

# Markets Report

## In the news this week:

### Thailand begins flat steel duty sunset review

Thailand's Department of Foreign Trade (DoF) officially started a sunset review on some hot rolled flat steel both coil and non-coil. The AD duties applied to Chinese and Malaysian products are 30.91% and 23.57%-42.51% respectively, which are based on cif prices.

### China-Philippines to jointly develop steelworks, mine

China's Shenzhou Mining and Philippine company Mount Zynai 0304 Mining Corp.(MZMC) are jointly developing an iron ore project and a 1.5 million tonnes/year steel mill project at Mount Zynai Industrial Park (MZIP) in Davao City, Zamboanga Sibugay Province.

### Hoa Phat to upgrade existing equipment with Primetals

Hoa Phat has awarded Primetals Technologies a contract for process and technology consulting services for Hoa Phat's Dung Quat plant. The goal is "to study existing production performance and advise on possible improvements in product quality as well as on conversion cost reduction".

### NSSEA provides loan to G Steel

Nippon Steel Southeast Asia Company Limited (NSSEA) will provide financial assistance to Thailand's G Steel from July 2022. This allows G Steel to borrow the unsecured loan from NSSEA at a interest rate of 0.9% when the net available balance in G Steel's account is less than zero, up to an amount of THB 400 million (\$11.32m), for not more than one year from the Agreement date.

### Tsingfeng Indonesia to hot test ferrochrome production

Tsingfeng Group's local company, Indonesia Tsingfeng, plans to hot test high-carbon ferrochromium production in mid-July. After the project is put into operation, it is expected to produce 700,000 t/y of high-carbon ferrochromium.

### Japanese steel trade rebounds in May

Japan's May exports rose 10.6% m-o-m and 8.6% y-o-y to 3.02mt, JISF data shows. Exports to Taiwan in May still continued to decrease, but Thailand imported 27.3% more compared with April. Thailand thus surpassed Korea as the largest destination market in May, followed by China.

### Jingye: steelmakers must prepare for five-year losses

Hebei-based Jingye Group chairman Li Ganpo said at an internal meeting that Chinese steelmakers need to prepare cash flow to deal with coming industry turmoil. He pointed out that China's steel industry has to wait for 30% of the steel enterprises to close down before the steel industry can enter a state of breakeven and normal operation.

### Taiwan's CSC expects market to recover in August

Taiwan CSC's chairman expects Taiwan's steel market will pick up by August at the latest. The company's orderbook for July and the third quarter is good following the most recent price adjustment. Wong says he is confident over the outlook for Q3 due to the apparent recovery of the mainland China market.

### Fitch Solutions ups 2022 iron ore price forecast

Fitch Solutions is revising up its forecast for 62% Fe iron ore prices in 2022 from \$120/t to \$130/t cfr Qingdao. The research house is maintaining its existing forecast for 2023 at \$110/t on the expectation that slowing growth and additional supply will bring prices down.

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## Publishing Days

The Kallanish South East Asian Steel Markets report is published in sections to enable us to deliver our readers the most up to date and timely information.

Mondays: Markets Report  
Wednesdays: Production Report

Country trade data is published as soon as it becomes available.

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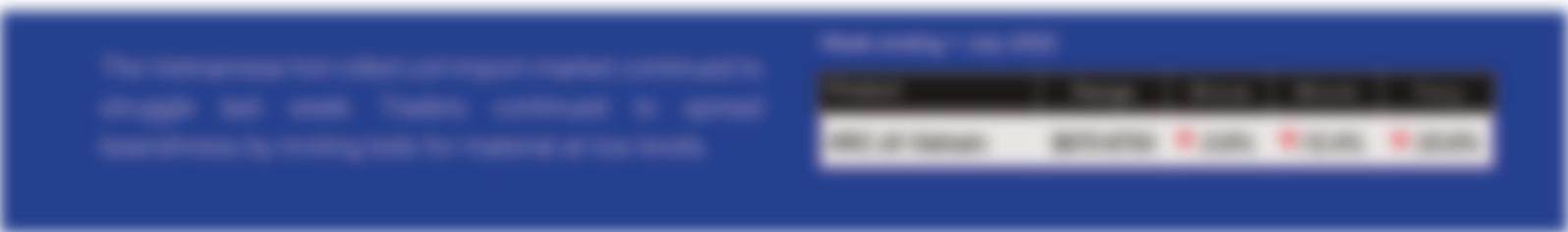
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# Markets Report: Flats



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Markets Report: Longs

Summary of market trends and key indicators for the South East Asia region, including price movements and demand forecasts.

Commodity	Unit	Current Price	Change	Forecast
Iron Ore	USD/MT	115.00	+0.50	Stable
Steel	USD/MT	700.00	+5.00	Stable

Market overview and key trends in the South East Asian region, focusing on demand and supply dynamics.

Analysis of regional economic conditions and their impact on the steel market.

Key factors influencing market sentiment and price volatility.

Forecast for the coming months, including potential risks and opportunities.

Regional performance highlights and specific market insights.

Summary of market activity and price movements.

Concluding remarks and outlook for the South East Asian steel market.



Market activity and price movements in the South East Asian region, focusing on the steel market.

Analysis of regional economic conditions and their impact on the steel market.

Forecast for the coming months, including potential risks and opportunities.

Summary of market activity and price movements.

# Markets Report: Semis

Key Market Indicators

Iron Ore (USD/MT)	100.00	+0.5%	100.50	+0.5%
Steel (USD/MT)	80.00	-0.2%	80.16	-0.2%

The steel market in South East Asia has shown a steady decline in prices over the past few weeks. This is primarily due to a combination of factors, including a decrease in demand from the construction sector and a surplus of supply. The price of iron ore, a key input for steel production, has also fallen, contributing to the overall downward trend in steel prices.

Market participants are closely monitoring the situation, as any further price drops could lead to increased production cuts and a more pronounced market correction. The outlook remains uncertain, with prices expected to continue to fluctuate in the near term.

Key market indicators for the week ending July 4th, 2022, show a slight increase in iron ore prices, while steel prices have remained relatively stable but with a downward bias.

The market is currently in a state of consolidation, with participants waiting for clearer signals from the global economy. Any news of a recovery in demand or a shortage of supply could lead to a sharp rebound in prices.

Overall, the steel market in South East Asia is facing a period of uncertainty, with prices likely to remain volatile in the coming weeks.

Market participants are advised to stay alert for any changes in the global economic landscape, as these could have a significant impact on the steel market.

The steel market in South East Asia is expected to remain under pressure in the short term, with prices likely to continue to decline or stabilize at lower levels.



The price of iron ore has increased by 0.5% to 100.50 USD/MT, while the price of steel has decreased by 0.2% to 80.16 USD/MT. This indicates a divergence in the two markets, with iron ore prices showing more volatility than steel prices.

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# Markets Report: Raw Materials

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Executive Summary

The raw materials market in South East Asia remains volatile, with significant price fluctuations in iron ore and coal. The region's demand for raw materials is driven by the steel industry, which is recovering from the economic downturn. However, supply constraints and global market dynamics continue to pose challenges for the region's steel producers.



Iron Ore

Iron ore prices have risen significantly due to increased demand from China and other major steel-producing nations. The region's iron ore reserves are being depleted, leading to a reliance on imports. This has put pressure on local steel mills to secure long-term contracts to ensure a steady supply of raw materials.

Coal

Coal prices have also seen a sharp increase, driven by global supply shortages and rising demand. The region's coal reserves are being depleted, and the cost of coal has become a major factor in the production of steel. This has led to a search for alternative energy sources and more efficient production processes.

Alumina

Alumina prices have remained relatively stable, but there is a growing concern about the region's alumina reserves. The region's alumina reserves are being depleted, and the cost of alumina has become a major factor in the production of steel. This has led to a search for alternative energy sources and more efficient production processes.

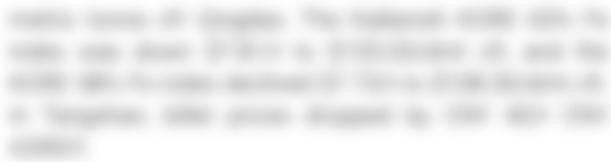
Steel Scrap

Steel scrap prices have risen due to increased demand from the steel industry. The region's steel industry is recovering from the economic downturn, and this has led to a higher demand for steel scrap. This has put pressure on local steel mills to secure long-term contracts to ensure a steady supply of raw materials.

### About Kallanish

Kallanish is an independent business media organisation, that provides news, reports, data, events, conferences, webinars, and market intelligence, to steel and power material sector professionals. To find more information about Kallanish products and services please get in touch on the details below.

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