

Top News:

China continues as a net importer

China remained a net importer of steel in July by some margin. Although exports recovered from June, imports also increased with material from South and Southeast Asia leading the increases, especially Indian HRC, Kallanish notes.

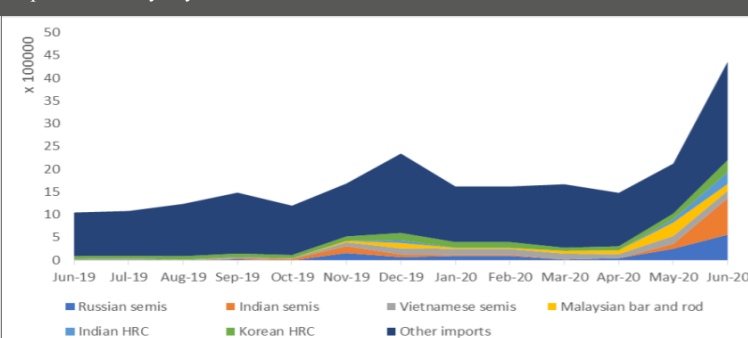
China exported 4.176 million tonnes of steel in July, 12.76% higher than June but still down -25.08% on-year, according to detailed customs data. That brought exports over the first seven months of 2020 to 32.896mt, down -20.35% y-o-y.

The recovery in July was driven by steadier volumes to Southeast Asia, which gained 16.81% m-o-m to 1.43mt but were still down 20.09% y-o-y. Total flat product exports were up 15.7% m-o-m but down -19.2% y-o-y at 2.55mt in July. Long products continued to bear the brunt of export weakness, with July exports up 17.9% m-o-m but down 34.5% y-o-y at 899,566t.

China's total imports, including semi-finished and finished steel, meanwhile increased 19.9% m-o-m and 382% y-o-y to 5.235mt in July. Over January-July imports now total 18.136mt, up 144.2% y-o-y. That leaves China a net importer of 1.059mt of steel in July, compared with net exports of 4.488mt in July 2019. Over January-July China remained a net exporter, but net exports slumped -56.43% to just 14.76mt.

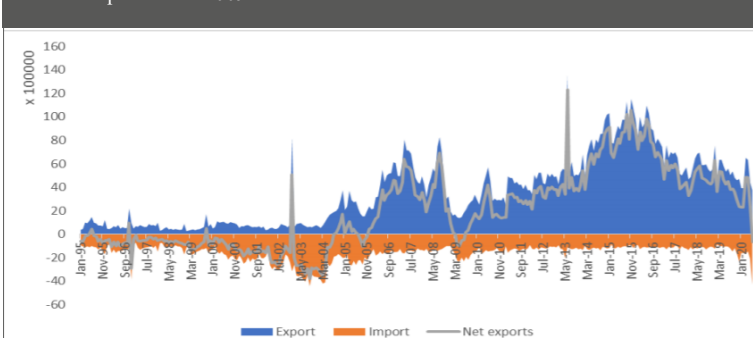
In terms of region, imports from Southeast Asia were up 37% m-o- and 844.6% y-o-y at 1.203mt, while those from South Asia jumped from around zero a year earlier and 1mt in June to 1.239mt in July. From South Asia, flat products took over from semis as the main driver of shipments to China. Semi-finished steel imports to China from South Asia were down -17.5% m-o-m at 660,877t. Flat product shipments meanwhile were up 122% m-o-m and up from virtually nothing a year earlier to 576,804t. Within that, import of carbon and alloy hot-rolled coil from India increased 121.2% m-o-m to 574,123t. Imports from Southeast Asia, meanwhile, were boosted by semi-finished products which were up 36.1% y-o-y and 607.8% y-o-y at 821,343t in July.

Imports driven by key trade flows



Source: Customs, Kallanish (t/month)

First net imports since 2009



Source: NBS, Kallanish

In this week's issue:

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Can Chinese rebar prices close the gap with HRC?

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Can the demand rebound from the automotive sector in Europe further support EU coil prices?

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Will the recent uptick in US flats prices continue to benefit downstream industries like energy?

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Will latest scrap booking round push prices to \$300?

► PAGE 8

Can CIS pig iron prices continue to recover?

KORE 62% Fe / Qingdao CFR USD/t

W-o-w avg change **-2.34%**

28 Aug 2020	\$	122.52	
27 Aug 2020	\$	122.41	low
26 Aug 2020	\$	122.96	
25 Aug 2020	\$	123.96	
24 Aug 2020	\$	124.96	high
Average	\$	123.36	

21 Aug 2020	\$	125.62	
20 Aug 2020	\$	128.80	
19 Aug 2020	\$	128.95	high
18 Aug 2020	\$	126.50	
17 Aug 2020	\$	121.68	low
Average	\$	126.31	

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Global Overview

SAMPLE

North America

- US flats prices move up
- Energy tube lifts slightly off of long-term plateau
- CSI appoints JFE executive as new ceo

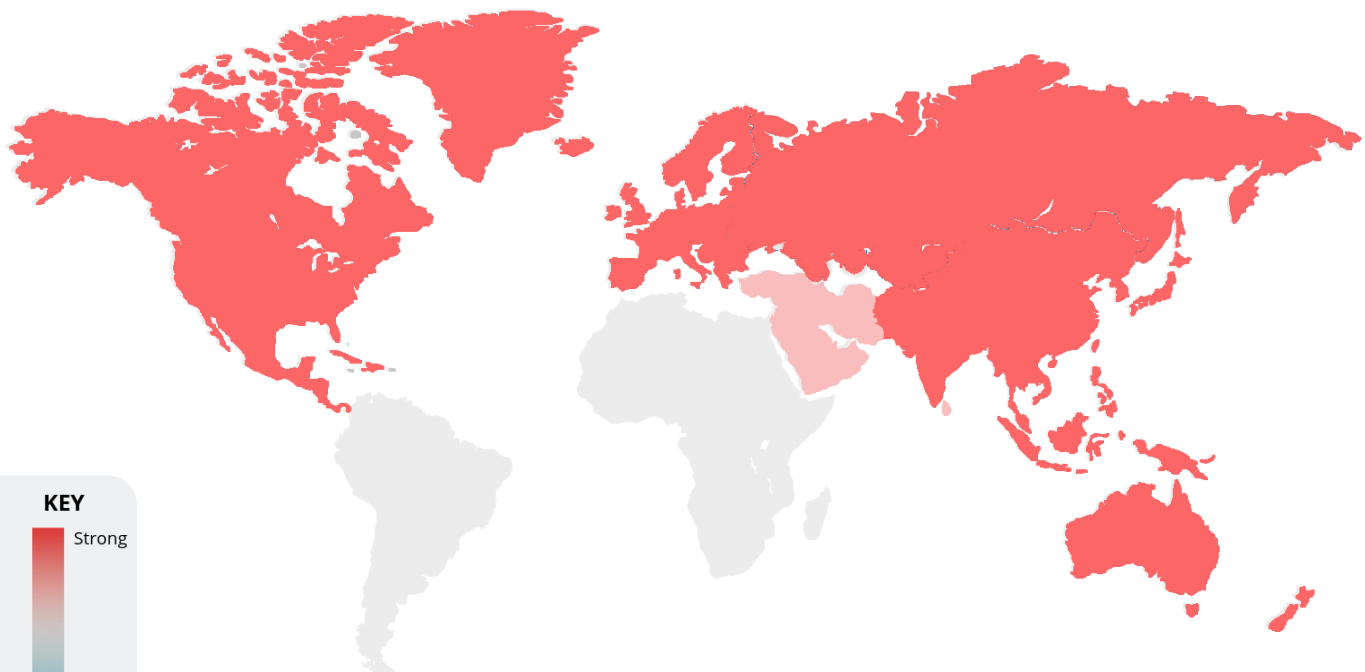
Europe

- Coil prices consolidating in Europe
- Marcegaglia increases tube prices
- Voestalpine restarts BF

Asia

- Iron ore remains strong despite slight correction
- Indian automotive slumps
- Asian billet market stabilises

KALLANISH STEEL WEEKLY GLOBAL SENTIMENT MAP



KEY



[See the interactive version online](#)

South America

- Usiminas prepares BF restart
- Aceros Arequipa to export billets to China

Middle East

- Turkish scrap purchases resume
- Turkish mills hike rebar prices again
- Turkish wire rod demand strengthens

CIS

- CIS billet export trade remains in lull
- CIS HRC remains firm despite few sales



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Word of the week

Busheling

Clean steel scrap consisting of sheet clips and stampings from metal production. This is applied to thin uncoated clippings and stamping offcuts from manufacturing operations. Consequently it only applies to new production scrap, rather than scrap generated from obsolete used items.



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