Issue: 30-23 | Date: 01 Aug 2023

聞 This week:

ArcelorMittal cuts demand outlook on weaker than expected US, Europe performance

ArcelorMittal, the second largest steelmaker globally and the main steelmaker outside of China, has cut its global ex-China apparent steel consumption (ASC) growth forecast for 2023 to 1-2% from the previous 2-3%, due to worse-than-expected performance in the US, Brazil and Europe.

In the US, as real demand growth is expected to remain lacklustre due to the lagging impact of interest rate rises, apparent steel consumption in 2023 is now expected to decline by 0-2% – versus previous guidance of 1.5-3.5% growth. US ASC forecasts have been moderated to reflect weakness in long products and pipes & tubes, whilst apparent demand for flat products is still forecast to grow, the steelmaker says.

In Brazil, due to the ongoing high interest rate environment, the company has moderated its real steel consumption estimate in 2023 and now forecasts an ASC growth of 0-2% – revised down from the previous guidance of 3-5%.

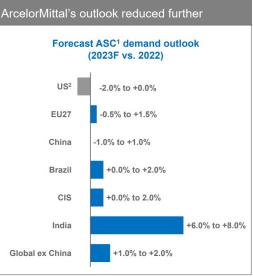
In Europe, while the company continues to assume a marginal decline in real demand in 2023, apparent demand is expected to moderate to -0.5% to +1.5% in 2023 – versus previous guidance of 0.5-2.5% growth. The marginal change to European ASC forecasts is largely due to a decline in long products demand forecast due to weak construction activity, whilst apparent demand for flat products is still expected to increase.

In the US and EU, underlying real demand is expected to moderate in the second half of the year. However, given the destocking in H2 2022, apparent demand is still expected to grow year-on-year in H2 2023.

Inventories remain low in ArcelorMittal's core markets and restocking has not yet occurred, the firm observes.

In China, while economic growth is expected to be broadly stable in 2023, steel consumption is expected to stabilise in 2023 to -1.0% to +1.0%, unchanged from the previous guidance. There is a potential upside dependent on government infrastructure stimulus and production discipline impacts.

ArcelorMittal's consolidated steel shipments dropped only 1% on-year in the second quarter to 14.2 million tonnes, with crude steel production actually rising 1% to 14.7mt.



Source: ArcelorMittal

In this weeks Issue:

- ▶ PAGE 3
 Is the Chinese steel prices recovery set to continue?
- PAGE 4 How likely is the Indian HRC price hike to be accepted by the buyers?
- PAGE 5 Can German rebar prices recover despite weak construction sentiment?
- PAGE 6 Is the US economy going to improve in H2?
- ► PAGE 7
 Have scrap prices bottomed?
- PAGE 10 How is the Saudi scrap market performing?

KORE INDEX



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Global Overview

Americas:

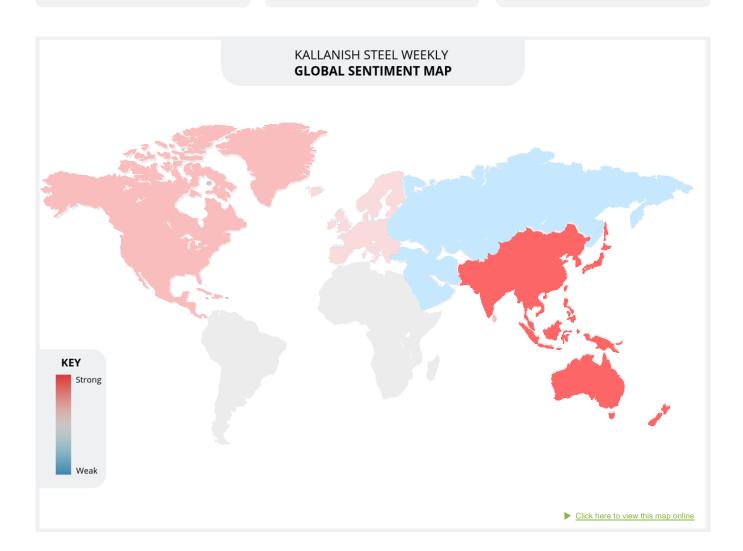
- US flat products remain flat Five top metros see decline in construction
- Rebar market stable in July

Europe:

- German rebar prices could have reached bottom
- Eurofer slashes further outlook
- Benelux scrap market remains

Asia:

- Chinese steel prices up
- Iron ore weakens Vietnamese HRC prices up



India:

- India anticipates raising HRC offers
- Indian imported scrap offers grow despite sluggish demand Pakistan scrap offers grow following bookings uptick

CIS:

Black Sea billet inches down

Middle East:

- Turkish scrap market debates
- Turkish longs export struggles continue GCC HRC buyers prefer local
- mill over imports

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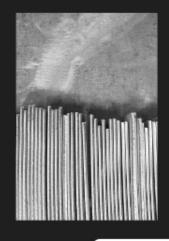
Pulverised Coal Injection

Pulverised coal injection is a process often used in blast furnaces which aims to reduce an integrated mill's reliance on coke. This is important as environmental problems occur due to its production.

FLAT STEEL 2023









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