

Rebar Snaps 10-Day Rally in Shanghai as Steel Mills Sell Futures
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By Bloomberg News

Aug. 14 (Bloomberg) -- Steel reinforcement-bar futures in Shanghai fell for the first time in 11 days as steel mills and investors sold to take advantage of prices at the highest level in four months.

Rebar for January delivery on the Shanghai Futures Exchange fell 0.5 percent to close at 3,819 yuan (\$624) a metric ton. The contract settled at 3,838 yuan yesterday, the highest close for a most-active contract since April 12.

The average spot price of rebar rose for an eighth day today, adding 0.5 percent to 3,559 yuan a ton, the highest since May 20, according to Beijing Antaika Information Development Co.

Futures have gained faster than spot prices this month, prompting some investors to sell, said Xia Caijun, an analyst at GF Futures Co. in Guangzhou.

"It's natural to have a pullback after a strong performance in futures contracts, which encourages steel mills to step up hedging and selling," Xia said.

Baoshan Iron & Steel Co., China's largest publicly traded steelmaker, raised some products prices for September delivery yesterday, according to a statement on its website.

Iron ore for immediate delivery advanced for a sixth day yesterday, rising 2.2 percent to \$141.80 a dry ton, the highest since March 12, according to a price index compiled by The Steel Index Ltd.

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