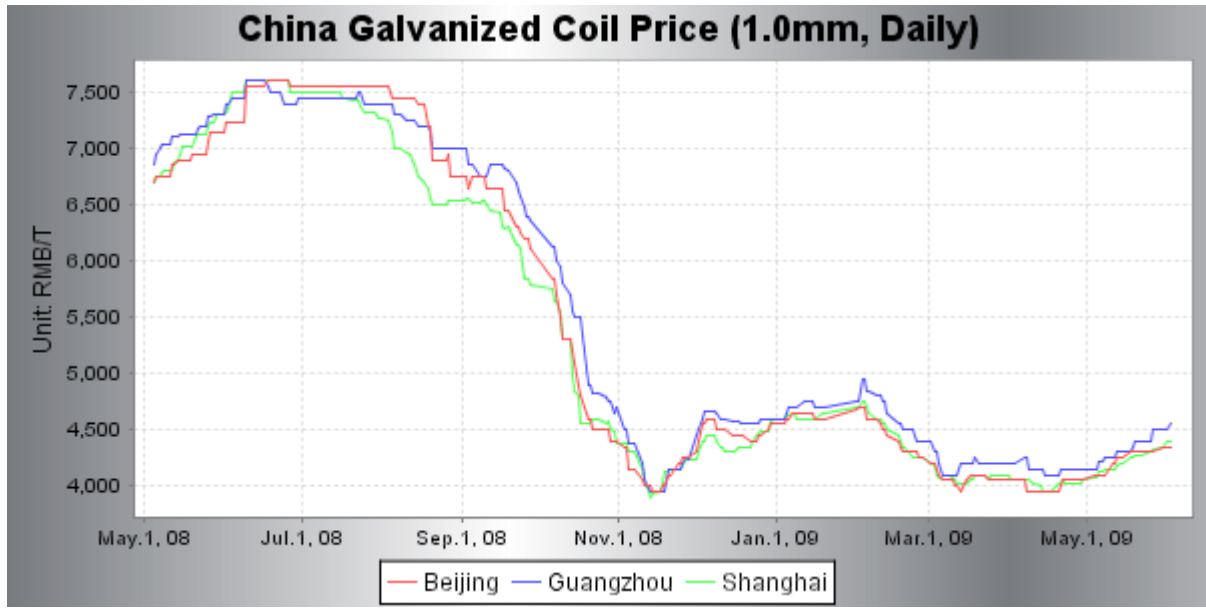
China Color Coated Coil Prices



Color Coated Coil Prices in Major Cities of China (RMB/t)

City	Apr.30, 2009	May 8, 2009	Change	Producing Place
Shanghai	5,600	5,650	+50	Baosteel (0.5)
Hangzhou	4,750	4,800	+50	Suzhou Xunxing
Boxing	4,850	4,850	-	Jingbo
Fuzhou	5,400	5,450	+50	Fujian Kaijing
Guangzhou	5,800	6,000	+200	Baosteel (0.5)
Nanchang	5,500	5,500	-	Huangshi
Wuhan	5,800	5,800	-	Baosteel
Zhengzhou	5,600	5,650	+50	Baosteel
Beijing	5,700	5,800	+100	Bazhou
				Jinghua
Tianjin	5,700	5,800	+100	Xinyu
Shenyang	4,750	4,950	+200	Xinfugang
Harbin	4,700	4,900	+200	Xilin Steel
Chongqing	5,500	5,500	-	Chongqing Steel
Xi'an	5,200	5,450	+250	Xinyu

China Galvanized Coil Prices



Galvanized Coil Prices in Major Cites of China (RMB/t)

City	Apr.30, 2009	May 8, 2009	Change	Producing Place
Shanghai	4,050	4,150	+100	Benxi Steel
Hangzhou	4,020	4,150	+130	Anshan Steel
Ningbo	4,250	4,300	+50	Benxi Steel
Boxing	3,800	3,950	+150	Benxi Steel
Fuzhou	4,100	4,150	+50	Benxi Steel
Guangzhou	4,150	4,250	+100	Anshan Steel
Nanchang	4,200	4,200	-	Benxi Steel
Wuhan	4,100	4,150	+50	WISCO
Zhengzhou	4,200	4,200	-	Benxi Steel
Beijing	4,050	4,100	+50	Benxi Steel
Tianjin	4,050	4,100	+50	Benxi Steel
Shenyang	4,100	4,150	+50	Benxi Steel
Harbin	4,000	4,000	-	Benxi Steel
Chongqing	4,400	4,400	-	WISCO
Chengdu	4,400	4,400	-	WISCO
Xi'an	4,200	4,200	-	Benxi Steel

Coated & Galvanized Steel Inventories in Shanghai (1,000t)

Date	Color Coated Steel	Galvanized Coil/Sheet
Mar.27, 2009	15.7	+111.1
Apr.3, 2009	15	+110.1
Apr.10, 2009	14.9	+113.5

Apr.17, 2009	18	+118.5
Apr.24, 2009	17.5	+109.5
Apr.30, 2009	18.1	+102.4
May 8, 2009	17.9	+106.4

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