

Top News:

Pig iron prices remain firm in CIS and Brazil

The momentum of CIS merchant pig iron sales to the US has been interrupted by iron ore and steel price fluctuations in China, and a correction in Turkish scrap prices in the past week. But suppliers are keeping their cool as they deem the US to still have great buying potential, at prices targeted before the recent corrections.

As was anticipated, after one Russian supplier achieved \$550/tonne cfr Nola three weeks ago, another Russian supplier sold a 60,000t May-loading cargo at \$570/t cfr Mobile. While activity in the US spot BPI import market has ceased, market participants maintain that US buying potential has been unaffected, and expect US buyers to return to the negotiating table without delay.

CIS mills continue to indicate unchanged levels to all destinations. The only other sale that was conducted was a 5,000t lot to Turkey at \$573/t cfr, also late last week. The \$545/t fob Black Sea netback reflects earlier, April-loading availability and small size. Italian buyers are understood to be in negotiations, with some suggesting deals were struck. But this is still unconfirmed, including the price, with one trader suggesting a workable pig iron import price is at \$575-580/t cfr Italy.

Availability for large and medium volumes of CIS pig iron remains only for May loading, and is rather limited. Brazilian pig iron is meanwhile unavailable in the eastern hemisphere due to high freight rates and long lead times. Most participants do not therefore anticipate CIS pig iron prices to correct, at least not yet. Sellers and observers point to US sheet prices, which are high enough for CIS pig iron offers, and the fears of the bubble bursting are becoming less pronounced.

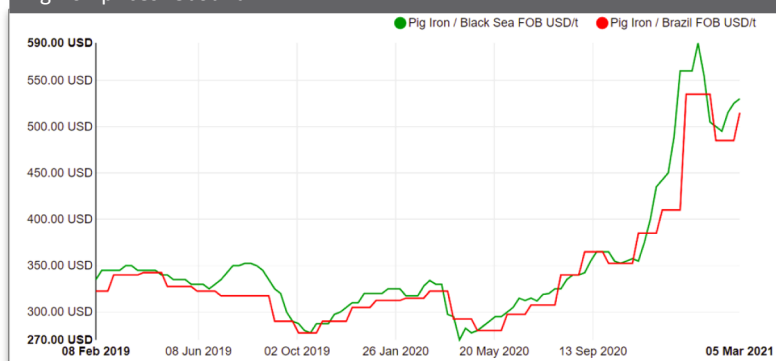
Brazilian pig iron export prices moved up in the second week of March. New levels are in line with higher demand and shortages in the global raw materials market. "Prices increased by \$10-15/t on-week since the beginning of March," a market participant said. "Higher levels are supported by two new deals from the US and Mexico for May and June shipments. We have strong demand at higher-than-usual prices following the scarcity of material in the market." According to another source, Brazilian mills have no availability of pig iron for export until June.

"Large Brazilian producers are mainly focused on supplies to the domestic market following the sharp recovery of steel demand," a source explains. "Volumes for export are practically zero amid this shortage situation," a source explains. Pig iron producers in Brazil, however, are optimistic that they could adapt their production capacities by the summer to meet the growing market demand and resume shipments abroad to pre-Covid-19 crisis levels, he adds.

According to market participants, the average pig iron export price is now reported at \$515-520/t fob Brazil.

The latest data from the Brazilian Ministry of Development, Industry and Foreign Trade (Mdic) show that Brazil decreased pig iron exports by 22% on-year in February to 283,000t.

Pig iron prices rebound



[Click here to view this chart online](#)

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Will new output restrictions be implemented in China?

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What is happening at Liberty Steel EU units?

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Will the rise in scrap pricing push US flat product pricing upwards in March?

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Will Turkish scrap rebound?

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How will China compete with Turkey in the scrap business?

KORE INDEX

W-o-w avg	-1.22%	-2.56%	-2.58%
Index	58% Fe	62% Fe	65% Fe
12 Mar 2021	\$ 160.27	\$ 170.31	\$ 192.88
11 Mar 2021	\$ 160.69	\$ 171.47	\$ 193.80
10 Mar 2021	\$ 157.13	\$ 167.11	\$ 188.93
09 Mar 2021	\$ 162.68	\$ 168.80	\$ 193.06
08 Mar 2021	\$ 162.51	\$ 173.42	\$ 197.46
Average	\$ 160.66	\$ 170.22	\$ 193.23
05 Mar 2021	\$ 162.44	\$ 173.27	\$ 197.21
04 Mar 2021	\$ 163.36	\$ 176.22	\$ 199.66
03 Mar 2021	\$ 163.23	\$ 175.79	\$ 199.29
02 Mar 2021	\$ 162.16	\$ 174.61	\$ 198.20
01 Mar 2021	\$ 162.00	\$ 173.63	\$ 197.42
Average	\$ 162.64	\$ 174.70	\$ 198.36

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Global Overview

North America

- US flat product pricing holds steady
- Scrap settles upwards in March
- Rising scrap pushes rebar prices higher

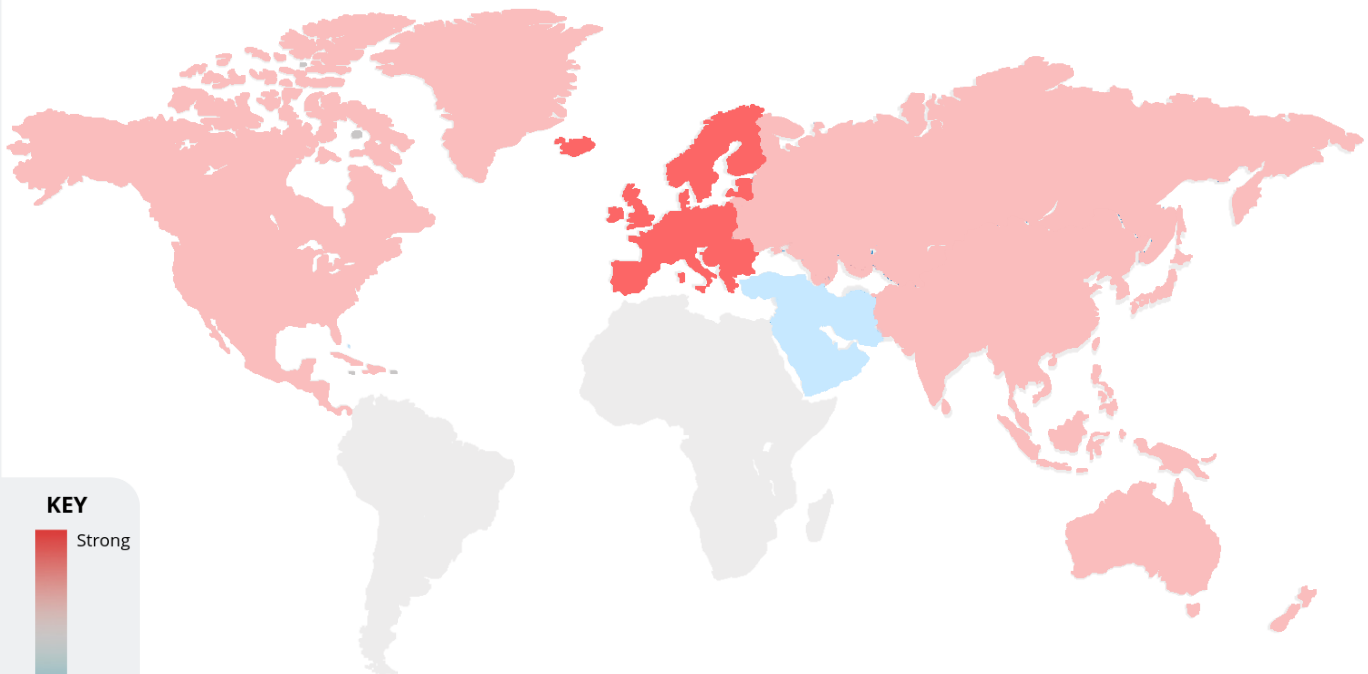
Europe

- Coil prices in Europe remain firm
- EU Liberty Steel fundings raise concerns
- TK cuts more jobs

Asia

- Scrap prices down in Asia
- Chinese finished steel prices look up again
- Vietnam HRC prices up

KALLANISH STEEL WEEKLY GLOBAL SENTIMENT MAP



KEY



[See the interactive version online](#)

Middle East

- Turkish scrap collapses
- Turkish rebar buyers pause after scrap drops
- Turkish HRC prices notch up again

CIS

- CIS billet falls short of \$600/t
- CIS slab prices grow further despite low demand



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Word of the week

Quench Hardening

Quench hardening is a mechanical process in which steel and cast iron alloys are strengthened and hardened. These metals consist of ferrous metals and alloys. The process is achieved by heating the material to a certain temperature. This produces a harder material by either surface hardening or through-hardening varying on the rate at which the material is cooled. The material is then often tempered to reduce the brittleness that may increase from the quench hardening process.



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