oublished: 31 October 2017

Top News:

Raw material prices remain relatively stable

Last week the global indicators for ferrous raw material prices remained fairly stable in their range, continuing the trend initiated 10 October.

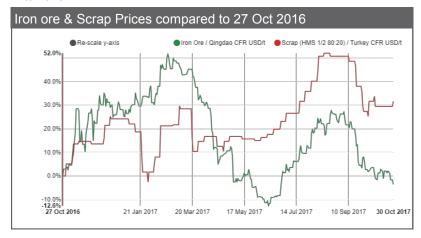
Scrap prices in Turkey remained stable again at \$300-310/t CFR Turkey for HMS 1/2 (80:20). This is some \$50/t below this year's peak back during the summer, but some \$90/t above the level registered at the end of October, indicating that the market remains fairly strong despite the correction seen since September.

Iron ore prices continued to be range-bound at \$60-65/t CFR China for 62% Fe, as they have been since the end of last month. Last week the market was relatively weak toward the end, but an outlook remains difficult going forward. Further corrections could be expected, taking the price below the \$60/t CFR. Last week nevertheless French Bank BNP Paribas maintained its outlook for an average of \$68/t CFR for iron ore in January, in contrast with other analysts' views expecting a volatile short term and lower iron ore prices into 2018.

While the relative stability of raw material prices is positive for the overall markets, it is interesting to notice that iron ore prices are now fairly in line (if not lower) with the levels registered at the end of October last year. This highlights further the difficulties of EAFbased steelmakers in the global competition at the moment, as scrap prices have traded at far higher levels than iron ore compared with previous years so far in 2017.

As for scrap and iron ore, billet levels also stabilised during the last weeks at a level of some \$490/t FOB Black Sea. The billet price remains close to historical peaks thanks to the demand from EAF-based producers globally wishing to substitute steelmaking with rerolling due to high scrap and graphite electrodes prices.

This week in addition to the usual market round-ups, we take a closer look at the plans in China to restrict blast furnace output until March 2018, on the back of the ongoing environmental issues in the country. Given that China is the largest producer of steel globally, the restriction in the country is very important to understand the future developments of global supply. If the campaign is successful, domestic prices in China could well stabilise further thanks to lower supply in the market. Nevertheless this is also set to impact demand for iron ore on a global level, putting pressure on its price going into 2018.



In this week's issu

PAGE 3

Which direction will Chinese prices

PAGE 4

Will European steel prices hold until the end of the year on the back of stronger than expected 2017 demand?

Will US inventory management be a trick or a treat this year?

PAGE 6

Will scrap vo-voing continue?

Environmental campaigns cast doubt on Chinese prices

Iron Ore 62% Fe / Qingdao CFR USD/t

W-o-w avg cha	ang	е	-0.7%
27 Oct 2017	\$	60.18	low
26 Oct 2017	\$	61.87	
25 Oct 2017	\$	62.24	
24 Oct 2017	\$	62.48	high
23 Oct 2017	\$	62.03	
Average	\$	61.76	
20 Oct 2017	\$	62.47	
19 Oct 2017	\$	60.50	low
18 Oct 2017	\$	62.45	
17 Oct 2017	\$	62.59	high
16 Oct 2017	\$	62.94	
Average	\$	62.19	

For Subscription & Other Enquiries:

CALL

UK. +44 207 635 6520 Germany: +49 304280 2034 +34 637 018 130 Spain: Singapore: +65 9766 8175 +359 89 7799633 Bulgaria:

EMAIL

General info@kallanish.com **Editorial** editorial@kallanish.com sales@kallanish.com Sales

www.kallanish.com



North America:

- US sheet, plate pricing holds still
- Doubts still surround OCTG outlook
- Heavy wire rod duties set

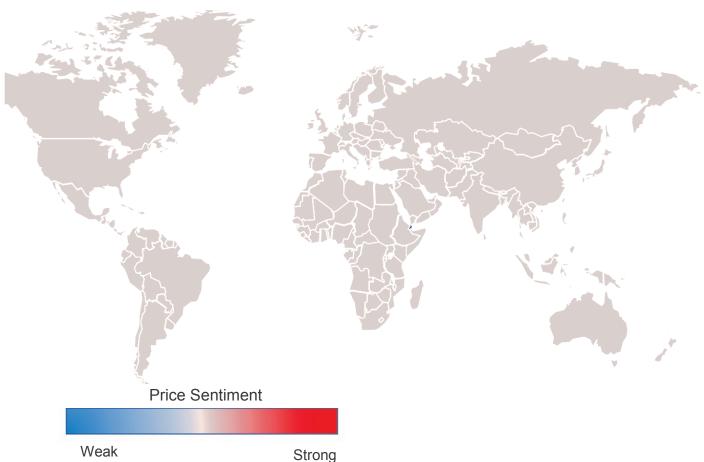
Europe:

- Eurofer lifts again outlook for steel demand
- EU HRC import offers firm
- Recovery in N.European coil prices still lagging

Asia:

- Chinese finished steel prices continue to bounce
- Pakistan imposes AD duties on Chinese rebar
- Chinese export volumes keep falling
- ArcelorMittal interested in Indian Bhushan Steel

Global Sentiment Map



Latin America:

- Latin American steel output keeps increasing
- Vale's sales jump
- Brazilian distributors boost flats sales

Middle East:

- Turkish scrap inches up with US deal
- Turkish CRC/HDG market anticipates fall
- UAE, Iran drive Mid-East output growth

ORDER FORM

Subscribe to Kallanish Steel Weekly today

Start your subscription to Kallanish Steel Weekly (KSW) today

Kallanish Steel Weekly is a new weekly publication from Kallanish Commodities.

The pricing options for 12 month subscriptions are available below.

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

Standard: Kallanish Steel Weekly US\$ 1200 / €1100

Premium: Kallanish Steel Weekly US\$ 1800 / €1650

KSW Content:

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

- Supplied in PDF
- Pricing Table
- 5-6 pages
- Special features
- Prices to watch
- Word of the week
- Global heat map

below:	cription ny subscription so that I can read the Kallanish Steel Weekly. Please choose your option Option 1: Standard KSW US\$ 1200 Option 2: Premium KSW US\$ 1800		
I Name I Job Title I Company I Address I City I Phone I Email I	Payment type: Pay by invoice Pay by credit card Credit card: Visa AMEX Mastercard Card number CCV Exp Name on card Signature		
	confirm I am signing up for a 12 month subscription to KSW have read and agreed to the Kallanish Terms and Conditions.		
Signature:	Date:		

