

Issue: 49-21 | Date: 7 December 2021

聞 This week:

Global pig iron market continues lull due to uncertain pricing direction

The merchant pig iron market continued its lull in the past weeks, with the exception of a couple of Brazilian deals in the western hemisphere. The CIS merchant pig iron export market was quiet, with no negotiations due to diverging price expectations in the unclear environment.

In the US, buyers remained on the fence after the Thanksgiving holiday, and in expectations of more clarity in the domestic scrap market, which is poised for December-delivery negotiations. Indicative offers from the CIS remained at \$570-590/tonne cfr Nola, depending on origin and quality, while Brazilian offer indications came back down to \$500-510/t fob, or \$540-550/t cfr Nola, but were also very scarce.

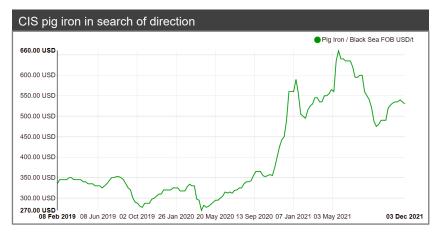
Although Brazilian pig iron was not required in the US, the country's ironmakers sold a couple of cargoes in the region. A 30,000-tonne lot was sold to Peru at \$500/t fob Rio de Janeiro for February loading. Another similarly-sized and priced cargo was heard sold in the region also, but no details came forward at press time.

Only February loading is now available from Brazilian suppliers, according to sources, who suggest the country's ironmakers will be offering tonnages in the eastern hemisphere if US interest does not pick up next week.

Meanwhile, Turkey continues to grapple with the depreciation of the lira against the dollar, and is replenishing scrap stocks at lower prices, clearly suggesting offers of CIS pig iron at last week's levels have not been considered. Even at \$540-550/t cfr Turkey, Turkish mills would struggle, one trader suggests, amid currency depreciation, falling scrap and finished products prices, and relatively full arrival books this month.

Italy is relatively active, on the back of previous purchases and selling activity in ports. Traders have not been making new enquiries, as portside stocks are sufficient, but expected to reappear before the holiday season, according to several sources. This will, however, be at lower-than-previous-deal bids, due to the general softening of the market. Previous purchases were concluded at around \$580/t cfr for mainstream material.

In Asia, offers of Indian pig iron have moved down again, from \$510-520/t fob to around \$490-500/t fob, but interest remained non-existent.



Click here to view this graph online

In this weeks Issue:

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Have Chinese prices bottomed out?

What will be the impact on steel prices of the soon to be launched EU CBAM?

Will pricing for downstream products remain strong in the US, despite falling HRC prices?

Will elevated costs bar Turkish rebar mills from Asia in the long term?

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How rapidly will Chinese steel industry change to meet new climate standards?

KORE INDEX

Index	58%	62%	65%
W-o-w % Change	4.56%	3.31%	3.38%
_			
03 Dec	74.24	101.11	117.28
02 Dec	73.94	101.49	117.33
01 Dec	73.67	102.74	118.61
30 Nov	70.03	101.07	116.81
29 Nov	69.38	101.47	117.06
Average	72.25	101.58	117.42
26 Nov	69.81	99.57	114.96
25 Nov	71.50	101.24	116.61
24 Nov	71.58	101.85	117.18
23 Nov	67.94	96.89	111.84
22 Nov	64.67	92.11	107.33
Average	69.10	98.33	113.58

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Global Overview

North America:

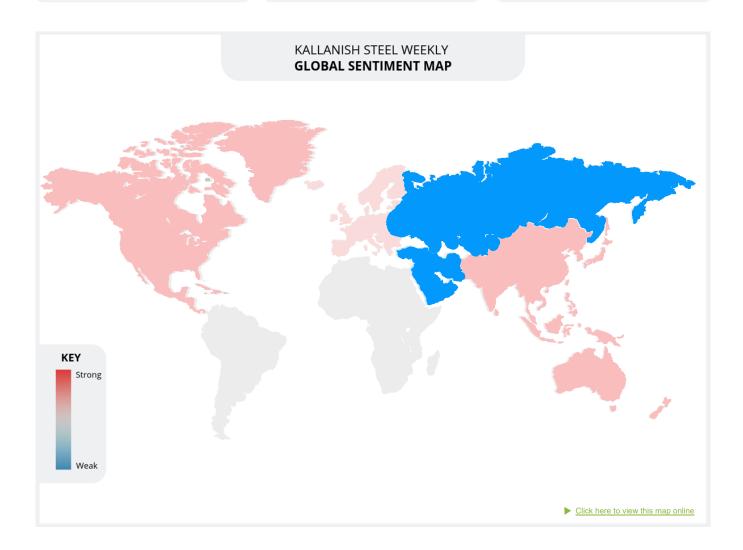
- US HRC pricing remains flat, prices expected to fall Nucor raises plate prices US OCTG pricing remains hot, despite falling HRC prices

Europe:

- CBAM to start launch in 2023 New EAF-based UK mill
- announced
- Acciaierie d'Italia to lower output

Asia:

- Chinese steel prices rebound Thailand imposes HR flats duties Covid impacts Asian market again



CIS:

Ukraine trebles scrap export duty

Middle East:

- Turkish scrap falls further, price pressure increases Turkish rebar mills miss out on
- Asia deals
- Turkish HRC drops amid lira collapse

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Word of the week

Mill Scale



Mill scale forms on the surface of steel when oxygen reacts with very hot metal to form iron oxides. This occurs immediately after casting, and during reheating and hot rolling. The scale, which can range in size from a few microns to several centimetres across, has to be removed, otherwise it will damage the surface finish of the steel during any subsequent rolling. High pressure water jets are used to blast away the scale, and on a hot strip mill this occurs as the steel passes down the run-out table from the roughing mill.

□ Contact

If you found this issue of Kallanish Steel Weekly interesting please let us know, we would love to hear from you.

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