聞 This week:

Coking coal dives amid selling pressure

Australian fob coking coal prices dived last week amid selling pressure due to more supply and less demand.

Kallanish assessed premium hard coking coal at \$229.28/tonne fob Australia, slumping \$30.52/t from \$259.80/t the previous week.

On the Singapore Exchange, Premium Coking Coal Futures for May settled at \$234.67/t on Friday, plunging \$17.33/t from \$252/t fob a week earlier.

According to traders, global miner BHP sold 30,000 tonnes of Saraji for 1-10 June laycan at \$253.50/t fob on 26 April.

Meanwhile, a Chinese mill bought 75,000t of coking coal from a trader on 27 April for late-May laycan at seller's option: premium low-volatile (PLV) coking coal at \$245/t cfr China or Goonyella/ Goonyella C/ Caval Ridge at \$240/t cfr China. The freight cost is indicated at \$15/t.

A trade was heard at \$225/t fob for 75,000t of branded HCCA coal for 24 May-2 June laycan on Friday 28 April.

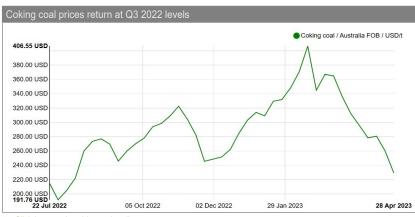
"Prices are free falling – we're waiting for end users to enter the market and stabilise it," says a trader. He notes that the weakness is due to substantial supply and weak demand amid slowing steel production. "As long as end users don't come back to the market, prices have to fall to find the market equilibrium," he adds.

Another trader sees physical availability in the market being rather stable. He is not observing a flood of cargoes in the market looking for a home.

However, he says the derivatives market is still under pressure as financial traders are rotating their positions among various asset classes and hence causing a sell-off in the ferrous complex. "We believe this rotation of position will take another 2-3 weeks before it gets cleared out and the market could start to see some form of relief from the second week of May onwards," he adds.

Another trader reflects that fob Australia and cfr China will invert as Chinese coal prices may continue to go down. At the same time, he notes that Indian mills will start buying this coming week.

"Fob will see short stabilisation and then may go down in tandem with Chinese coal again," he adds. He also notes that smaller Chinese mills are not coming back to the Australian coal market, and only big mills such as Baosteel are buying Australian coal.



Click here to view this graph online

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Global Overview

Americas:

- US plate market expect June increases
- Plate, sheet, and rebar prices remain stable in US
- OCTG and scrap prices slip

Europe:

- HRC market in Europe prepares for potential correction
- Emirates Steel in talks to acquire thyssenkrupp's stake
- Scrap prices in Europe down

Asia:

- Chinese steel prices down further Iron ore and coking coal prices
- down in Asia
- Negative sentiment in China impacts Asian prices



India:

- Indian HRC offers plummets in Europe, GCC Indian imported scrap offers drop
- Bangladeshi mills face scrap import hurdles amid delayed financing

CIS:

CIS billet demand softens

Middle East:

- Turkish scrap drops towards
- Turkish rebar mills ready to negotiate
- Iranian mills stockpile billet for better prices

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QSpecial Feature

The future of Belgian coils rolling lines hangs in doubt

A Belgian court at the end of last week officially rejected the three bids received for the acquisition of the coils rolling mills controlled by Liberty in the country and currently up for sale.

As previously reported the three bids included one from ArcelorMittal – the former owner of the lines before their sale to Liberty – one from Liberty Galati and one from Marcegaglia and NLMK in consortium. ArcelorMittal and Marcegaglia have shown interest mainly in the HDG lines in Flemalle, while Liberty submitted a bid for the entire unit, including the packaging mill in Tilleur.

Local trade unions during the last days voiced their support for the bid presented by Liberty Galati as this was the only one involving all the rolling mills in the country and preserving all jobs.

The court nevertheless rejected all bids, including the one from Liberty Galati being part of the same group that was the last to own the mills without success.

The Belgian assets of Liberty Steel have been put under a restructuring programme at the end of last year, running until the end of April 2023, to "temporarily protect the business from its creditors, while ensuring the best possible ongoing relationships with them, and ensure the continuity of the company", Liberty explained at the time.

Now there is a concrete possibility that the rolling mills will be declared bankrupt, after a prolonged period of downtime. Trade unions and local authorities, nevertheless, are still calling all interested parties to review their bids and continue negotiations to secure a future for the assetts.

Liberty Steel's Belgium-based assets include a series of lines for packaging steel located in Tilleur and two hot-dip galvanising lines located in Flemalle. The units can produce up to 1 million tonnes/year of hot-dip galvanized coil and 200,000 t/y of packaging products. They were acquired by Liberty from ArcelorMittal in 2019.

The company also controls coils rolling mills in Luxembourg which – similarly to Belgian mills - have been affected since last year by important production stoppages and discussions over a potential sale of the assetts.

By: Emanuele Norsa, European Editor

The structure of Liberty Steel assets in Belgium and Luxembourg Luxembourg - Dudelange site Belgium - Tilleur site Belgium - Flémalle site 2 hot dip galvanizing lines Lines for packaging products 2 dip galvanizing lines Products: galvanized on hot and cold rolled steel Products: Aluzinc, Alsil Cold rolling mill - 5 cages Capacity: 620 kt/year Continuous annealing Capacity: 950 kt / year Skin pass 2 electrogalvanizing lines Service center Electrolytic tinning line Capacity. 360 kt/year (160 kt/year one line 2 slitting lines Capacity: 200 kt / year mothballed) Combination of pickling and cold rolling mill - 4 Steel Service Center cages Capacity: 150 kt/year 2 cutting to length lines Service center: Indumet site 2 slitting lines 3 cutting lines

Source: www.libertysteelgroup.com



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Word of the week

Bake Hardening

Bake hardening alters the properties of sheet in a car production line. The body panels are painted once they have been pressed and the paint is later cured by passing through an oven. Although the steel is already work hardened during pressing, it will be during the curing process that the arrangement of the atoms in the steel will change. The result is that after baking and cooling the steel has a higher strength than it did after pressing.



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