

 This week:

Crude steel output recovery slightly slowing down

Crude steel production in the 64 countries reporting to the World Steel Association (worldsteel) surged 23.3% on-year in April to 169.46 million tonnes, although this came from a low base as Covid-19 hit output last year. It was down, nevertheless, 0.4% on March as most large steelmaking countries reduced somewhat monthly output.

Chinese production rose 13.4% on-year to 97.85mt and was up from 94mt in March. India's output soared 152% to 8.3mt, but was down from 10.33mt in March as the second Covid-19 wave gripped the country. Japanese and South Korean output was up 19% and 15% on-year respectively to 7.82mt and 5.86mt, but each fell versus March. Vietnamese output is estimated to have surged 77% on-year to 1.88mt.

EU27 crude steel output rose 43% on-year in April to 12.92mt, but was down from 13.8mt in March. Germany and Italy saw output of 3.36mt and 2.06mt respectively, up considerably on-year but down on-month. Spain and France reported output of 1.29mt and 1.25mt respectively, up on-year but also more or less unchanged from March.

The UK saw output at an estimated 615,000t, down only slightly both on-year and on-month.

Turkish production meanwhile rose 47% on-year to 3.29mt, but was down from 3.4mt in March.

US production rose for the second consecutive month after many months of decline, by 43% on-year to 6.9mt, but fell from 7.1mt in March. Brazilian output surged 59% on-year to 3.07mt and was also up from 2.81mt in March.

CIS production rose 21% on-year to 9.1mt, with Russian output estimated to have risen 15% to 6.5mt and Ukrainian confirmed up 38% to 1.85mt.

Global crude steel production in January-April thus grew 13.7% on-year to 662.78mt.

ONGOING 2021 RECOVERY

The aggregated data for January-April 2021 showed that global production increased 13.7% y-o-y, with the fastest recovery so far being recorded in South America (+18.2% y-o-y).

Last year crude steel production globally decreased some -0.9% y-o-y while steel demand was down a mere -0.2% y-o-y. For 2021, worldsteel expects demand to recover 5.8% y-o-y.

The y-o-y recovery rate of crude steel production will drastically slow-down as the second half of the year approaches, but questions on the possibility of production recovering more than demand by the end of the year remain open.

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KORE INDEX

Index	58%	62%	65%
W-o-w % Change	2.29%	2.36%	-2.08%
21 May	184.55	212.05	245.67
20 May	186.32	215.64	249.39
19 May	187.58	217.90	251.83
18 May	188.15	219.84	253.62
17 May	186.26	214.98	249.01
Average	186.57	216.08	249.90
14 May	182.74	208.84	243.08
13 May	182.90	220.64	254.49
12 May	182.90	225.98	259.58
11 May	181.70	225.04	258.91
10 May	181.23	226.07	259.53
Average	182.29	221.32	255.12

Country	April 2021	Jan-Apr 2021
China	13.4	15.8
India	152.1	26.9
Japan	18.9	2.7
United States	43.0	2.8
Russia	15.1	7.1
South Korea	15.4	6.5
Germany	31.5	9.0
Turkey	46.6	16.9
Brazil	59.3	15.9
Iran	6.4	9.6

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Global Overview

North America:

- US flat prices remain firm
- Strong skelp maintains OCTG pricing
- US scrap expectations rise for June

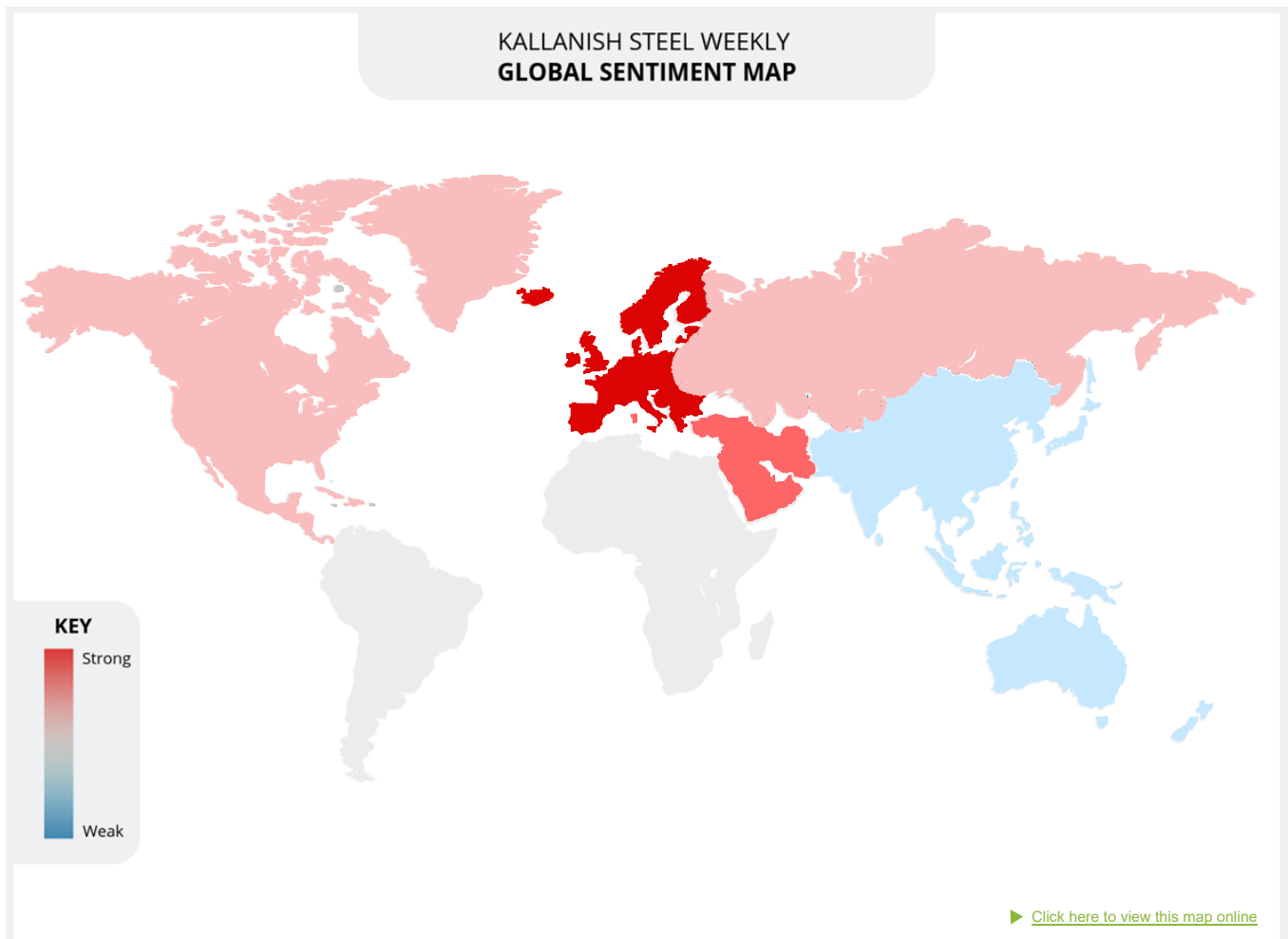
Europe:

- UK extends half of safeguard measures
- Coils keep increasing
- EU longs prices jump

Asia:

- Chinese prices fall
- Iron ore holds
- Vietnam HRC market stops

KALLANISH STEEL WEEKLY GLOBAL SENTIMENT MAP



South America:

- Ternium starts hot strip mill trial
- No supercycle for iron ore: Vale

CIS:

- CIS billet holds firm for now
- Russia mulls higher scrap export duty

Middle East:

- Turkish scrap hikes further, correction feared
- Turkish rebar exports remain firm
- Turkish HRC mills limit export supply

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Word of the week

Molybdenum



An alloying element used as a raw material for some classes of stainless steel. Molybdenum in the presence of chromium enhances the corrosion resistance of stainless steel.

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