



# 聞 This week:

# Pig iron remains under pressure from scrap

Russian pig iron export prices remained under pressure due to falling scrap prices, leading to subdued demand as foreign customers wait for prices to bottom out.

In certain markets, notably Italy, where pig iron market saturation levels are relatively high, further price reductions may not spur buying. This is because end-customers purchasing from distributors in Italy would demand discounts, complicating the distribution process for material acquired at higher prices compared to current levels.

This situation may lead, in turn, to some Italian distributors providing bids to Russian mills at much below current price levels, to offset potential losses by averaging the cost of stocks.

In Italy, around 30,000 tonnes of Ukraine-origin cargo began offloading at port from 5 March, reportedly purchased by the largest Italian end-user. Market participants assessed the price of the ArcelorMittal Ukraine cargo at \$430/t cfr Italy, down from the previous week's estimate of \$440-450/t cfr. This is based on alternative sales to the USA and tradable levels there at the time when the transaction presumably happened.

Another Russian cargo of approximately 25,000t was also reported to be offloading, most likely destined for distribution in Italy. Expectations of a further 40,000t cargo to Italy from Russia led market participants to believe that Italian customers would refrain, in the near future, from active buying.

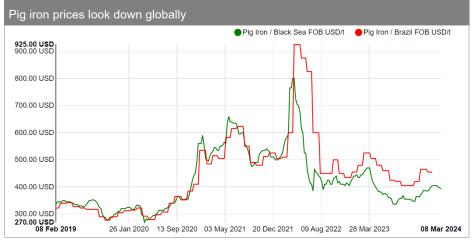
In Turkey, a deal from a northern port was reported at \$430/t loaded on truck, prior to reports about further drops in imported scrap values in Turkey.

Mills' estimated tradable price levels were reported at \$390-395/t fob Black Sea by the buyand-sell sides.

As a result, Russian pig iron prices are assessed at \$390-395/t fob Black Sea, narrowing from \$390-405/t fob the previous week.

In Brazil, prices remained unchanged from the previous week at around \$430/t fob, amid persistent downward pressure. US customers insisted on further discounts from \$460/t cfr Nola, citing anticipated decreases in prime grade scrap in the USA by \$40-70/t and obsolete scrap by \$20-40/t.

Overall, the downturn and resulting price pressure are expected to continue in Brazil possibly until May, with estimates suggesting a possible decline to \$415-420/t fob and a subsequent climb to \$440-450/t fob over time.



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# Global Overview

#### Americas:

- US Sheet prices fall, mills issue increase notices
  OCTG P110 5.5-inch casing
- prices hit bottom Scrap expected to tumble in US

#### **Europe:**

- HRC prices down in Europe Benelux scrap down further
- Chinese slab imports in Europe reach record in 2023

#### Asia:

- Chinese iron ore searching for stability
- Sentiment in Chinese steel market remains subdued
- Indian HRC market suffers due to high inventories



#### CIS:

- Russian slab exporters lower
- Pig iron prices down on weaker scrap market

#### Middle East:

- Turkish scrap prices descent pauses HRC in GCC down

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### Word of the week

# Beams

Beams are used to construct the supporting elements of buildings and bridges. These structural steel products come in various shapes.





## □ Contact

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