Issue: 09-24 | Date: 05 Mar 2024

M This week: Indian HRC export prices remain higher than other Asian competitors

Since March last year Indian export HRC prices have been the most expensive among Asian exporting countries. This is mainly due to the strong domestic demand that continues to be registered in the country. Increasingly since last year's second half, Indian HRC prices have outperformed other markets and the trend is expected to continue in 2024 as domestic demand remains firm.

Last week Indian hot and cold rolled coil export activity remained quiet, amid softening Chinese prices. Sources say this is due to high inventories in the European market and the perception of safeguard quota exhaustion risk impacting demand from Europe.

Indian domestic demand continues to remain stable nevertheless. Traders anticipate demand to pick up further after the upcoming general elections are completed. These are expected to be held in April or May.

A market source says: "The [European] market remains quiet, there's not much activity. People just want to wait." Multiple factors are contributing to the subdued market activity in Europe, including quota issues and high inventories, the source adds.

In the European market, initial Indian HRC offers were heard in the range of \$690-700/tonne cfr, or \$630-640/t fob India for SAE1006/S235 structural grades, for March shipment. This is a drop of \$10/t on-week.

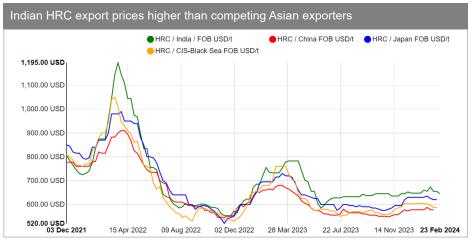
CRC offer prices were reported at \$790/t cfr Europe, or \$730-740/t fob India, also dropping \$10/t on-week. No bids were heard. However, one market participant notes his offer price expectations are \$50-60/t lower than current offers and says: "I expect Indian offers [to the European market] to drop by a further \$10-15/t in the coming weeks.

In the Gulf Cooperation Council, an initial Indian offer for re-rolling grade (SAE1006) HRC was heard at \$627-632/t cfr GCC, or \$600-602/t fob India for March shipment.

Another India-UAE offer for pipemaking grade was heard at \$630/t cfr Jebel Ali, or \$600-603/t fob India for 8,000t for March shipment.

In Vietnam, initial Indian HRC offers were heard at \$600-605/t cfr or \$565-575/t fob India for March-shipment re-rolling SAE1006 grade HRC.

In the domestic market, HRC offer prices remain unchanged at INR 54,000-54,500/t (\$651.55-657.59/t) for E250 grade ex-Mumbai. Similarly, CRC offer prices were flat at INR 61,500-62,000/t ex-Mumbai for IS513 Grade O. Both prices saw no movement for the second



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Are US hot rolled coil prices likely to bottom out at around \$800/short ton?

How much more will Turkish scrap fall?

How can Turkish longs steelmakers break the current deadlock?

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Global Overview

Americas:

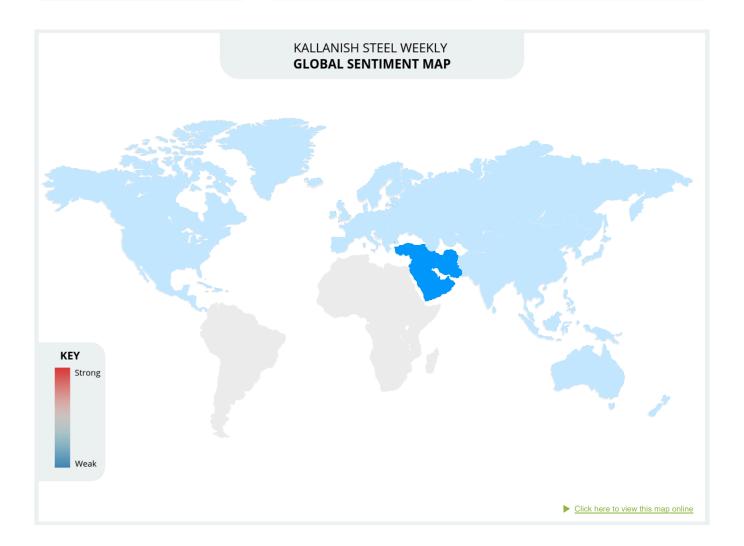
- US HRC pricing capitulates to restocking refusal Nucor formally confirms lower
- US rebar pricing drops for the first time this year

Europe:

- European scrap down Italian HRC prices decrease rapidly
- EU rebar prices under pressure

Asia:

- Chinese iron ore keep moving down
- Slow demand weighs on Chinese
- Rumours on billet export restrictions from China



CIS:

- Russian billet suppliers resist lower bids
- Falling scrap pressures Russian pig iron prices

Middle East:

- Turkish scrap drop continues, buyers await bottom
- Weak demand continues to plague Turkish longs exporters GCC HRC buyers bide their time

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Word of the week

Basic Oxygen Furnace

The basic oxygen furnace converts iron from the blast furnace into steel. When oxygen is blown over the molten iron in a BOF vessel, it combines with and removes carbon as carbon monoxide and carbon dioxide. Unwanted silicon, phosphorus and other elements are also driven off, while other impurities are combined with fluxes which are removed and then made into slag. The reactions in the BOF vessel creates heat, so ferrous scrap is added to cool it down.



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