Kallanish Steel Weekly

YOUR MARKETS OUR VIEWS

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SAMPLE

Top News:

Global crude steel output continues to rise

The World Steel Association (worldsteel) says that global crude steel output from its 67 reporting countries was 148.3 million tonnes in March 2018, up 4% year-on-year. Capacity utilisation also rose on-year again during the month.

China produced 74mt in the month, an increase of 4.5% on March 2017 and just about half of the world's crude steel output.

In the EU28 total March crude steel production was practically static, rising by just 0.5% y-on-y to 15.1mt. Estimated output in Germany hardly moved y-on-y at 3.9mt. Monthly production grew y-on-y in Italy by 1.0% to 2.3mt. French crude steel output rose on-year in March by 1.5% to 1.4mt. Spanish output was down by -4.1% to 1.3mt.

US crude steel output was 7.3mt in March 2018, an on-year increase of 5.3% whilst in Brazil crude steel production was 3.1mt, up by 7.6% on March 2017.

Crude steel production in Japan in March grew y-on-y by 2.2% to 9.1mt whilst that of India was 9.2mt, up by 5.3 % from March 2017. South Korean production rose by 4.7% y-on-y during the month to reach 6.1mt.

Russian estimated production was 5.7mt in the month, -10% down on-year. Ukraine's output rose meanwhile to 1.7mt, up by 4.7%, same basis.

The worldsteel monthly crude steel capacity utilisation ratio for the 67 countries was 74.5% in March 2018. This was 2.2 percentage points higher than that in March 2017, worldsteel says, and 0.9 pp higher month-on-month.

RAW MATERIALS

Meanwhile raw materials prices globally have continued to benefit from the high crude steel production levels.

Scrap is currently under pressure but remained at $350/tonne cfr Turkey last week, almost $100/t above the levels registered at the end of April 2017. Since March this year the scrap price has lost some $25/t and the pressure is continuing due to Turkish mills having a difficult time selling their products in export markets. Nevertheless, the correction is taking much longer to happen than previously anticipated.

Iron Ore Price

In this week's issue:

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Can strong Chinese domestic prices support the iron ore market?

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What will be the impact of the expected stability of scrap prices in Europe?

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What are the possible outcomes of the 232 exemption expirations?

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In which direction are scrap prices heading?

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How is Germany reacting to the use of Chinese steel for its local bridges?

Iron Ore 62% Fe / Qingdao CFR USD/t

W-o-w avg change			**-6.25%**
27 Apr 2018	$	65.42	low
26 Apr 2018	$	66.09	
25 Apr 2018	$	66.01	
24 Apr 2018	$	66.84	high
23 Apr 2018	$	67.1	
Average	**$**	**73.73**	
20 Apr 2018	$	66.54	
19 Apr 2018	$	67.5	high
18 Apr 2018	$	65.53	
17 Apr 2018	$	63.89	low
16 Apr 2018	$	63.81	
Average	**$**	**78.65**	

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Global Overview

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North America

- Sheet moves up, correction rumours begin
- Plate, OCTG prices stable
- Scrap turns sideways

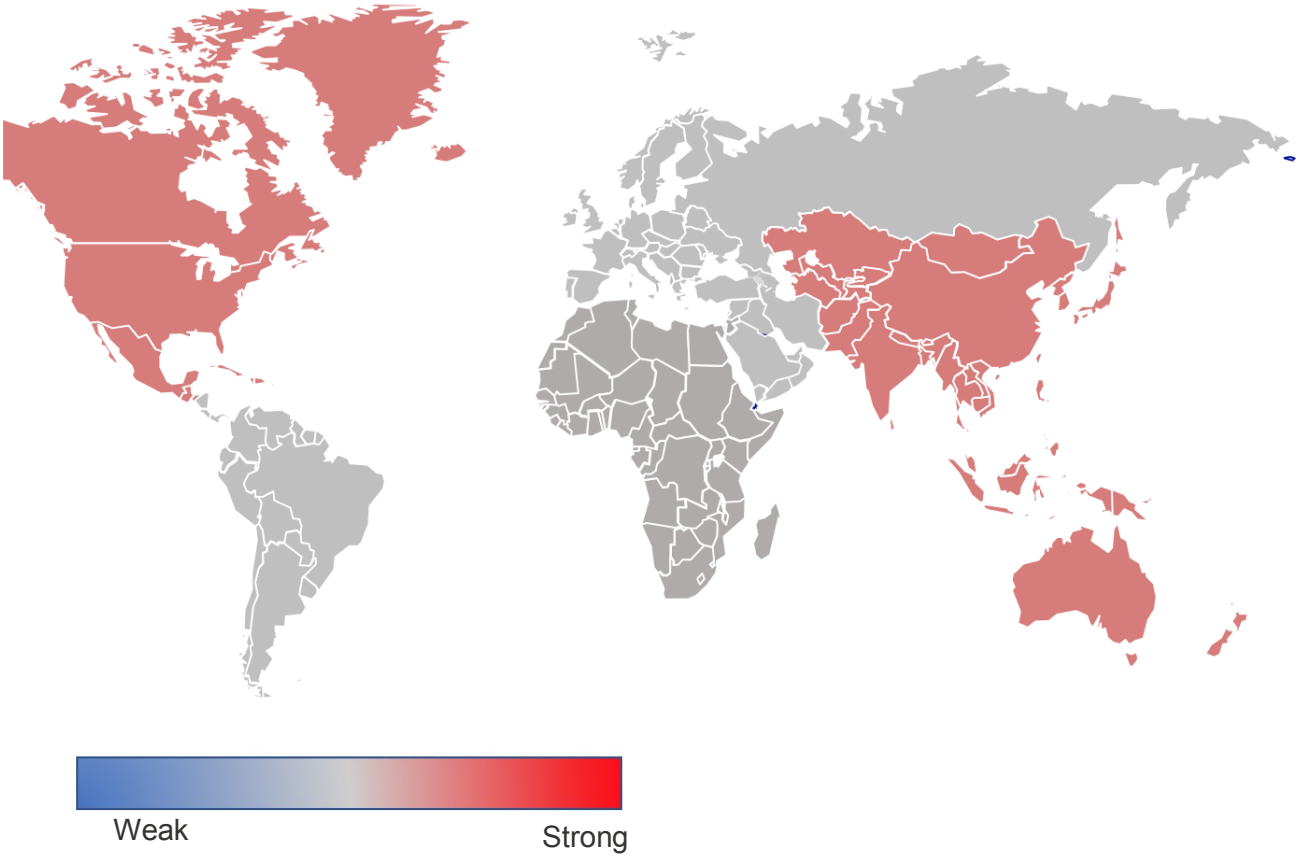
Europe

- EU scrap set to remain stable in May
- HDG prices under pressure
- New trade barriers continue being discussed

Asia

- Chinese prices strong
- Iron ore stuck
- Essar saga continues

Global Sentiment Map



Middle East

- Turkish scrap price direction uncertain
- Turkish domestic rebar demand improves
- Turkey launches broad safeguard investigation

CIS

- CIS billet booked after price reduction
- CIS coil prices fall further

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