Kallanish Steel Weekly

SAMPLE

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This week:

Global pig iron demand remains strong despite weakening sentiment in iron ore, scrap

Demand for merchant pig iron continues to accelerate in all traditional buying regions. China's appetite has encouraged the US and Italy to start booking new volumes, and traders to restock in the past week. The resulting activity has lifted prices up, with producers raising offers.

During the first half of September a Ukrainian producer finally sold a large cargo to the US at just under $545/tonne cfr Nola for November loading, netting back to around $485/t fob. This raised price expectations for further sales from the CIS and Brazil to over $560/t cfr Nola. Brazilian offers to the US were at $560-565/t cfr for December loading material, but no sales were concluded in the past ten days.

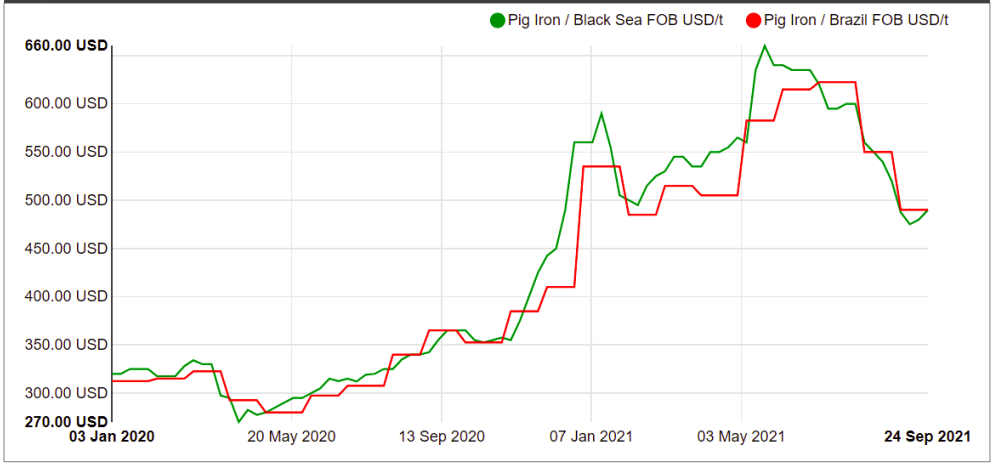
China's buying continued, with two more CIS cargoes booked at $550-555/t cfr, netting back to $480-485/t fob, with $80/t freight. This brings the total booked in the past six weeks to over 0.5 million tonnes of CIS and Brazilian pig iron. The sheer volume of China's demand is encouraging interest mainly from traders at the moment, it appears, with several lots booked for the Mediterranean by large stockists.

A large – around 40,000t – volume of Ukrainian material was sold to Italian traders in the range of $548-553/t cfr, for October loading, with a net back price of around $500/t fob Black Sea. There were also sales of eastern Ukrainian material, at about $480-490/t fob for a large, circa 40,000t lot, split into parcels, destined for southern Europe and Turkey, sources note. Turkish demand is still idle, but southern Europe is slowly waking up to the possibility of not having its requirements met if China continues to gobble up available volumes.

Indian pig iron was heard traded to Southeast Asia, but not China, in smaller parcels, and at higher prices of around $520-525/t fob, down from its offers to China last week at $530-540/t fob. Supported by firm coking coal prices, Indian ironmakers are also unlikely to reduce their offers further, strengthening the consolidating sentiment.

But some traders are not convinced the ascending merchant pig iron price dynamic will stick, citing weakening iron ore prices and scrap price uncertainty. Sliding finished steel prices are also considered a dampening element, which may offset the upward pressure exerted by coking coal prices amid diminishing availability owing to China's appetite.

Pig iron prices in CIS and Brazil



Click here to see the chart online

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Will Chinese steel prices hold due to the problems created by local power cuts?

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How will the semiconductors shortage impact the EU steel markets?

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Will finished steel prices in the US continue to hold, or have prices peaked?

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How much more can Turkish scrap fall?

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How is increased volatility impacting ASEAN steel markets?

KORE INDEX

Index	58%	62%	65%
W-o-w % Change	-18.11%	-14.14%	-11.49%
24 Sep	85.65	111.49	134.13
23 Sep	86.04	110.69	133.47
22 Sep	82.73	104.38	127.34
21 Sep	84.88	99.31	122.70
20 Sep	89.84	102.93	126.26
Average	**85.83**	**105.76**	**128.78**
17 Sep	99.97	113.36	136.32
16 Sep	101.85	117.52	140.49
15 Sep	106.26	126.36	148.79
14 Sep	106.96	127.69	150.00
13 Sep	109.00	131.00	151.90
Average	**104.81**	**123.18**	**145.50**

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Global Overview

North America:

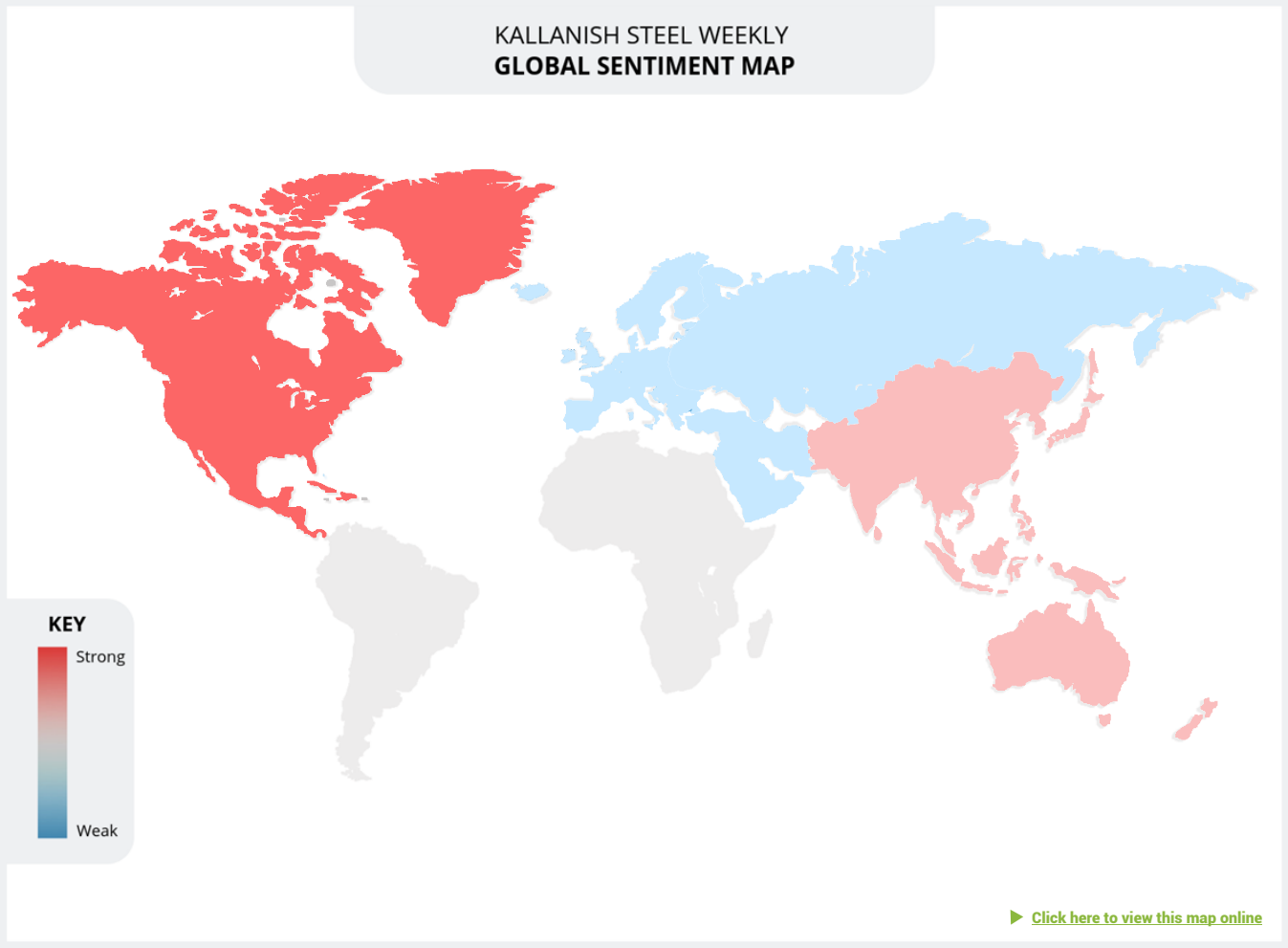
- Hot-rolled prices near dollar-per-pound
- US skelp props up energy tubular market
- Scrap expectations differ for October's trading in US

Europe:

- EU coil prices to decline further
- Italian rebar down
- Liberty to cut Belgian jobs

Asia:

- Vietnamese HRC market dives
- Chinese rebar prices hold
- Power cuts impact Chinese market



Latin America

- ArcelorMittal restarts Barra Mansa mill
- Brazil hits record steel production

CIS:

- Russian steelmakers make new proposal for profit tax
- CIS billet stabilisies

Middle East:

- Turkish scrap falls
- Turkish rebar market quiete
- Construction rebound expected in Saudi

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Word of the week

Concentrate

Concentrate is a fine powder-like product between ore and metal where much of the waste mineral has been eliminated, leaving a higher concentration of the required mineral than in the original ore.

Trade Case Database Updates

Country	Note
India	Extended anti-dumping duties on some hot-rolled flat product imports from China, Japan, Russia, South Korea, Brazil and Indonesia, as well as cold-rolled flats from China, Japan, South Korea and Ukraine.
Turkey	Imposed anti-dumping duties on stainless steel pipe imports from Vietnam.
Brazil	Has initiated a review of anti-dumping duties on imports of seamless tubes originating from China.
Mexico	Initiated a review to potentially extend for another five years anti-dumping duties on imports of wire rod originating in China.
Mexico	Extended its countervailing duty on imports of longitudinal welded line pipe originating from the US.
UK	Extended the anti-dumping duty on welded tubes and pipes from Belarus and China till 30 January 2026. The duty on products from Russia has meanwhile been revoked.
The EU	Extended for a further five years anti-dumping duties on imports of stainless steel cold-rolled flat products originating in China and Taiwan.

▶ View the full Kallanish trade case database online

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