

Steel prices steady as demand improves in Q1 金融英语考试 PDF 转换可能丢失图片或格式，建议阅读原文

[https://www.100test.com/kao\\_ti2020/581/2021\\_2022\\_Steel\\_pric\\_c92\\_581590.htm](https://www.100test.com/kao_ti2020/581/2021_2022_Steel_pric_c92_581590.htm) Although enjoying the privilege of pricing products at its own will, Baoshan Iron and Steel Co Ltd (Baosteel), has started to lower prices to please the market. After a broad price cut for April and May products, Chinas largest steel maker has cut the June prices of some products. "In comparison with the price cuts over the last two months, Baosteel lowered the price of lesser categories this time, and most of these products are currently priced higher than the market average," said Zhang Tieshan, analyst, mysteel.com. Baosteel cut the June prices for silicon steel and hot-rolled coil by 300 yuan per metric ton, while prices of hot-rolled steel and cold-rolled steel are unchanged. Jiang Qiu, analyst, Guotai Junan Securities, said Baosteel is now looking to narrow the price gap between its products and the market average. "This price change is more or less what the market expected. A growing number of steel mills are offering steel prices in line with the spot market and Baosteel cannot isolate itself by quoting higher prices," Jiang said. 金融英语知多少？ "In short term, we have not seen any potential for a price rebound, so producers will not raise steel products price recklessly," Jiang said. However, Liu Yuanrui, analyst, Changjiang Securities, said the price adjustment would not erode Baosteels profitability as "steel prices in the spot market are dropping, and the adjustment just follows the trend". In its latest quarterly report, Baosteel announced a net profit of 89 million yuan in the first quarter, a fall of 97.7 percent over the

same period in 2008. However, in comparison to the huge loss of 6 billion yuan in the last quarter of 2008, the steel giant has finally managed to better its performance. "Baosteels profit in the first three months of the year is an indicator that the steel industry fortunes are turning for the better," said Liu. Chinas steel producers have so far reported a combined loss of 3.308 billion yuan, in sharp contrast to the 47.16 billion yuan profit made during the same period last year. However, their quarter-on-quarter performance is on the rise. Over 16 out of the 19 steel-related listed corporations reported an improvement in business, with 9 reporting a profit. Liu said this is not the right time to buy steel shares, as the chance of a further price fall is slim. "Considering their performance in the first quarter, we can expect a further recovery," said Liu. In April and May, the steel industry is entering its traditional peak season, and market speculators are expecting a demand increase. Experts have been urging investors to adopt a wait and watch attitude before investing steel shares. Jiang feels that it would be prudent to invest in companies with a bleeding balance sheet in the first quarter, like Shandong Laigang and Hunan Valin Iron and Steel. "Their poor performance offers great potential for a rebound in the next quarter," Jiang said. Liu feels that investors should focus on steel companies which are in merger and acquisition talks, like Bengang Steel Plates Co Ltd, which is reported to be in merger discussion with Angang Steel, and Hangzhou Iron and Steel Group, which is likely to be acquired by Baosteel.

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