

Feature Articles

China's Booming Auto Market Requires More Steel Page 2

- China sold 13.79 million units of vehicles and produced 13.64 million units in 2009, a new high which bolstered the industry to the top position globally. The robust growth dynamism is expected to continue in 2010 and generates more demand for steel products.

A Forecast for China's Steel Market in H1 2010 Page 3

- An overall uptrend is to be seen through Jan, Feb 2010 followed by possible corrections in March until the middle of April. Afterwards, steel prices would bound up until June. In the interim, the outcome of talks of raw material prices, iron ore in particular, weighs heavily.

MyspiC (Above, right) Page 20

- This week, Mysteel price indices of China dip 0.3 percent week-on-week to 146.9. The longs lose 0.8 percent from previous week to 158.2. The flats gain 0.1 percent over last week to 134.0.

Market Monitor Page 5

- HRC prices fall back; CRC market fluctuates; HDG market starts weakening; Plate market fluctuates slightly; Construction steel market head downwards.
- Iron ore prices move up; Ferroalloy market runs well; Coke sales are hot; Pig iron market uptrend continues; Billet/slab prices dip; Steel scrap prices grow.

Industry Dynamics Page 18

- Wuhan Steel to Issue RMB6bln Medium-term Note in Q1
- Baosteel Inks Pacts with Two FeMo Suppliers
- Taiyuan Steel 2009 Revenue Tops RMB101.3bln

Data Express Page 19

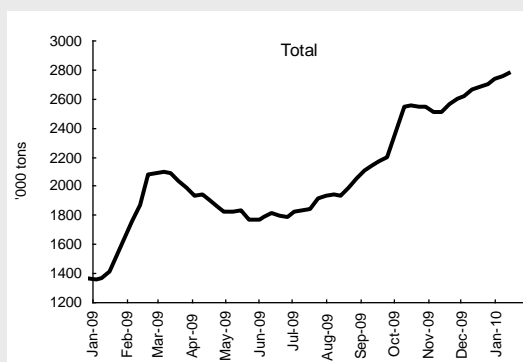
- Forward price
- Futures price
- Market prices
- Monthly output
- Stock

MyspiC* Board

	Present	WoW	MoM	YoY
Composite	146.9	-0.3%	5.8%	4.9%
Longs	158.2	-0.8%	4.8%	3.3%
Flats	134.0	0.1%	5.3%	8.1%

*See backpage for index methodology

Shanghai steel inventories during Jan 09-Jan 10



	'000 tons				
	HRC	CRC	Plate	Rebar	Wire rod
This Week	1441	382	313	542	101
WoW	1.6%	1.1%	1.2%	1.5%	-10.3%

Note: All the inventories in Shanghai are physically checked by Mysteel. Inventories of flats are collected from major 70 warehouses while the longs are collected from 58 warehouses, which account for 85 percent of the total inventories in Shanghai.

Benchmark prices on domestic spot markets

Products	National (RMB/t)	National (\$/t)	WoW	Shanghai (\$/t)
HRC 3.0	4087	599	-0.2%	583
CRC 1.0	5627	824	0.2%	852
Plate 20	4003	586	0.0%	590
HDG1.0	5241	768	0.3%	762
Rebar 20	3877	568	-0.6%	546
Wire rod65	3945	578	-0.7%	583

Note: All prices exclude 17% VAT, US \$ 1=RMB6.83

Source: MRI

China's Booming Auto Market Requires More Steel

China's auto industry continued to keep a high-speed growth, with total accumulated sales breaking the mark of 13 million units in 2009, setting a historical new high. The sales of passenger vehicles surpassed 10 million units for the first time. The robust growth of China's auto industry pushed the nation to top position of auto production and consumption around the world, forming strong support to related sectors.

In 2009 China's auto production and sales posted 13.79 million units and 13.64 million units respectively, up by 48 percent and 46 percent from a year earlier. Among the total, production and sales of passenger vehicles were 10.39 million units and 10.33 million units, up by 54 percent and 53 percent respectively year-on-year; of commercial vehicles, 3.41 million units and 3.31 million units respectively, up 33 percent and 28 percent from the same period of previous year.

Auto production, sales soar on robust demand

China's auto industry made prosperous achievements in the global economic downturn in 2009, mainly thanks to:

National economy's firm growth and central government's stimulus measures. China's national economy kept a strong growth rate in 2009, offsetting the impact from global financial crisis. The fast improvement of people's living standards gave to boost to China's auto industry. In addition, China central government applied a series of measures, like a 50% cut in VAT for passenger vehicle below 1.6L, to encourage auto consumption, accelerating the recovery of auto sector. In 2009, sales of passenger vehicle below 1.6L surged to nearly 7.2 million units, up by 71 percent year-on-year.

Robust demand from 2nd- and 3rd-tier cities. Inspired by central government's encouragement, potential demand from 2nd- and 3rd-tier cities released dramatically, forming the major drive for auto market boom in 2009. In the first nine months of 2009, auto sales in 2nd- and 3rd-tier cities posted 41% and 51% increases respectively.; in 1st-tier cities, 34% rise. Sales in 2nd- and 3rd-tier cities contributed 40 percent and 34 percent to China's total auto consumption.

Auto sector restructuring takes effect

Restructuring strengths auto sector

China's auto sector restructuring made great achievements in 2009, with proportion of passenger vehicles sales surging to 76 percent, 4 percentage points higher than 2008. In passenger vehicles, the proportion of low emission cars grew fast. In 2009, total sales of 1.6L (and below) passenger vehicles reached 7.2 million units, taking up 70 percent of market shares, 8 percentage points than 2008.

With production capacity expanding fast, China's auto industry faced a fiercer competition and automakers speeded up their consolidation. In 2009, sales of top ten automakers reached 11.89 million units, taking up 87 percent of the total sales volume, 4 percentage points higher than 2008. Currently, there are five automakers whose annual sales surpassed 1 million units. Sales of the five reached 9.66 million units, accounting for 71 percent of total sales volume.

The slowing fall in auto exports

Export in the recovery

China's auto exports fell to 332,400 units in 2009, down by 46 percent year-on-year. Among the total export, passenger vehicles slid down by 57 percent to 149,600 units. In passenger vehicles, car exports took the biggest proportion, 108,100 units, down by 59 percent from 2008. The exports of commercial vehicles dropped 32 percent to 182,800 units. The sluggish demand from international market delivered a serious impact onto China's auto exports. In the second half of 2009, China's auto exports market started turning up.

The auto exports also affected China's indirect steel exports. Along with the upturn in auto exports, China's indirect steel exports, mainly auto steel, are expected to move up.

A 10% rise in auto production

China's auto industry is going to maintain a firm growth in 2010. According to China Association of Automobile Manufacturers' forecast, China's auto production will increase 10 percent in 2010 to reach 15 million units. With robust purchasing power on domestic market, China's auto industry will continue to keep a high-speed growth in the coming ten years, which will strongly boost the demand for auto steel. Chinese steelmakers should closely collaborate with automakers to develop new steel productions.

A Forecast for China's Steel Market in H1 2010

Generally speaking, China's steel market will represent an overall uptrend during the first two months of 2010, and March might witness downward corrections. The downturn is likely to sustain through mid-April should no agreement on prices of raw materials like coke, coal and iron ore be reached in April. Afterwards, steel prices will possibly rebound until June. In case agreements on raw material prices are sealed in April, the period of correction may be shortened, followed by a consistent uptrend until June. It's worth noting that a surge of steel prices might lead to an earlier and sharper correction.

Affecting factors

There're quite a few factors supportive of an upward trend of domestic steel prices, such as cost, demand, global economy, electronic board market and futures market, market confidence and weather etc.. And these factors are expected to continue bolstering steel prices up in the near future.

Improving world economy spurs demand. In December 2009, the China's PMI was registered 56.6%, up 1.4 percentage points from previous month, and above 50% for the 10th month consecutively. Meanwhile, American economy shows improvement. By December 26, 2009, the number of people who applied for unemployment benefit for the first time dropped by 22,000 to 432,000, much better than anticipated. The improving economy internationally will translate into increase in steel demand

domestically as well as export, direct or indirect. Besides, the proactive fiscal policy and moderately loose monetary policies are going to stay in place, which forms another support for the rises of steel prices.

Support from cost

Rising cost props up steel prices. By December 31, 2009, the price for second-grade metallurgical coal in Tangshan, Hebei Province was as high as RMB1900/ton, up 11% from November. Iron ore prices on domestic spot market were also hiking at the same time. By end-December, the price on vehicle at Tianjin Port for Indian iron ore 63.5% has grown to RMB900/ton, up 13% from November. Indian government decided to increase tax on iron ore exported on December 24, 2009, which sent ore prices onto the upward track. The supply of contracted iron ore resources by the end of 2009 was in tension, and the spot prices remained strong. This adds up to the difficulty for the annual iron ore talk in 2010 and justifies the projection of continued rises in contract prices of iron ore this year.

Brisk season for flat products will boost steel prices. Historical record shows that the December-February period usually sees booming sales of automobile and household appliances. Therefore, demand for flat products during that period will turn robust and thence drive up steel prices. Firm CRC prices will help bolster HRC prices also. Downstream buyers, who speculated that the room of further correction in steel prices was limited last December, will increase purchases of steel products to keep their machines running. This serves as a direct push for steel price uptrend.

Stocks have limited impacts

Near-term high stocks have limited impacts on steel prices. Despite the sustained hikes in steel prices, China's national stocks of steel products by the end-December did not increase too much. Instead, stocks of HRC and some other flat products declined somewhat. The stabilized stocks mean steady downstream demand, delivering support for steel prices. The currently high stockpiles do not necessarily indicate falling prices since traders are mostly optimistic about January market and are actively hoarding. Nevertheless, close attention shall be given to stocks post the Spring Festival due in several weeks. If stocks increase sharply then, steel prices might start to fall back.

Stability in domestic financial market will bolster steel market. Recently, domestic electronic board and futures market both represent uptrend. This will certainly pull up spot prices of steel products. In the meantime, strengthening stock market at home and broad consolidate to some extent domestic steel futures market and electronic board business. Spot market, therefore, will also get benefitted in the end.

Enhanced market confidence also helps. For the moment, market participants all hold a promising prospect for future market. Steelmakers are generally optimistic about steel demand and prices in January as dealers tend to hold resources tight. The present prices, put in a full-year background, remain at low levels. And the market is generally confident right now and is likely to continue to be so through the first quarter.

Cold heats up steel prices. Lately, the North of China was hit by unprecedentedly cold weather, which has caused troubles in transportation. Deliveries in the northern area were hence obstructed. As a result, the production of some enterprises and the supply in some regions might be negatively affected. That means, finally, rising steel prices.

Conclusion

Uptrend to sustain in H1

To sum up, we believe that steel prices on domestic market will keep growing during the first two months of 2010. And downward modifications would start in March, given the risks from stockpiles, market conditions and policies etc..

The growth in stockpiles after the Spring Festival would stir concerns among participants and generate falloffs of steel prices. Corrections are highly possible when the talks on prices of raw materials especially iron ore are concluded. Besides, the National People's Congress and Chinese Political Consultative Conference to be convened in March might end up with modified policies, inducing corrections on steel market.

The second quarter, the routine brisk season, will see continuing uptrend on steel market until June as the economy continues to improve and the impacts of above elements diminish.

Market Monitor (January 11, 2009-January 15, 2010)

HRC

Fall back

The HRC prices fall back amidst market corrections this week. The highest price for HRC 3.0mm stands at RMB4380/ton in Chongqing, and the lowest at RMB3850/ton in Tianjin. The national average price slips by RMB12/ton to RMB4066/ton. Meanwhile, the highest price for HRC 4.75mm posts RMB4330/ton in Kunming, and the lowest RMB3780/ton in Tianjin. The national average level grows by RMB18/ton to RMB3949/ton.

This week China's HRC market represents a performance of corrections. Central government hiked reserve requirement by 0.5 percentage points last Thursday, causing the biggest price correction in New Year 2010. However, buoyed by high expectation for steelmakers' hikes in future ex-works prices, spot prices are going to face a higher cost.

In East China, HRC prices start correction with a downtrend. In Shanghai, leading price for HRC 3.0mm stands at RMB3980/ton, flat with last week; for 4.75mm, down by RMB10/ton, to RMB3850/ton. Spot prices fall back obviously, led by the plunge in futures market resulting from signs of tightened money supply. The situations of high stockpile and weak demand continue. In Shanghai, HRC stocks add 23,270 tons to 1,441,250 tons.

In South China, HRC prices go up in the first half of this week and then fall back in the late period. In Guangzhou, leading price for HRC 3.0mm rises by RMB20/ton to RMB4200/ton; for 4.75mm, down by RMB40/ton from last week, to RMB3980/ton. In South Central China, the average price for HRC 3.0mm dips by RMB10/ton to RMB4077/ton. A slight fall is also seen in Southwest China. The average price

here slips by RMB13/ton to RMB4363/ton.

In North China, local market represents a tentative increase at the beginning of this week. The average price here dips by RMB2/ton to RMB3913/ton. Shougang Group further hikes ex-works prices for HRC shipments, by about RMB104/ton. The Northwest market witnesses a slight fall in spot prices as the average price slides by RMB26/ton to RMB4067/ton. In Northeast China, the average price falls by RMB35/ton to RMB3915/ton.

China's HRC market is likely to maintain corrections in the near future.

For price adjustments of HRC Q235 4.75mm from domestic steelmakers, please refer to the table below.

RMB/ton

Steelmaker	Baosteel	Rizhao Steel	Baotou Steel
EXW Price (incl.VAT)	4495.14	3890	4030
Executive date	Jan 14	Jan 14	Jan 15

CRC

Under corrections

China's CRC market starts a round of fluctuations this week. The highest price for CRC 1.0mm stands at RMB6200/ton in Taiyuan, and the lowest at RMB4800/ton in Urumqi. The national average price grows by RMB10/ton to RMB5593/ton.

CRC market is operating in corrections, showing a slight downtrend. Central bank's 0.5% hike in reserve requirement brings an impact on financial market and expectations for CRC go down accordingly. Baosteel's move of holding February shipments flat with previous month is considered a negative factor to spot market.

In East China, CRC prices represent both increases and falls with a general downtrend. In Shanghai, leading price for Anshan Steel-made CRC 1.0mm stands at RMB5820/ton, a fall of RMB30/ton from last week. Market transactions seem quite slack. By contrast, the leading price in Hefei, Anhui Province, grows by RMB100/ton. In Shanghai, CRC stocks add 4,000 tons to 381,800 tons.

In South China, CRC prices fall back amidst flat transactions. In Guangzhou, leading price moves down by RMB50/ton to RMB5450/ton for Anshan Steel-made CRC 1.2-2.0mm. The South Central China market slips as a whole, mainly by RMB50/ton. Local steelmakers were moving ahead at full capacity for abundant booking orders. In Southwest China, the average price for CRC 1.0mm grows by RMB18/ton to RMB5385/ton. In Chengdu, leading price increases by RMB18/ton.

In North China, CRC market runs stably. In Tianjin, leading price for CRC 1.0mm stands at RMB5600/ton, flat with last week. Some traders start bringing few offers down, aiming to boost sales

volume. In North China, CRC market represents a differently upward trend. Local spot prices jump up. In Xi'an, leading prices surge by RMB250/ton. Market transactions, however, remain weak. The Northeast China market falls back from the peak. In Shenyang, leading price falls by RMB50/ton.

China's CRC market is likely to carry current corrections into next week, and prices may fall back further.

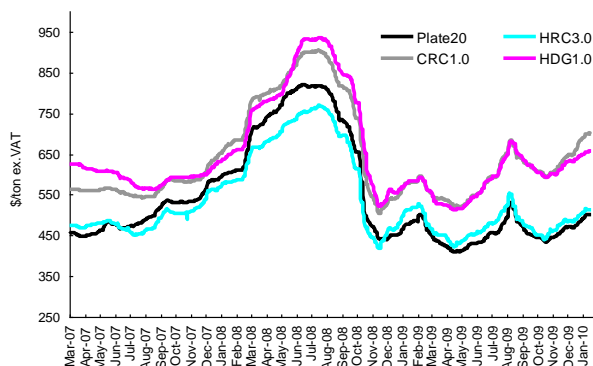
HDG

Slowed growth

In the slack season the uptrend in China's HDG market slows down this week. HDG prices seem hard to grow firmly and market weakness continues, showing that this round of performance has entered a period of corrections. The highest price for HDG 1.0mm stands at RMB5550/ton in Guangzhou, and the lowest at RMB4950/ton in Harbin. The national average price grows by RMB15/ton from last week to RMB5241/ton.

In East China, HDG prices tend to slow the growth. In Shanghai, leading price for HDG 1.0mm stands at RMB5200/ton; in Hangzhou, at RMB5280/ton; in Boxing, at RMB5000/ton. Market transactions start ceasing the uptrend. And Baosteel's fresh ex-works prices fail to meet market players' expectation.

Average steel prices on national spot markets (flat products)



Source: MRI

In South China, HDG prices inch up amidst stable performance and modest transactions. In Guangzhou, the leading price here for Anshan Steel-made HDG 1.0mm stands at RMB5550/ton. The market offers in South Central China hold stable and prices for some spec products grow moderately. The leading price for Wuhan Steel-made HDG 1.0mm stands at RMB5250-5300/ton. In Southwest China, HDG prices move up by RMB50-100/ton, holding stable. In Chengdu, leading price grows by RMB50/ton to RMB5350/ton for HDG 1.0mm.

In North China, HDG prices go down slightly in weak transactions. In Beijing and Tianjin, the leading price for Anshan Steel-made HDG 1.0mm stands at RMB5120/ton. Local transactions plunge nearly 50 percent than previous period. In Northwest China, market prices hold stable. The leading price stands at

RMB5250-5300/ton. The Northeast China market runs stable amidst weak transactions.

Driven by increasing costs, the HDG prices in China will keep an uptrend in the near future.

For price adjustments of HDG products from domestic steelmakers, please refer to the table below:

RMB/ton

Steelmaker	Baosteel	
	0.5mm	1.0mm
Spec.	0.5mm	1.0mm
EXW Price (incl.VAT)	5677	5377
Executive date	Jan 14	Jan 14

Plate

Minor undulations

The plate prices on major markets across China experience slight fluctuations this week, mainly by RMB30/ton. The highest price for plate 20mm stands at RMB4280/ton in Kunming, and the lowest at RMB3760/ton in Shijiazhuang. The national average price inches up by RMB2/ton to RMB4003/ton.

On most local markets in China plate prices hold stable. Central government's 0.5% hike in reserve requirement is regarded a negative impact onto spot market. However, steelmakers continue to bring their plate ex-works prices up, Baosteel's RMB200/ton for instance, forming support to spot prices.

In East China, plate prices hold stable as a whole. Local steelmakers tighten supply and resources from North China are hampered by terrible weather conditions. In Shanghai, leading price for Yingkou Plate-made resources 14-20mm stand at RMB4030/ton, flat with last week. The stocks in Shanghai add 3,710 tons to 316,700 tons.

In South China, plate prices also keep steady in general amidst flat transactions. In Guangzhou, leading price stands at RMB4150/ton for Shaoguan Steel-made plate 14-20mm, flat with last week. In South Central China, plate prices hold firm. In Changsha, leading price grows by RMB30/ton from last week to RMB4090/ton for Liuzhou Steel-made plate 14-20mm. In Southwest China, plate prices go down slightly. In Chongqing, leading price stands at RMB4080/ton, flat with last week.

In North China, plate prices slide down. Without effective demand from downstream sectors, transactions seem unsatisfactory. In Beijing, leading price for Tiangang Group-made plate 14-20mm stands at RMB3850/ton, down by RMB10/ton from last week. In Northwest China, plate prices maintain slight corrections. In Xi'an, leading price falls by RMB20/ton to RMB3980/ton for plate 14-20mm. The Northeast China market represents slight increases. In Shenyang, leading price stands at RMB3920/ton, flat with last week.

As a whole China's plate market holds stable. Next week, plate prices are likely to maintain corrections.

For price adjustments for plate 20mm and low alloy plate 20mm from domestic steelmakers, please refer to the tables below:

Price adjustments for plate 20mm:

RMB/ton

Steelmaker	Sanming Steel	Chongqing Steel	Baotou Steel	Zhaoshun Steel	Changda Steel
EXW Price (incl.VAT)	4030	4500	4260	4060	4150
Executive date	Jan 11	Jan 11	Jan 15	Jan 11	Jan 11

Price adjustments for low alloy plate 20mm:

RMB/ton

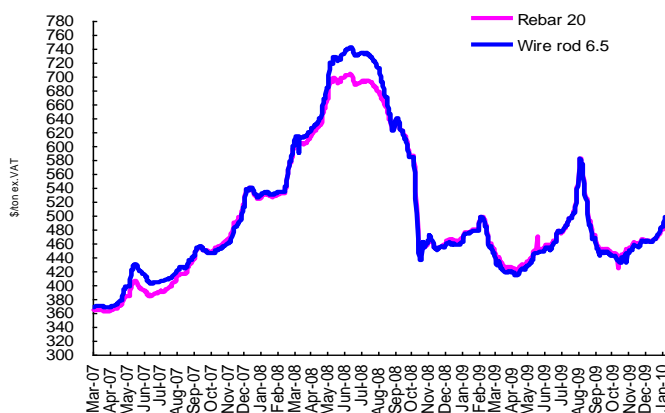
Steelmaker	Sanming Steel	Chongqing Steel	Huawei Steel	Zhaoshun Steel	Chunye Steel
EXW Price (incl.VAT)	4230	4600	4210	4210	4280
Executive date	Jan 11	Jan 11	Jan 11	Jan 11	Jan 11

Rebar/wire rod

Fall down

China's construction steel market tends downwardly this week. Different falls are seen on major markets across the nation, except an increase of RMB100/ton on very few markets. The highest price for rebar 20mm stands at RMB4150/ton in Shenyang, and the lowest at RMB3610/ton in Harbin. The national average price falls by RMB24/ton to RMB3882/ton. Meanwhile, the highest price for wire rod 6.5mm stands at RMB4150/ton in Kunming, and the lowest at RMB3710/ton in Taiyuan. The national average level moves down by RMB23/ton to RMB3946/ton.

Average steel prices on national spot markets (long products)



Source: MRI

In East China, construction steel market seems slack as a whole, impacted by the plunge in futures market. In Shanghai, leading price for rebar 20mm stands at RMB3730/ton; in Hangzhou, at

RMB3830/ton, down by RMB40/ton and RMB10/ton respectively. In Shanghai, rebar stocks add 8,000 tons; wire rod falls by 12,000 tons to 101,000 tons.

In greater South China, including south central and southwestern areas, construction steel prices fall back slightly. In Guangzhou, Wuhan, and Chengdu, leading prices for rebar 20mm stand at RMB4030/ton, RMB3920/ton and RMB4120/ton respectively, down by RMB10/ton, RMB20/ton, and RMB30/ton from last week. Market transactions remain weak and stocks pile up slightly.

In North China, market prices represent sharp falls, mainly by RMB50-80/ton. In Beijing and Tianjin, leading prices for rebar 20mm stand at RMB3730/ton, down by RMB70-80/ton from last week; for wire rod 6.5mm, at RMB3750/ton and RMB3770/ton respectively, down by RMB70-80/ton. Except very few deals inked in Xi'an and Lanzhou, there are almost none transactions in the construction steel market in Northwest China. In Northeast China, prices maintain stable. In Xi'an and Shenyang, leading prices stand at RMB3700/ton and RMB3610/ton respectively.

Next week China's construction steel market is likely to maintain corrections with a downtrend.

For price adjustments for rebar 20mm and wire rod 6.5mm from domestic steelmakers, please refer to the tables below:

Price adjustments for rebar 20mm:

RMB/ton

Steelmaker	Chongqing Steel	Sanming Steel	Jincheng Steel	Zennith Steel	Yongcheng Steel
EXW Price (incl.VAT)	4150	3820	3850	3980	3889
Executive date	Jan 12	Jan 11	Jan 14	Jan 11	Jan 11

Price adjustments for wire rod 6.5mm:

RMB/ton

Steelmaker	Chongqing Steel	Sanming Steel	Jincheng Steel	Zennith Steel	Yongcheng Steel
EXW Price (incl.VAT)	4080	3950	3830	4050	4190
Executive date	Jan 11	Jan 11	Jan 14	Jan 11	Jan 11

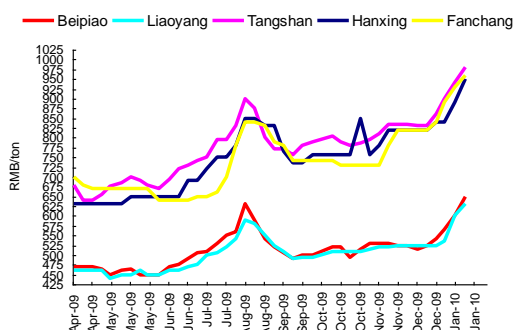
Raw materials

Iron ore

Robust growth This week, the dynamic growth momentum persists on domestic iron ore market, prices moving up for two weeks in a row. Supply tension appears in some regions where traders are active in concluding

business, which causes slight increase in real transaction volume. Many iron ore miners in the North halted production currently for the low temperature while dealers there hold a rosy prospect for future market and thence hold tight their resources. In the South, the overwhelming speculation for hikes generates different rises in miners' ex-works prices. By the weekend, imported iron ores maintain RMB30-50/ton higher than domestic ores, which translates into dense speculative atmosphere on domestic market.

Lately, raw material prices slow down in hiking, and China steel market shows signs of weakness with flat business and climbing stockpiles. But Chinese steelmakers' capacities remain stably high, the national output of crude steel in China during the middle part of December 2009 being 1.649 million tons each day, and thus continue consuming large amount of iron ores.



Domestic iron ore miners are running at low capacity recently, leading to reduction in output and consequently a tight supply. At the same time, traders are happily engaged in hoarding on promising outlook after the Spring Festival. This adds to miners' confidence thence. Taken all in account, domestic iron ore market shall basically stay stable, with possible rises in some regional markets.

In North China, iron ore market represents continued minor hikes in some regions. Inquiries and sales are both flat with earlier. In Tangshan, Hebei Province, slight rises are in place. Most large and medium steelmakers increase their purchases. Most northern miners, confident in future market, take their time in making deliveries. What's more, the snows bring some trouble to transportation and causes decline in supply on the market.

In Northeast, the uptrend continues in some regions this week. Local steel mills keep their purchase prices unchanged this week. But sales in Hebei, Henan, Shanxi, Anhui and Jiangsu Province are all good. The current market demand makes hikes in steelmakers' purchase prices later highly possible.

Big rises are seen in East China and some markets in Central and South China this week. Transactions remain flat with previous week, as supply decreases on high prices. Steelmakers are generally concerned about future supply in view of rising prices of overseas ores and inadequate supply of domestic resources. Miners are mostly holding a rosy outlook for later January.

For iron ore prices in domestic market, please refer to the table below.

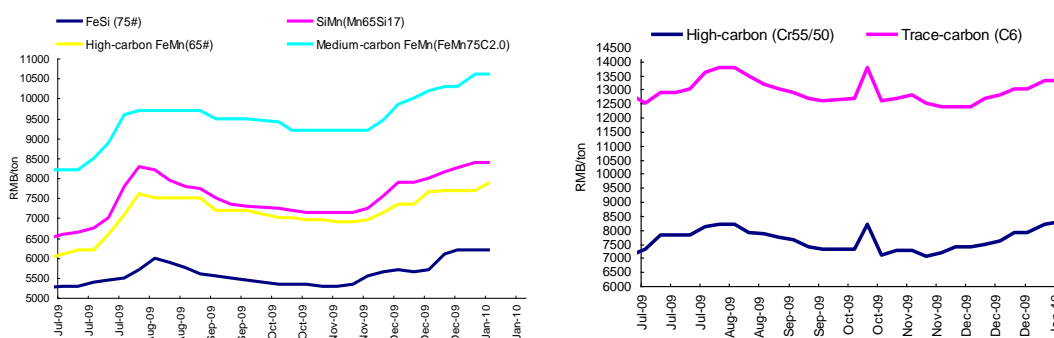
Unit: RMB/ton

	Beipiao*	Liaoyang	Tangshan	Hanxing*	Fanchang
Grade	66%(wet basis)	65%	66%	66%	64%
Prices	650	620-640	980	950	960
Regions/ Provinces	Liaoning	Liaoning	Hebei	Hebei	Anhui

Ferroalloy

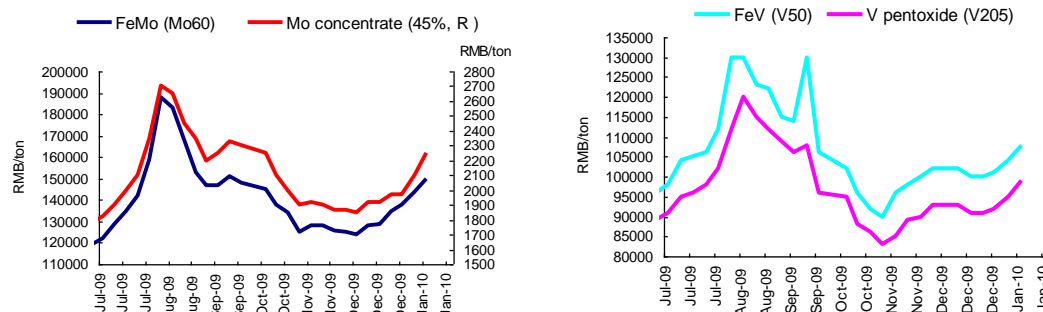
Runs well Ferroalloy market still runs well this week. Common alloy market is under corrections at high price-levels. Ferromolybdenum prices surge, but sales shrink. Ferrovandium prices keep rising. Ferrosilicon market is basically stable. Ferromanganese market sees intense spot supply, prices fluctuating at high levels. Ferrochrome market starts to stabilize at high price levels.

This week, ferromolybdenum prices report big rises. By Friday, the leading quotation for FeMo60 posts RMB150000-155000/ton. The surges in ferromolybdenum prices are attributable to the decline in low-price inventories on domestic market and hot sale internationally as well. Sales, nevertheless, are not as good as expected because many mills have completed purchases during the mid-month.



Source: Mysteel database

Ferrosilicon market stays stable this week, demand being flat, prices declining. Inquiries from downstream mills and dealers are both on the fall this week. But most participants still expect a relatively stable market in the near future. On the other hand, the blocked transportation-led rising freight pushes up some producers' cost and eats more of their profits.



Source: Mysteel database

The prices for high-carbon ferrochrome on domestic market are stabilizing at high track. Baosteel keeps silent about its February purchase prices for high-carbon ferrochrome, which is expected to be settled

this week. The replenishment is going to finish in about a week, which convinces many traders that the market would start stabilizing and therefore expand sales steadily. The prices for medium/low-carbon ferrochrome surge this week on tight spot supply. Next week, ferrochrome prices are likely to maintain a moderate uptrend, with possible corrections when Baosteel announces its purchase prices.

Ferrovandium prices continue rising this week on firm raw material market. Inquiries from small mills and traders see increases and sales improve somewhat. The Wednesday price surge on global market and rising raw material prices drove domestic ferrovandium plants to raise their quotations to as high as RMB110000/ton, some even offering RMB112000/ton. And the uptrend is expected to continue through next week.

For ferroalloy prices in domestic market, please refer to the tables below.

Unit: RMB/ton

Product	FeMo	Mo concentrate	FeV	V pentoxide	Mn concentrate
Spec.	Mo60	45%	V50	V2O5	Mn45%
Price	150000	2250/mtu (in.vat)	108000	99000	52
Changes	+6000	+150	+4000	+4000	-8
City/region	Jinzhou	Luanchuan	(Widely accepted)	Nanjing, Panzhuhua	(widely accepted)

Common ferroalloy prices:

Unit: RMB/ton

Product	FeSi	SiMn	High-carbon FeMn	Medium-carbon FeMn
Spec.	75#	Mn65Si17	65#	FeMn75C2.0
Price	6200	8400	7900	10600
Changes	-	-	+200	-
Region	(Widely accepted)			

Ferrochrome Prices:

Unit: RMB/base ton

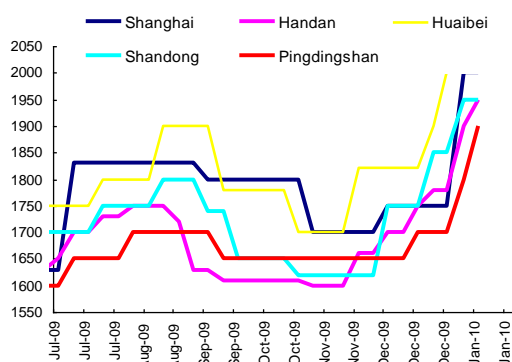
Product	High-carbon	Medium-carbon	Trace-carbon
Spec.	Cr55(50)	C25	C6
Price	8300	-	13300
Changes	+100	-	-
Region	North	Zhejiang	Zhejiang

Coke

Up RMB100/ton

Coke market reports smooth sales and RMB100/ton hike this week. The prices of metallurgical coal are still on the rise, so is the freight because of the transportation tension. Coking plants, therefore, remain in red for the moment. The respective coking association in Shanxi, Shandong and Hebei Province all suggested a RMB100-150/ton hike in January coke price. Coking plants have called for rises, in

response to which steelmakers choose to wait and see for steel prices start to slide down in the past days. But hikes in coke prices are nonetheless inevitable across domestic market lately by some RMB100/ton.



In North China, growing prices of metallurgical prices pressed coking plants to raise coke prices further. Supply is terribly short in Taiyuan, Shanxi Province, which sees big rises. The first-grade metallurgical coal price is raised RMB130/ton. Other regional markets in Shanxi Province also eye varying hikes for coke prices this week. In Hebei Province, coke market is stable on smooth sales, and prices are also

stable. Coking plants in Hebei have already extended orders at hiked prices to steel mills, who haven't sealed yet contracts in view of the corrections on steel market lately.

In East China, coke market sees large rises. The current coke price has surpassed the high recorded in 2009, and the coke price in East China has been taking the lead domestically. The ex-works price for second-grade metallurgical coal is posted RMB1900-2000/ton. The price to factory steelmakers pay has exceeded RMB2000/ton. The ex-works price and price on vehicle for first-grade metallurgical coal both stand at around RMB2050/ton. Coke price here is expected to stay on high level awhile on tight supply, resulted from high cost and continuing replenishing on the part of steelmakers.

In Southwest, coke market maintains a good momentum, with smooth sales and rising prices. The continued hikes in North China and East China since the new year, together with rising metallurgical coal prices, help pull up coke price, up by RMB150/ton accumulatively so far.

For coke prices in domestic market, please refer to the table below.

Unit: RMB/ton

Regions/provinces	Shanghai	Handan	Huaibei	Shandong	Pingdingshan
Second-grade price	2000	1950	2000	1950	1900
Changes	-	+50	-	-	+100
Regions/provinces	Shanghai	Hebei	Anhui	Shandong	Henan

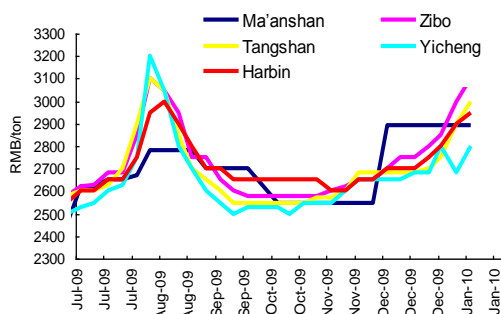
Pig iron

Maintains an uptrend

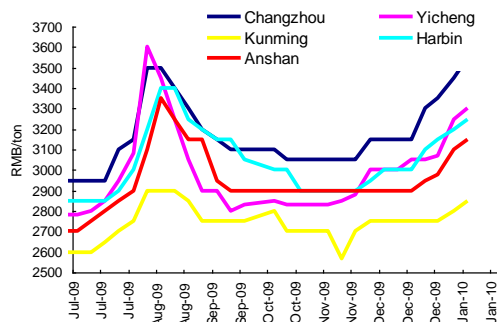
Pig iron market carries over the uptrend this week. Steelmaking pig iron prices continue moving up on supply shortage. Steelmakers are in difficulty securing supply at this moment for their purchase prices are far lower than pig iron producers' quotations. Though some steelmakers raise their purchase prices, sales remain not smooth, there are also some mills that halt purchase for now.

On casting/ductile pig iron market, sales are hot. Pig iron plants in Jiangsu, Shandong, and Hebei Province etc. hold no inventories at present. With enough orders at hand, they have halted offering right now, not taking new orders either. Some plants have suspended production due to difficulties in purchasing coke, electricity shortage and transportation bottleneck. With the support from firm raw material prices and strong demand, pig iron market will possibly maintain current growth momentum.

The prices of steelmaking pig iron



The prices of casting/ductile pig iron



Source: Mysteel database

In East China, pig iron market runs well, prices here being higher than other regions. In Shandong Province, pig iron prices keep rising on tight supply. Plants are busying completing orders currently. Sales on casting/ductile pig iron market are so hot that producers fail short of supply.

In North China, the uptrend continues. In Hebei Province, pig iron market performs extremely well, prices being hiked twice this week by over RMB100/ton. Plants hold no inventories and have full orders. The price of steelmaking pig iron here is posted RMB3000-3100/ton, for casting pig iron RMB3400-3450/ton, and for ductile pig iron around RMB3400/ton. In Shanxi Province, pig iron market is relatively weak, prices are under upward pressure and sales are not smooth either. Supply of steelmaking pig iron is somewhat intense as that of casting/ductile pig iron is sufficient, but sales are flat.

In Northeast China, pig iron prices continue hiking. Some producers have to shut down furnaces for lack of coke supply. The present quotation for steelmaking pig iron here is quoted RMB2950-3050/ton, for casting pig iron RMB3250-3300/ton, for ductile pig iron RMB3200-3250/ton. Tangshan Steel still do not resume purchase this week. The purchase price of Shougang Group this week is RMB2820/ton, of Baotou Steel RMB2760/ton.

In West and Central China, pig iron prices keep climbing up. In Yunnan Province, pig iron market maintains the uptrend. Steelmakers are active in purchasing. Sales are good and plants have no inventories. The price for steelmaking pig iron in Yunnan Province is basically RMB2700-2750/ton, for casting pig iron RMB2800-2850/ton. Xinyu Steel raises its purchase price this week to RMB2900/ton.

For pig iron prices in domestic market, please refer to the tables below.

Unit: RMB/ton

Steelmaking pig iron	Ma'anshan *	Zibo	Tangshan*	Yicheng	Anyang *	Harbin	Kunming
L08-10	2890	3100	3000	2950	2950	2950	2750
Changes	-	+100	+100	-	+100	+50	+50
Regions/Provinces	Anhui	Shandong	Hebei	Shanxi	Henan	Heilongjiang	Yunnan

Note: * stands for steelmakers' base purchase price

Unit: RMB/ton

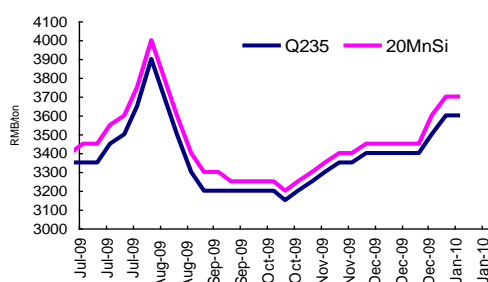
Casting pig iron	Changzhou	Taiyuan	Yicheng	Kunming	Guiyang	Harbin	Anshan
Z18-22	3550	3300	3300	2850	2900	3250	3150
Changes	+100	+50	+50	+50	-	+50	+50
Regions/Provinces	Shanxi	Shanxi	Shanxi	Yunnan	Guizhou	Heilongjiang	Liaoning

Billet/slab

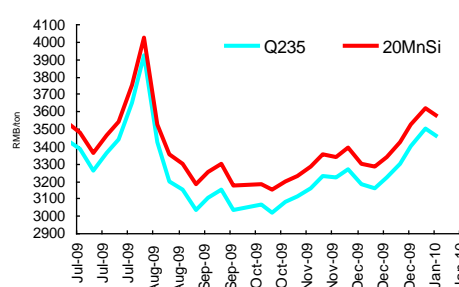
Slight falls

The domestic billet market is in speculative atmosphere this week. A few regions undergo minor correction of RMB50/ton. Affected by falling futures prices, freezing weather and sluggish demand, spot market starts weakening. But billet prices remain basically stable. The raised reserve requirements on banks are putting pressure upon steel market, leading steel prices to slide down. Market participants are anxious to conclude sales. But billet market managed to stay stable. With the support of raw material prices, billet market is likely to see moderate corrections.

The billet/slab prices in Jiangsu Province



The billet/slab prices in Hebei Province



Source: Mysteel database

In East China, future prices fell on the announcement of increases in requirements banks set aside for reserves, putting steel market under some pressure. But steelmakers mainly offer slight rises, which gives steel market confidence that prices would not possibly slump lately. Besides, prices of raw materials hold strong, help bolstering steel prices and billet prices in consequence. Billet producers in

East China are still in face of great stress from scarce of orders. Therefore, billet market will stay upon high track, undulating from time to time in the soon future.

In North China, market demand remains poor and downstream buyers are in speculative mood. The construction steel market in the North is still weak this week. Meanwhile, stocks of finished steel products are mounting up. All these make sales of billet slow. On the other hand, high prices of raw materials prevent billet prices from falling too much. On the whole, billet market will stay stable in speculative atmosphere.

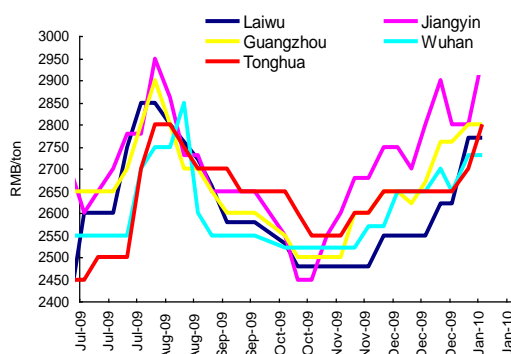
Unit: RMB/ton

Billet	Jiangsu*	Shandong	Hebei	Shanxi	Liaoning	Tianjin*	Fujian
Q235	3600	3600	3450	3450	3550	3530	3580
Changes	-	-	-50	-	-	-50	-
20MnSi	3700	3700	3570	3600	3670	3630	3680
Changes	-	-	-50	-50	-	-50	-
Region/ Province	Neighboring areas	Zibo	Tangshan	Jincheng	Liaoyang	Tianjin	Fujian

Note: * stands for price on delivery.

Steel scrap

Head up This week, the uptrend on steel scrap market continues. Recent steel market has been under corrections as a result of blighted demand, poor sales, cold weather and negative macroeconomic affecting factors as well. Steel prices have begun sliding down in some regions, along with transactions. Scrap market will likely keep robust on the whole lately, with occasional corrections on firm raw material prices and major mills' strong purchase prices.



In East China, scrap prices rise largely, by RMB50-180/ton. Sales are fine. Fluctuations are in sight along with undulating construction steel market. In Jiangsu Province, scrap prices gain a lot. Steelmakers are vying for resources with growing prices. Shagang Group's purchase price was raised by RMB180/ton accumulatively. In Shandong Province, business is obstructed by the snowy weather. The purchase prices hiked last

week by major mills are kept stable currently. Yantai Steel hikes its purchase price by an accumulative RMB130/ton. Scrap market in Jiangxi Province runs stably with minor hikes. In Shanghai, scrap market represents an uptrend.

In South China, scrap market stays stable this week. But market prices fluctuate downward with falling steel prices. The current price for heavy scrap in Guangzhou is posted RMB2780-2830/ton. In Central

China, scrap market is basically stable. Steel scrap prices in Southwest stay stable this week following previous RMB50-100/ton hike. A small number of steelmakers adjust their purchase prices. For instance, Guizhou Steel adjusted its purchase price for heavy steel scrap at RMB2700/ton.

In the north, uptrend is the key word on steel scrap market. Scrap prices dipped with the falling construction steel prices. A few mills also cut slightly purchase prices after earlier surges. In North China, major steel mills' purchase prices are kept at RMB2740-2800/ton, the market price rise fluctuates. The settling price (excluding VAT) for heavy scrap here is posted RMB2550-2650/ton.

In Northeast, the purchase price for scrap is raised by RMB100-150/ton. Lingyuan Steel offers a hike of RMB120/ton this week, followed by a reduction of RMB70/ton accumulatively. It offers RMB3080/ton for heavy steel scrap. In Northwest China, steel scrap market runs stable. The price to factory (including VAT) for heavy scrap posts RMB2400-2600/ton.

For steel scrap prices in domestic market, please refer to the table below.

Unit: RMB/ton

Steel scrap		Chongqing	Laiwu	Jinan*	Hefei*	Jiangyin	Guangzhou
6-8mm		2750	2770	2630	2670	2950	2800
Changes		-	-	-	+50	+150	-
Steel scrap		Wuhan	Liupanshui	Tianjin	Benxi	E'cheng	Tonghua
6-8mm		2730	2700	2800	2650	2480	2800
Changes		-	+50	-	+50	+100	+100

Note: * stands for concluded price excluding VAT

Industry Dynamics

Wuhan Steel to Issue RMB6bn Medium-term Note in Q1

Wuhan Iron and Steel Group are going to issue RMB6 billion worth medium-term note in the first quarter of this year, as learned from China Government Securities Depository Trust and Clearing Co., Ltd..

The first RMB2 billion notes targeting institutional investors will be available on January 15 on National Interbank Bond Market, and a fixed interest rate will be set. Industrial and Commercial Bank of China will serve as the leading underwriter. The value date is set on January 18, 2010 and the date of payment is January 18, 2013, or postponed if it happens to be a holiday. The remaining of the planned sum will be issued within the first quarter.

Nearly 70% of the first batch of fund collected will be spent in buying iron ore, coal and other raw materials.

Echeng Steel 2009 Profits Set High after Restructuring

Echeng Iron and Steel Co., Ltd, a member of Wuhan Iron & Steel Group in Hubei Province, gained a sales income of RMB9.14 billion and RMB300 million in profits in 2009, a new high five years after being combined by Wuhan Iron and Steel Group.

In 2005, when Echeng Steel was merged by Wuhan Steel, its gross value was RMB7.041 billion and its profit was posted RMB102 million.

Echeng Steel took to aggressive measures to struggle with the economic turmoil, reducing production cost, increasing production of profitable construction steel products as commercial wire rod and bar, and developing new products as well.

Baosteel Inks Pacts with Two FeMo Suppliers

Baosteel signed long-term cooperation agreements with two FeMo suppliers, China Molybdenum Co., Ltd. and Luanchuan Longyu Molybdenum Co., Ltd. Baosteel is the largest FeMo consumer in China and maintains close relationship with several FeMo suppliers.

China Molybdenum Co., Ltd. is the country's largest producer of Mo products in terms of output. They have agreed on communication, purchasing, supplying and after-sales services and vowed to broaden cooperation, resist market risks and seek maximum profits. The agreements will be valid for three years.

Shijiazhuang Steel Earns RMB560m In Pre-tax in 2009

Shijiazhuang Iron & Steel Co Ltd gained RMB560 million in pre-tax profit and RMB220 million profit, and RMB6.68 billion in sales income. For the full year, the steel mill produced 1.9 million tons of pig iron, 1.84 million tons of steel and 1.75 million tons of steel products.

Shijiazhuang Steel has developed altogether 53 new products in 2009. Meanwhile, the company also saw remarkable result after carrying out new management system and developing recycling economy. In 2009, the company saved as much as RMB200 million in the field of salvage utilization.

The mill exported 143,000 tons of auto-used steels to over 20 countries and regions last year, earning \$73.34 million of foreign exchange.

China Steel Export Exceeds 3m In tons in Dec 2009

In December, 2009, China exported 3.34 million tons of steel products, growing 0.49 million tons from November, and up 5.36% year on year. The total steel export for the full year recorded 24.6 million tons, declining 58.5% over 2008.

China's steel import in December was 148 million tons, up 0.19 million tons from November, and up 59.14% year over year. The gross import in 2009 was 17.63 million tons, up 14.3% year-on-year.

December export of billet was 10 thousand tons, and import was 90 thousand tons, a decrease of 0.21 million tons from November.

China imported 62.16 million tons of iron ore in December, growing 11.09 million tons from November, and up 80.02%

from a year earlier. The total import of iron ore was recorded 627.78 million tons, up 41.6%.

Tiantie Group to Build 10m-ton Steel Base in 3 Years

Tianjin-based Tiantie Metallurgical Group plans to forge a 10 million-ton production base of steel in three years, capable of yielding 6.5 million tons, 6.5 million tons of steel and 7 million tons of steel products. It's expected to earn RMB6.5 billion revenue.

In 2009, Tiantie produced 5.83 million tons of pig iron, up 35.3% year on year; 5.55 million tons of steel, a year-over-year increase of 24.7%; 5.5 million tons of steel products, up 59.2% from previous year. It earned RMB60.5 billion revenue, a growth of RMB10 billion, and a profit of RMB630 million. It also developed 48 products last year.

Baoshan Steel Supplies 1m-ton Steel for Major Projects in 2009

Baoshan Iron and Steel Co., Ltd, the listed unit of Baosteel Group, supplied 1.064 million tons of steel products for the nation's major projects in 2009.

The company won orders to provide steel products for more than 160 projects across the nation, including key projects as Shanghai World Expo, Hongqiao Traffic Hub, etc.. It took full use of the opportunity of robust demand to win orders for projects covering construction of bridges, venues and stadiums, high-rise buildings and energy facilities. It not only supply HRC, steel pipes, heavy plates and coated and plated sheets, its major products, but also stainless steel, silicon steel and so on.

Taiyuan Steel 2009 Revenue Tops RMB101.3bn

In 2009, Taiyuan Steel gained RMB101.3 billion in operating revenue, and RMB1 billion in profits, beating the adverse economic environment during the deep recession.

The steelmaker produced 9.46 million tons of steel last year, growing 30% from previous year. Of which, output of stainless steel was 2.48 million tons, up 38% year on year. At a time when global production of stainless steel was on the decline, Taiyuan Steel tops the first by output across the globe with more than 2 million tons.

Data Express

Forward Price

Average HR forward price in Shanghai on January 15, 2010

Unit: RMB/ton

Settlement Time	This Friday	Last Friday	Change
Jan 2010	3,834	3,846	-12
Feb 2010	3,855	3,888	-33
Mar 2010	3,941	3,972	-31
Apr 2010	4,025	4,075	-50

May 2010 4,093 4,170 -77

Note: The above HR is in line with Chinese standard, with thickness of 5.75mm and with a width of 1500mm.
Source: Shanghai Steel Exchange Center

Average forward price for CR stainless steel sheet 304/2B on January 15, 2010

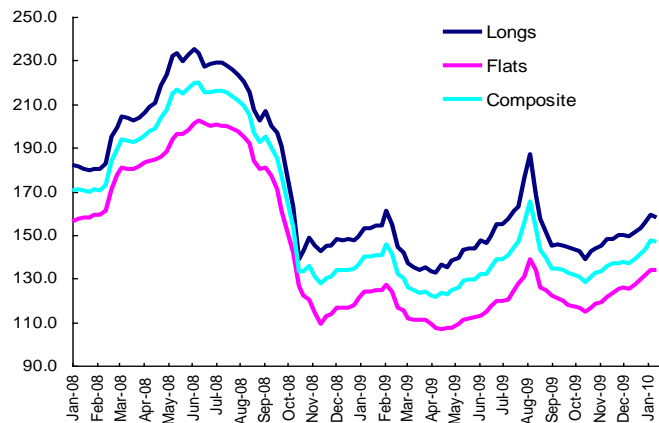
Unit: RMB/ton

Settlement Time	This Friday	Last Friday	Change
Feb 2010	22,130	22,000	130
Mar 2010	22,520	22,360	160
Apr 2010	22,930	22,690	240
May 2010	23,330	23,010	320
Jun 2010	23,560	23,280	280

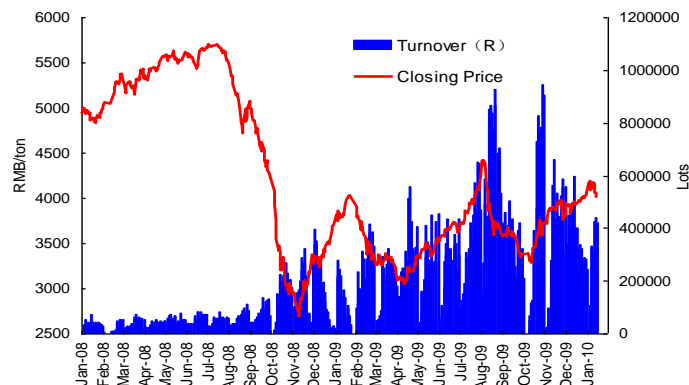
Note: Standard specification: Thickness=2.0mm, width=1219mm or 1000mm. For substitute: Thickness=0.8mm, 1.0mm, 1.2mm, 1.5mm, 2.5mm, 3.0mm, width=1219mm or 1000mm

Source: www.exbxg.com, operated by Wuxi Stainless Steel Exchange Center

MyspiC (January 15, 2010)-Mysteel Price Indices of China



Forward price & turnover of HR in China during Jan 08-Jan 10

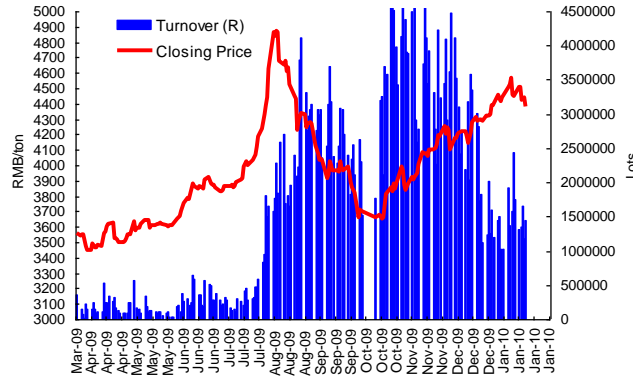


Note: 1. The above HR is in line with Chinese standard, with thickness of 5.75mm and with a width of 1500mm;
2. 1 lot =10 tons.

Source: Shanghai Steel Exchange Center

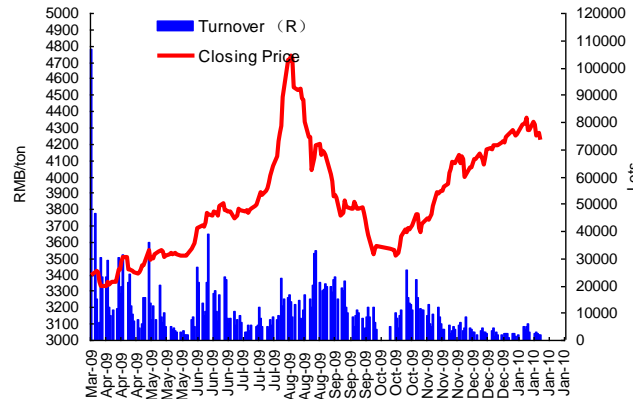
Futures Prices

Futures price & turnover of rebar during Mar 09-Jan 10



Note: 1. The above rebar is in line with Chinese standard, with diameter of 16mm, 18mm, 20mm, 22mm, and 25mm;
 2. 1 lot =10 tons.
 Source: Shanghai Futures Exchange

Futures price & turnover of wire rod during Mar 09-Jan 10



Note: 1. The above wire rod is in line with Chinese standard, with diameter of 8mm;
 2. 1 lot =10 tons.
 Source: Shanghai Futures Exchange

Market Price

Main steel product price on January 15, 2010 in China (by city)

Unit: RMB/ton

Plate 20mm	Shanghai	Nanjing	Fuzhou	Guangzhou	Chengdu	Wuhan	Zhengzhou	Beijing	Taiyuan	Harbin
January 15	4030	4080	4080	4150	4080	3950	3900	3850	3950	4000
January 8	4030	4020	4050	4150	4120	3940	3900	3860	3950	3980
changes	0	60	30	0	-40	10	0	-10	0	20
HR 3.0mm	Shanghai	Nanjing	Fuzhou	Guangzhou	Chengdu	Wuhan	Zhengzhou	Beijing	Taiyuan	Harbin
January 15	3980	4150	4100	4200	4330	4200	3980	3920	3950	3930
January 8	3980	4150	4180	4180	4350	4180	4020	3900	3980	3960

changes	0	0	-80	20	-20	20	-40	20	-30	-30
HR 4.75mm	Shanghai	Nanjing	Fuzhou	Guangzhou	Chengdu	Wuhan	Zhengzhou	Beijing	Taiyuan	Harbin
January 15	3850	3950	4000	3980	4180	3900	3900	3830	3890	3850
January 8	3860	3970	4080	4020	4180	3920	3950	3830	3910	3880
changes	-10	-20	-80	-40	0	-20	-50	0	-20	-30
CR 1.0mm	Shanghai	Nanjing	Fuzhou	Guangzhou	Chengdu	Wuhan	Zhengzhou	Beijing	Taiyuan	Harbin
January 15	5820	5730	5650	5580	5350	5380	5700	5950	6200	6000
January 8	5850	5680	5650	5600	5280	5430	5700	5950	6200	6000
changes	-30	50	0	-20	70	-50	0	0	0	0
Rebar 20mm	Shanghai	Nanjing	Fuzhou	Guangzhou	Chengdu	Wuhan	Zhengzhou	Beijing	Taiyuan	Harbin
January 15	3730	3950	3770	4030	4120	3920	3820	3730	3750	3610
January 8	3770	3950	3820	4040	4150	3940	3820	3810	3750	3610
changes	-40	0	-50	-10	-30	-20	0	-80	0	0
High speed wire rod 6.5mm	Shanghai	Nanjing	Fuzhou	Guangzhou	Chengdu	Wuhan	Zhengzhou	Beijing	Taiyuan	Harbin
January 15	3980	4100	4000	4020	4030	3980	3960	3750	3710	3750
January 8	4000	4050	4040	4020	4080	4000	3960	3820	3760	3750
changes	-20	50	-40	0	-50	-20	0	-70	-50	0
5# Angles	Shanghai	Nanjing	Fuzhou	Guangzhou	Chengdu	Wuhan	Zhengzhou	Beijing	Taiyuan	Harbin
January 15	3860	3900	3850	3780	3930	3770	3760	3630	3600	3550
January 8	3750	3800	3750	3750	3900	3770	3730	3630	3650	3550
changes	110	100	100	30	30	0	30	0	-50	0
16#Channels	Shanghai	Nanjing	Fuzhou	Guangzhou	Chengdu	Wuhan	Zhengzhou	Beijing	Taiyuan	Harbin
January 15	3780	3820	3900	3900	3900	3850	3780	3750	3630	3400
January 8	3700	3720	3800	3900	3900	3770	3750	3700	3650	3350
changes	80	100	100	0	0	80	30	50	-20	50
25# I-shaped steel	Shanghai	Nanjing	Fuzhou	Guangzhou	Chengdu	Wuhan	Zhengzhou	Beijing	Taiyuan	Harbin
January 15	3800	3880	4200	3830	4050	3900	3920	3850	3790	3850
January 8	3700	3730	4100	3830	3950	3800	3770	3750	3770	3750
changes	100	150	100	0	100	100	150	100	20	100
Galvanized 1.0mm	Shanghai	Beijing	Boxing	Guangzhou	Zhengzhou	Xi'an	Harbin	Nanchang	Fuzhou	Wuhan
January 15	5200	5080	5000	5550	5150	5250	4950	5150	5450	5300
January 8	5230	5120	5000	5550	5150	5250	4950	5150	5450	5250
changes	-30	-40	0	0	0	0	0	0	0	50
Carbon structure steel 45# (Φ20mm)	Shanghai	Nanjing	Wuxi	Guangzhou	Changsha	Wuhan	Zhengzhou	Beijing	Harbin	Chengdu
January 15	4400	4350	4380	4480	4400	4270	4180	4200	4180	4350
January 8	4350	4300	4300	4480	4400	4220	4150	4200	4150	4350
changes	50	50	80	0	0	50	30	0	30	0
Carbon structure steel 45# (Φ80mm)	Shanghai	Nanjing	Wuxi	Guangzhou	Changsha	Wuhan	Zhengzhou	Beijing	Harbin	Chengdu
January 15	4400	4350	4380	4420	4450	4270	4200	4200	4180	4350

January 8	4350	4300	4300	4420	4450	4220	4180	4200	4050	4350
changes	50	50	0	0	0	50	20	0	130	0
Alloy structure steel 40Cr (Φ20mm)	Shanghai	Nanjing	Wuxi	Guangzhou	Changsha	Wuhan	Zhengzhou	Beijing	Harbin	Chengdu
January 15	4550	4480	4550	4550	4500	4350	4450	4350	4300	4600
January 8	4500	4450	4450	4550	4500	4350	4350	4350	4300	4600
changes	50	30	100	0	0	0	100	0	0	0
Alloy structure steel 40Cr (Φ80mm)	Shanghai	Nanjing	Wuxi	Guangzhou	Changsha	Wuhan	Zhengzhou	Beijing	Harbin	Chengdu
January 15	4550	4480	4580	4570	4600	4400	4400	4350	4300	4600
January 8	4500	4450	4480	4570	4550	4400	4400	4350	4300	4600
changes	50	30	100	0	50	0	0	0	0	0
45-70# Hard wire rod (Φ6.5mm)	Shanghai	Wenzhou	Wuxi	Nanjing	Zhengzhou	Guangzhou	Chongqing	Chengdu	Wuhan	Tianjin
January 15	4380	4410	4450	4250	4200	4070	4120	4100	4150	4150
January 8	4250	4260	4400	4200	4250	4040	4050	4100	4150	4180
changes	130	150	50	50	-50	30	70	0	0	-30

Metallurgical Product Output (unavailable this week)

Stock

Plate stocks in main cities of China (January 8, 2010-January 15, 2010)

Unit: '000 tons

Region	City	HR	WoW	CR	WoW	Medium	WoW
East	Shanghai	1,441.25	2.33	381.81	0.40	312.67	0.37
	Changzhou	12.00	0.30	11.00	0.10	8.50	0.15
	Hangzhou	221.20	1.42	51.70	0.27	77.00	-0.48
	Hefei	6.20	-0.03	5.30	-0.04	7.00	0.02
	Nanjing	81.00	-0.10	37.00	-0.10	67.00	-0.10
	Jinan	25.00	-0.20	5.00	0.00	95.00	0.00
	Wuxi	262.00	0.20	0.00	-2.00	79.00	-0.10
	Changshu Port	7.98	-0.45	24.27	0.17	13.17	-1.10
	Taicang Port	121.10	0.00	20.80	0.00	24.17	0.00
Central	Fuzhou	15.89	0.00	36.45	0.00	0.00	0.00
	Changsha	60.00	1.50	6.50	-0.05	28.00	-0.20
	Zhengzhou	50.00	-0.20	5.00	0.10	38.00	0.00
	Wuhan	167.00	0.00	28.50	-0.05	50.00	0.10
South	Guangzhou	1,040.00	1.20	485.00	0.20	122.00	0.10

Southwest	Chengdu	75.80	-0.24	24.30	0.22	32.10	-0.06
	Chongqing	53.80	-0.15	22.70	-0.05	26.30	-0.06
North	Beijing	27.00	0.20	2.20	-0.01	35.70	0.27
	Tianjin	412.00	-0.80	53.00	0.50	98.00	0.20
Northwest	Lanzhou	29.00	0.20	6.00	0.00	11.00	-0.10
	Xi'an	62.00	0.15	19.00	0.15	31.00	-0.60
Northeast	Harbin	50.00	0.80	4.00	0.05	9.00	0.20
	Changchun	40.00	1.00	4.50	0.15	7.00	0.00
	Shenyang	128.00	3.40	8.00	0.20	39.00	0.30
Total		4,388.22	10.53	1,242.03	0.21	1,210.61	-1.09

Construction steel stocks in main cities of China (January 8, 2010-January 15, 2010)

Unit: '000 tons

Region	City	Rebar	WoW change	Wire rod	WoW change
East	Shanghai	541.95	0.78	101.21	-1.16
	Hangzhou	527.00	-2.05	55.60	0.36
	Hefei	43.00	0.20	7.00	0.20
	Nanjing	101.00	-0.10	27.00	-0.30
	Fuzhou	150.00	-1.00	45.00	0.50
	Jinan	35.00	0.30	8.00	0.10
	Nanchang	47.00	-0.10	17.00	-0.10
Central	Changsha	92.00	-0.20	13.00	-0.30
	Zhengzhou	62.00	-0.10	8.00	0.00
	Wuhan	185.00	0.60	35.00	0.40
South	Nanning	235.00	4.80	35.00	-1.00
	Liuzhou	49.00	0.20	5.50	0.10
	Guangzhou	410.00	0.20	160.00	0.20
Southwest	Chengdu	268.77	0.82	59.52	0.50
	Guiyang	68.24	-0.28	27.51	0.33
	Kunming	232.13	0.86	129.14	0.18
	Chongqing	231.00	2.80	28.00	-1.00
North	Beijing	375.30	3.46	42.90	0.24
	Tianjin	164.00	0.30	61.00	-0.20
	Taiyuan	95.00	0.50	20.00	0.00
	Shijiazhuang	18.00	0.00	4.50	0.00
Northwest	Lanzhou	93.00	0.20	78.00	1.80
	Xi'an	196.80	0.82	32.20	0.28
Northeast	Harbin	228.00	1.30	69.00	0.10
	Changchun	60.00	1.00	34.00	0.40
	Shenyang	368.00	1.80	107.00	0.70
Total		4,876.19	17.11	1,210.08	2.33

MRI

Mysteel Research Institute (MRI) represents eight dedicated research professionals with hands-on research experience of Chinese steel industry. Focusing on China, MRI has done a significant research work to engage in qualitative and quantitative knowledge building. The center has been providing services for local and international top clients from consulting, research, mining, steelmaking and processing sectors as well as Chinese government agencies, industry associations. MRI is supported by Mysteel's extensive industry network, dedicated information collection team and nationwide branches.

MyspiC

Mysteel Price Indices of China (MyspiC) is compiled from a weighted basket of steel prices. MyspiC takes into consideration both product-wise and region-wise steel consumption compositions in China. MyspiC Indices are compiled from prevailing transaction prices in local markets of Shanghai, Guangzhou, Beijing, Wuhan, Chongqing, Shenyang and Xi'an, each seen as a benchmark market for the region in which it is located. July 2000 is designated as the benchmark point with fixed index value of 100. Weekly indices started as of July 2000; monthly indices can be traced back to January 1997. "Longs" refers to rebar (20mm, HRB335MPa) and carbon high-speed wire rod (6.5mm) combined. "Flats" refers to a combination of 4 steel products, i.e. carbon steel plate (Q235, 20mm), HRC (SS400, 3.0mm), CR sheet (SPCC, 1.0mm) and HDG (SPCC, 1.0mm).

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