

## **Chinese Steel Production at Decent Level**

The most recently released data from the China Iron and Steel Association (CISA) shows that daily crude steel output at large and medium-sized mills averaged 1.83 million tons during February 11 - February 20. This is 6% less than was produced during the previous ten days and also 6% less than was produced during February 11 - February 20, 2019. Overall, it remains consumption that is being most negatively affected in the steel market and not production. Steel production is not something that traditionally is quickly shutdown, and Chinese steel mills are still producing a relatively large amount of steel. Steel stockpiles continue to surge, though, and overall construction in China remains likely to contract on a year-on-year basis this quarter by at least 20%.

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