

AUTUMN
OUTLOOK

END USE
SECTORS
REVIEW

TRADE DATA
ANALYSED



CHINA FACES H2 SLOWDOWN

AFTER A STRONG H1, CHINESE STEEL DEMAND SLUMPED IN JULY AND MILLS ARE NOW CURTAILING PRODUCTION AS MARGINS ARE SQUEEZED. THIS HAS PRECIPITATED A SHARP DECLINE IN IRON ORE AND STEEL PRICES. BUT DOES THIS IMPLY A COLLAPSE IN H2, OR WILL THE SEASONAL RECOVERY IN OCTOBER PREVAIL?

IN THIS ISSUE WE LOOK AT OUR OUTLOOK FOR THE SECOND HALF, AND WHAT IT MEANS FOR CHINESE EXPORTS. WHILE IN OUR EXPANDED TRADE SECTION WE TAKE A LOOK AT BOTH THE SHIFTS IN EXPORT DESTINATIONS AND THE NEW PHENOMENON OF CHINESE SEMI-FINISHED CARBON STEEL IMPORTS. THE QUESTION NOW IS, HOW WILL CHINA'S SLOWDOWN PLAY OUT?

China for slowdown

After a strong H1, Chinese steel demand slumped in July and mills are now curtailing production as margins are squeezed. This has precipitated a sharp decline in iron ore and steel prices. But does this imply a collapse in H2, or will the seasonal recovery in October prevail?

In this issue we look at our outlook for the second half, and what it means for Chinese exports. While in our expanded trade section we take a look at both the shifts in export destinations and the new phenomenon of Chinese semi-finished carbon steel imports.

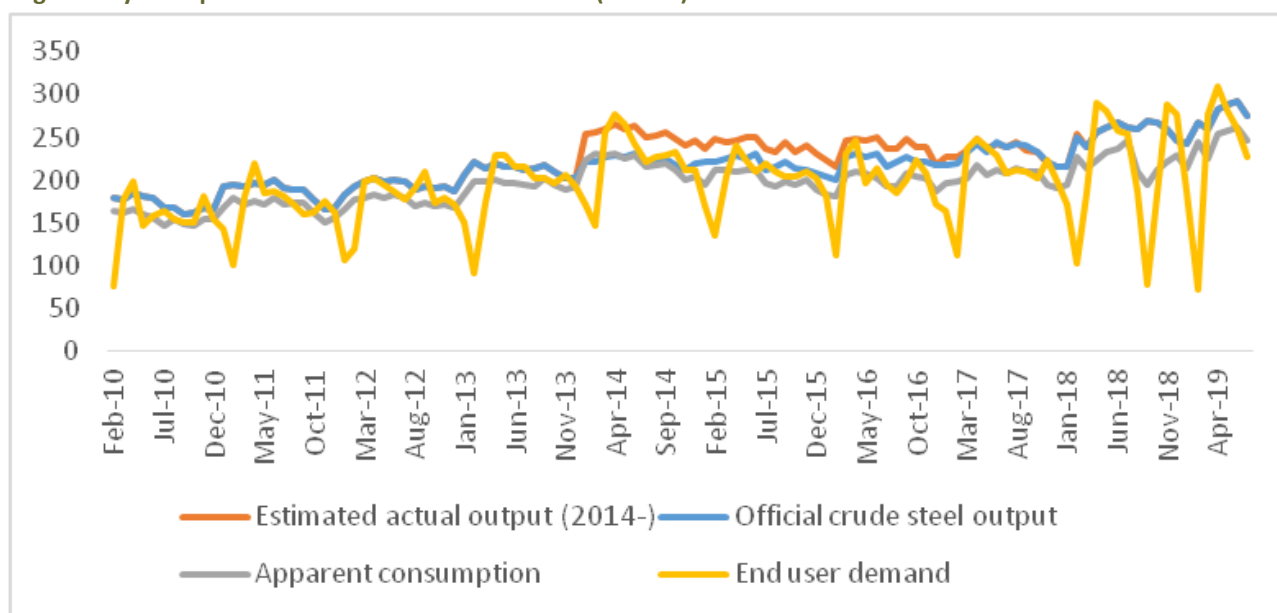
The question now is, how will China's slowdown play out?

Table 1: Supply and Demand (million tonnes)

	2018	2019 ytd	Y-o-y	2019 outlook	Y-o-y
Official Crude Steel Output	928.3	577.1	9.00%	975.0	5.00%
Apparent Steel Demand	825.5	514.9	9.70%	872.3	5.70%
Real Demand Est	827.6	492.6	6.90%	869	5.00%

Source: Kallanish

Fig. 1 Daily steel production and demand 2010-2018 (tonnes)



Source: NBS, Kallanish

[illegible][illegible]

	A	B	C	D	E	F	G	H	I
1									
2									
3									
4	Kallanish								
5	COMMODITIES								
6	Copyright material to Kallanish								
7									
8									
9	Data Period	Nov-14	May-16						
10	Frequency	Monthly averages	(daily/weekly available for subscription)						
11									
12									
13	Price series Series Source Unit Dates	Iron Ore 62% Fe Australian fines Kallanish \$/dmt cfr Qingdao	HRC / Shanghai Kallanish CNY/t FOT warehouse	CRC / Shanghai SteelHome CNY/t FOT warehouse	Cold Rolled Sheet / Shanghai SteelHome CNY/t FOT warehouse	HDG / Shanghai SteelHome CNY/t FOT warehouse	Rebar / Shanghai Kallanish CNY/t FOT warehouse	Rebar in Coil / Shanghai SteelHome CNY/t FOT warehouse	High Speed Rail / Shanghai SteelHome CNY/t FOT warehouse
14									
15									
16									
17	Nov-14	XX	XX				XXXX		
18	Dec-14	XX	XX				XXXX		
19	Jan-15	XX	XX				XXXX		
20	Feb-15	XX	XX				XXXX		
21	Mar-15	XX	XX				XXXX		
22	Apr-15	XX	XX	XXXX	XXXX		XXXX	XXXX	
23	May-15	XX	XX	XXXX	XXXX		XXXX	XXXX	XXXX
24	Jun-15	XX	XX	XXXX	XXXX		XXXX	XXXX	XXXX
25	Jul-15	XX	XX	XXXX	XXXX		XXXX	XXXX	XXXX
26	Aug-15	XX	XX	XXXX	XXXX		XXXX	XXXX	XXXX
27	Sep-15	XX	XX	XXXX	XXXX		XXXX	XXXX	XXXX
28	Oct-15	XX	XX	XXXX	XXXX		XXXX	XXXX	XXXX
29	Nov-15	XX	XX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
30	Dec-15	XX	XX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX



ORDER FORM

Subscribe to China Steel Intelligence today

Get your copy of the monthly China Steel Intelligence report at a great price

China Steel Intelligence is a monthly report put together by our expert team of analysts based in Shanghai.

If you are already a subscriber to KallanishSteel you qualify for an additional discount. The pricing options for 12 month subscriptions are available below.

To sign up complete the form below and return to us.

Option 1:	CSI	US\$ 3000	
Option 2:	CSI, KallanishSteel Subscriber Rate	US\$ 2550	SAVE 15%
Option 3:	CSI + KallanishSteel Bundle	US\$ 4249	SAVE 15%

CSI Content:

The report is filled with market information, charts and graphs.

- Supplied in PDF
- Excel statistical supplement
- 7-10 pages
- Supply and demand forecasts
- End use sector data
- Trade data
- Macro economic overview



Start my subscription

Yes, please start my subscription so that I can read the China Steel Intelligence. Please choose your option below:

- ☐ Option 1: CSI, US\$3000
- ☐ Option 2: CSI, with KallanishSteel Subscriber 15% discount, US\$ 2550
- ☐ Option 3: CSI and KallanishSteel Bundle, 15% discount, US\$ 4249

Name

Job Title

Company

Address

City

Phone

Email

Payment type: ☐ Pay by invoice
☐ Pay by credit card

Credit card: ☐ Visa ☐ AMEX ☐ Mastercard

Card number

CCV Exp

Name on card

Signature

Please tick below:

- ☐ I confirm I am signing up for a 12 month subscription to CSI
- ☐ I have read and agreed to the Kallanish Terms and Conditions.

Signature: Date:

