ITALIAN TRADE AGENCY

ITA Beijing Office

NEWSLETTER

COMMODITIES
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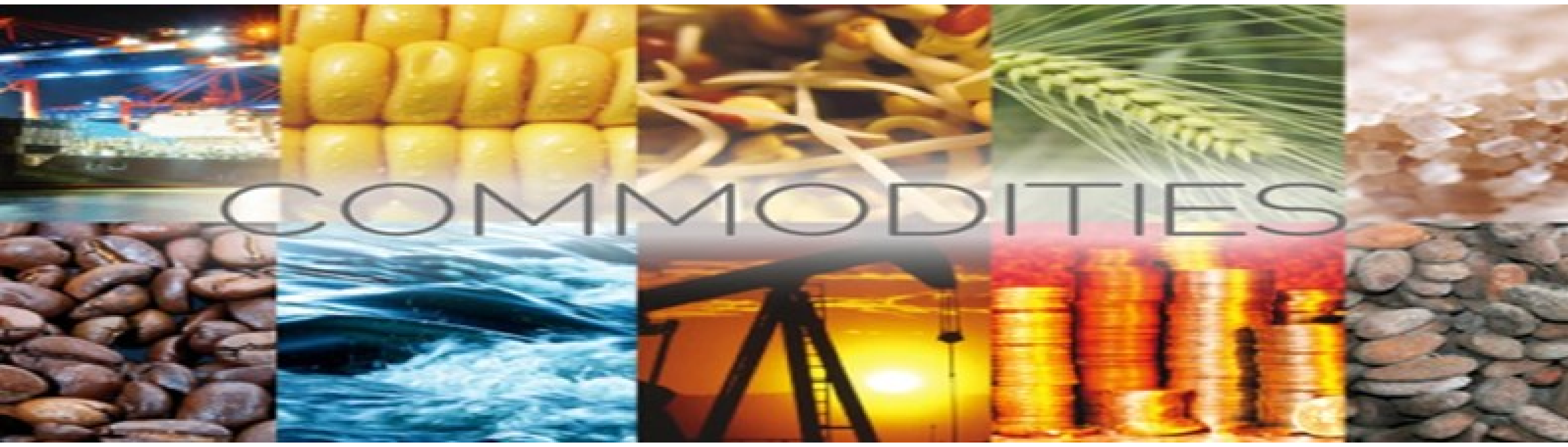

Middle East tensions raise concerns over domestic energy storage projects
Rising Middle East tensions and disrupted Strait of Hormuz shipping have sparked worries in China over energy storage project timelines and lithium demand. Projects in Saudi Arabia, the UAE, and Iran, involving firms like CATL and Sungrow, face delays or potential contract risks, creating short-term pressure on China's overseas energy storage and lithium sector. (**100PPI**)

China's steel social inventory rises in late February
In late February, social steel inventory in 21 cities for five major products reached 10.88 million tons, increasing 135,000 tons from the previous period, up 14.2%, and 3.67 million tons since the start of 2026, up 50.9%, though down 15,000 tons year-on-year, a 1.4% decline. Rebar recorded the largest monthly rise, while cold-rolled coil saw the biggest year-on-year gain. (**China Iron and Steel Association**)

Tungsten prices surge over fourfold in a year, industry faces key transformation
Tungsten prices have risen over 400% since early 2025, hitting record highs for concentrates, APT, and tungsten powder. Upstream miners benefit from tight supply, while downstream toolmakers face cost pressures, prompting some to reduce output. Rising demand from photovoltaics, AI, and new energy sectors accelerates industry restructuring, shifting competition from price to technology and service. (**Shanghai Securities Journal**)

China's Commodity Price Index slightly dips amid stable market
In February, China's Commodity Price Index stood at 124.9 points, down 0.4% month-on-month but up 10.9% year-on-year. Among 50 key commodities, 24 rose, led by praseodymium-neodymium oxide (+24.3%), SBR (+5.4%), and PVC (+3.5%). Energy and chemical indices increased 0.5% and 1.2%, supported by Middle East tensions and rising international oil prices, while overall market fundamentals remain stable. (**Xinhua Finance**)

Leading Chinese paper companies announce price hikes amid integration advantage
In late February and early March, major Chinese paper producers announced price hikes of 50–200 yuan/ton ($7–$29/ton). Despite modest demand, firms with forest-pulp-paper integration maintain cost advantages and protect margins. Cultural paper market concentration rose to 46.7% in 2025. Inventory pressures persist, but integrated operations help stabilize profitability and mitigate industry cycle fluctuations. (**Securities Daily**)