

This week:

Pig iron price decline continues in all regions

The merchant pig iron global price downtrend continued during the past week amid poor demand from the regions buying unsanctioned material, such as the US and Europe, and ongoing availability of alternative Asian lower-priced supply. The ongoing decline of ferrous scrap prices continued to pressure sentiment.

Somewhat traditionally, US buyers remain on the fence, but a few low-priced tentative bids for Brazilian material were put forward, yielding zero results. Brazilian producers did not appear to have countered US indications, which ranged from \$600-720/tonne fob, rising progressively, presumably keeping offers at the same, now seemingly unrealistic, \$800-850/t fob level.

"Brazilian suppliers know that they are now the number one supplier in the world by volume, and that eventually every country traditionally buying from CIS will need volume. Asia could substitute some of this, but the majority will come from Brazil," one trader says.

Indeed, Asian supply is being debated hotly, with some suggesting volumes much larger than the initial 10,000t of Vietnamese material previously booked in the US at \$720-730/t cfr. Offers as low as \$700/t cfr No-la from Vietnam and Malaysia are igniting suspicion again of Russian material being re-labelled and re-sold, but judging by sales to China last month and ongoing trade into Turkey, amid considerable output reduction in Russia, these are unfounded. Unofficial data suggests overall capacity utilisation reduction in Russia has reached around 45-50%. Traders expect some more Asian small cargoes may be booked this week in the US at these lower prices.

Indeed, Russian pig iron was sold to China last month at around \$520-530/t cfr, with some participants estimating around 200,000t of material contracted at these prices at the end of May from two Russian producers. Another, just 10,000t lot was sold at \$515/t cfr, amid offers at \$550-560/t cfr from another, higher quality, producer. The latter was selling regular small premium parcels to South Korea at \$630-640/t cfr.

But in the Mediterranean, Russian BPI prices are even lower, undermined not only by the sanctioned status and narrow selling opportunities from western ports, but also, unwittingly, by the eastern Ukrainian supply. The latter, from Alchevsk, fell as low as \$370/t fob in offers to Turkey, while Russian material was offered at \$450-470/t cfr, but contracted at \$445-460/t cfr, for small lots, netting back to around \$400-415/t fob, very much in line with the price of premium HMS 1/2 80:20 scrap, traders comment.

Italy remained on the fence, with price ideas not voiced, in receipt of previously booked volumes. Ukrainian offers circling \$800/t cfr were not gauging interest, due to high prices tied in with logistics, and genuine low need for material right now, traders say. Logistics remains Ukrainian mills' main issue, with a few large US-bound lots stuck at the border, preventing them offering and selling more right now, according to traders.

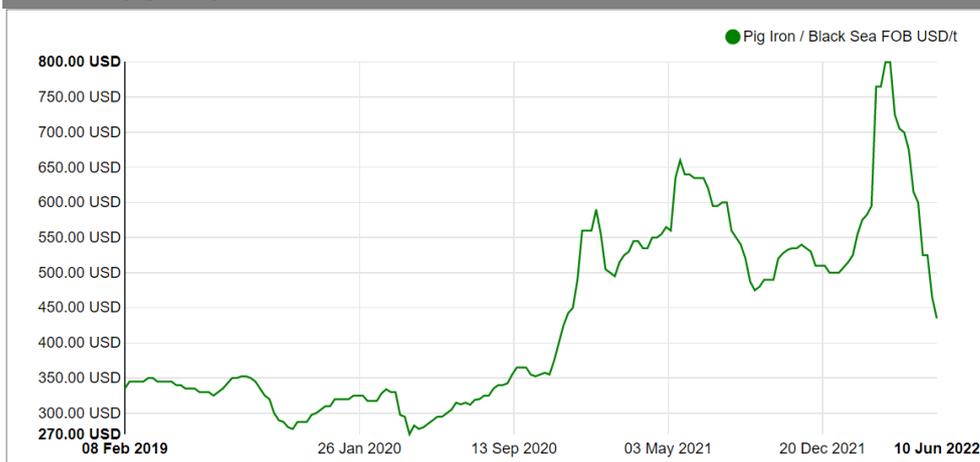
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KORE INDEX

Index	58%	62%	65%
W-o-w % Change	5.21%	4.51%	6.90%
10 Jun	134.08	141.85	163.03
09 Jun	133.76	144.46	166.50
08 Jun	133.46	145.39	167.71
07 Jun	132.99	145.25	167.74
06 Jun	132.59	145.00	168.07
Average	133.34	144.39	166.61
03 Jun	129.29	141.85	165.30
02 Jun	130.51	140.13	166.53
01 Jun	127.52	136.45	160.09
31 May	123.51	136.04	159.66
30 May	123.01	136.32	159.99
Average	126.77	138.16	162.31

Black Sea pig iron prices fall



▶ [Click here to view this graph online](#)

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Global Overview

Americas:

- Sheet prices stabilise after falling at end of May in US
- US scrap prices expected to settle downward by at least \$50/gt
- OCTG pricing rises by \$200/st in the US

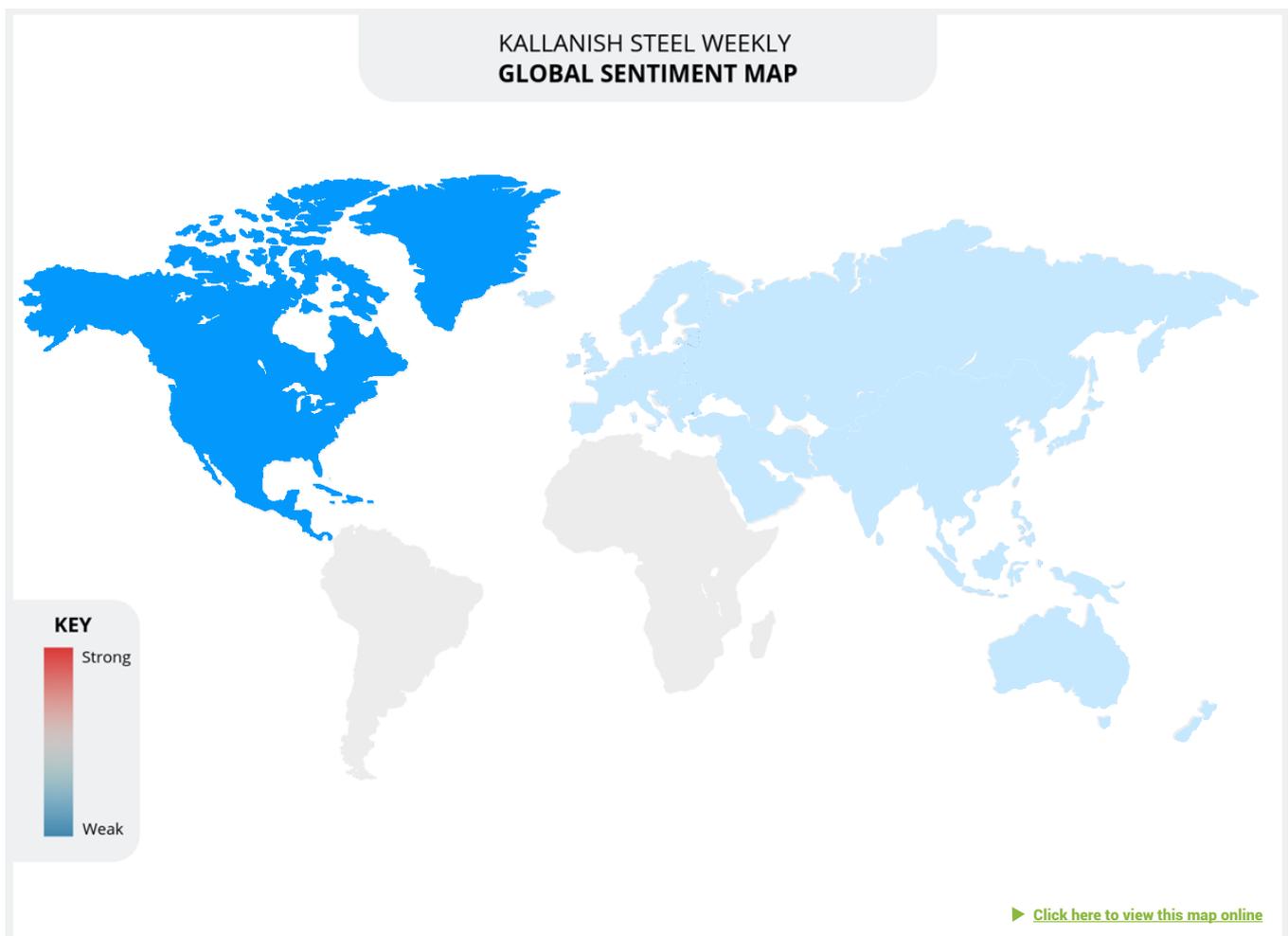
Europe:

- EU coil demand stagnates
- Benelux scrap down again
- Eurofer welcomes safeguard confirmation

Asia:

- ASEAN billet market hit by Russian/Iranian offers
- Chinese sentiment fails to recover strongly
- Asian HRC prices down

KALLANISH STEEL WEEKLY GLOBAL SENTIMENT MAP



India:

- Indian alloy-added HRC fail to attract buying interest
- Indian imported scrap offers surge despite slow demand
- Indian billet exporters continue to resist dropping offers

CIS:

- CIS billet registers China, Egypt sales
- Pig iron price downtrend continues

Middle East:

- Turkish scrap prices plunge
- Turkish rebar demand worries mills
- Chinese test higher HRC offers in GCC

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Word of the week

Ferritic

Ferritic is the second-largest class of stainless steel, constituting approximately 25% of stainless production. Ferritic stainless steels are plain chromium steels with no significant nickel content; the lack of nickel results in lower corrosion resistance than the austenitics (chromium-nickel stainless steels). Ferritics are best suited for general and high-temperature corrosion applications rather than services requiring high strength. They are used in automotive trim and exhaust systems, interior architectural trim, and hot water tanks.

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