

Qingdao Iron and Steel Orders 700t Special Quality Bar Rolling Mill



Iron and Steel of Qingdao in Shandong Province in China has placed an order with SMS for a 700kt capacity special bar quality rolling mill.

The Chinese steelmaker plans to expand its product portfolio to include high-quality special steels for use in the automotive industry. Liu Tieniu, deputy general manager at Qingdao Iron and Steel, said the new mill will enable the company to enhance its leading market position 'even further'. SMS is supplying Qingdao's core technology for the new plant, including a 3-block precision sizing mill capable of rolling all finished dimensions from 16 to 90mm in diameter. According to SMS, 'thanks to its system of hydraulic adjustment under load, all dimensions can be produced cost-efficiently on the basis of customers' individual requirements, including even small batch sizes'.

Chinese Steel Products Exports High in June

Steel products exports are likely to remain high in June, according to commodity information provider Shanghai Metals Market (SMM).

The company claims that 30 mainstream building materials factories estimate that their exports will rise by 5% due to sluggish steel prices in China's domestic market place. In May, China exported 9.2Mmt (million metric tonnes) of steel products, up 7.73% month-on-month and 14% up year-on-year, according to the National Bureau of Statistics (NBS). During the first five months of 2015, China exported 43.52Mt of steel products, up 28.2% year-on-year, says NBS.

This section is a compilation from various company press releases, business dailies & trade publications.

Chinese Steel Futures Dip as Traders Expect for Summer Drop in Demand



Steel futures in China slipped 0.9 percent, their first day back after a long holiday weekend, with traders bracing for a seasonal decline in steel demand that is also set to undermine iron ore prices. The most traded rebar contract for September delivery on the Shanghai Futures Exchange dropped to 2,231 yuan (\$359.35) per tonne, inching closer to a record low of 2,218 yuan. Major steel producers have started to cut their prices in anticipation of slowing summer demand. China's top private producer, Jiangsu Shagang, announced that rebar prices for late June would be slashed by 70 yuan per tonne.

Baosteel, China's second-biggest steel producer, announced cuts of 80 yuan per tonne earlier this month. Iron ore for immediate delivery to China's Tianjin port slipped 0.2 percent to \$60.60 a tonne, before the holiday, according to the Steel Index. It fell 6.8 percent over the course of last week, the biggest weekly drop since early April, with oversupply still the prevailing concern. "There are signs that some domestic iron ore miners have started to resume production as a result of the recent rally, but many steel mills have suffered losses of up to

200 yuan a tonne, which will deepen in the summer months," said Xia Junyan, an analyst with Everbright Futures in Shanghai. Iron ore production in China reached 116.66 million tonnes in May, down 9.9 percent compared to the same month in 2014 but up 13 percent from April, with producers reacting quickly to the price recovery. But rising supply and weakening demand meant that another slump was very likely in the coming months. "We can also tell from the swaps for future months, highlighting the market expectation that iron ore prices will enter the downward trend again," Xia said.

Chinese steel demand normally drops over the summer months as construction activities slow, but the latest data from the China Iron and Steel Association showed that production from major steel mills in the first 10 days of June rose 2.1 percent, with inventories also rising 3 percent compared to the May 21-31 period. Analysts suggest the rise might be short-lived. "In the absence of any pick-up in construction activity, negative margins are likely to constrain any growth in steel production that may emerge from the government stimulus measures enacted recently," said ANZ Bank in a note.

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