


# SAMPLE

## June 2023



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### Raw Materials

#### Fortescue's Iron Bridge commences high-grade magnetite production

Fortescue Metals Group has successfully made the first magnetite product greater than 68% Fe from its Iron Bridge mine.

#### Indonesia prioritises nickel index creation before export duties

The Indonesian government is reportedly pausing plans on nickel product export duties since end-May until a price index is in place to ease volatility led to the London Metal Exchange (LME) benchmark.

#### PGMC ships nickel ore to China

Platinum Group Metals Corporation (PGMC) has conducted the first shipment of 55,300 wet metric tonnes (wmt) low-grade nickel ore with 1.20% nickel content to China.

#### Nickel industries tries again for Cyclops nickel-cobalt project

Canada-based Bolt Metals has agreed to divest 100% of the company's interest in the Cyclops project, a 5,000-hectare nickel-cobalt project in a Papua province, Indonesia, to Australian miner Nickel Industries.

reduce defects in products in the form of wavy surface coils.

#### Detian Coking operates first coke oven in Indonesia

Indonesia's Detian Coking has commissioned the first coke oven, No.5, at its 4.7m t/y capacity coke plant in Indonesia.

#### Indonesia Dexin operates No.4 coke oven

Indonesia Dexin has commissioned the No.4 coke oven on 14 May and expects to complete the No.3 coke oven shortly. These two coke oven batteries will add 1.5m t/y of coke capacity in total.

#### Indonesia's GRP advances steel sector decarbonisation

Gunung Raja Paksi (GRP) has initiated plans for a sustainable value chain ecosystem for Indonesia's steel industry in order to enhance the competitiveness of the industry.

### Trade & Policy

#### Thailand extends Brazil, Iran, Turkey HRC anti-dumping duties

Thailand has determined to extend the anti-dumping (AD) duties currently levied on HRC from Brazil, Iran and Turkey in the range of 6.88%-38.27% for five years since 15 May 2023.

#### Thailand reviews Vietnamese steel duties

Thailand has terminated the AD duties on certain hot-dipped plated or coated with aluminium zinc alloys of cold rolled steel. Meanwhile, it extended the 4.3%-60.26% AD duties on painted hot-dip galvanized material made from cold rolled steel and coils coated with aluminium zinc alloy for five years.

#### Thailand may extend China, Malaysia HRC anti-dumping

### Steel capacity

#### Meranti launches Thai green steel project

Singapore-headquartered Meranti Steel plans to develop a 2 million t/a green steel plant in Thailand.

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## Production, Mill Data, Trade report and more...

The Southeast Asian nickel market had to stabilize in early May, but nickel prices fell again and demand was weak, dragged down by a sharp drop in the Chinese coal market. However, the market saw an upward movement in Chinese steel prices in the last week of July, and nickel appears to Southeast Asia also moderated their decline.

Offers for hot-rolled EAF nickel from H2EAF rose on 27 July to US\$454/t at Manila for 3pp grade. Offers for top grade were on record at around 25-30t higher. The transaction volume for grade nickel is currently reduced as H2EAF on these are carrying 30-150 higher than the benchmark.

A 100,000 tpa of Malaysia blue furnace (BF) upgrade is scheduled for September completion was held back at \$450/t in the week of 25 July. This would raise to 200,000 tpa Philippines with high estimated 1200 tpa margin of 50%.

The Malaysian mill was offering at \$445/t on Thursday but later cut of allocations, a Chinese trader said on Friday. "There was still unmet demand in Indonesia (China) demand for nickel ore," an Indonesian mill representative based in Japan on Friday by 25 to 26th in Jakarta via Singapore, which is an Indonesian mill says.

Japanese 32000 grade later was held back on 27 July at 30000 in Philippines. The market says that the lower price could be due to low-carbon electricity because buyers typically use 3pp or top grade material.

"Demand is weak but not dead," a Manila trader says of the recent decline. "The steel sector still EAF mills are trying to start up their plants," a Manila trader says. While he acknowledges that "their market is not strong," he notes that "the market is empty weak." A regional trader says: "It's uncertain things start to pick up." He also said "the entire region is not doing strongly."

A distressed capacity of 100,000 tpa grade nickel was already being a Singapore port had generated interest among traders at the end of July. The quantity of the cargo, hoped to be more than 30,000 t, is just too large for Singapore, which typically does not export nickel. Also, a warehouse, which provides fire and theft risk and security, does not accept nickel, was reported.

Month	Price	% Change
Jan-22	207,149	2%
Feb-22	251,895	21%
Mar-22	277,147	10%
Apr-22	274,212	1%
May-22	278,531	2%
Jun-22	266,309	-4%
Jul-22 week	255,712	-4%

#### South East Asia production by week

Month	Production	% Change
Jan-22	493,396	1%
Feb-22	492,749	-0%
Mar-22	493,222	1%
Apr-22	493,263	-0%
May-22	492,848	-0%
Jun-22	481,746	-2%
Jul-22 week	488,139	-1%

#### Iron & Steel production by week

Month	Production	% Change
Jan-22	104,817	0%
Feb-22	104,817	0%
Mar-22	104,817	0%
Apr-22	104,817	0%
May-22	104,817	0%
Jun-22	104,817	0%
Jul-22 week	104,817	0%

#### Steel production by week

Month	Production	% Change
Jan-22	147,209	-0%
Feb-22	147,209	-0%
Mar-22	147,209	-0%
Apr-22	147,209	-0%
May-22	147,209	-0%
Jun-22	147,209	-0%
Jul-22 week	147,209	-0%

#### Indonesia import

Indonesia's steel imports were 1.83mt in June, seeing both m-o-m increases of 71.35% and 11.21%, respectively. The imports are more fragmented, with the main suppliers in Middle East (19.3%), Southeast Asia (4.4%) and CIS and Asia (8.4%). However, this year's H1 imports fell by 4.3% 5.03mt, as imports tapered off in previous months, particularly in May.

#### Indonesia export

Indonesia's exports of all steel products fell sharply by 23.4% (flat), 22.76% (Borax), 54.25% (pipes) and 7.04%. This also led to the y-o-y changes in flats and coils of 52.11% lower but the export of logs and pipes still rose 9.23% and 21.89%. The exports of the above products half of this year were 2.15mt, 0.86mt, 0.13mt, respectively, up 19.52%, 7.53%, and 94.8% for flats, pipes, but down 17.38% for coils.

#### Indonesia import

of flats, logs, pipes and coils all increased significantly by 52.04%, 27.28%, 45.07% and 164.64% m-o-m higher (5, 7.05%, 42.28%, 28.63% year higher to 462,000, 1, 91,689 and 347,924). The import volume of these at the first six months of this year was 2.33mt, 0.09mt, and 1.72mt respectively, the import of flats and coils rose by 16.62% and 9.77%, but the import of pipes and coils rose by 16.95% and 2.8%.

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## South East Asia Report

# Markets: Flats

Vietnam's import market for commercial-grade hot-rolled coil was stuck in weakness in May. Chinese short-selling offers and offers with illegal tax status have been very active in the Vietnamese market, dragging down local buyer expectations.

Chinese Q195 grade HRC, which some may use as a cheaper substitute for SS400 HRC, was offered at \$550-560/t cfr in early-May. In the following weeks, offers for SS400/Q195 HRC from China declined to \$540-545/t cfr. Until the end of May, several small-tonnage deals for Q195/Q235 grade HRC were booked at around \$520/t cfr Vietnam.

According to a local market trader, deals for SS400 and SAE 1006 grade HRC took place in the last week of May at \$518/t and \$570/t respectively, cfr Ho Chi Minh City basis. Around that time, an offer for Chinese SAE 1006 HRC comprising 60% 2mm thickness material was tabled at as low as \$550/t cfr Vietnam.

Although Chinese futures rebounded briefly during this period and drove the offers back up, Vietnam's import market in general remained on a downward trend last month. Instability brought about by changes in China's futures market hampered buyers' willingness to close deals.

Not only Chinese mills, but Japanese steel mills also began to cut prices to Vietnam last month to stimulate export transactions. This also put pressure on the prices of local steel mills in Vietnam.

Formosa Ha Tinh Steel (FHS) announced on 17 May that the June/July-shipment price for non-skin-passed SAE 1006 HRC would be set at the equivalent of \$620-623/tonne cfr Vietnam down from \$642/t cfr on 21 April. Its new skin-passed HRC prices are set at \$625-628/t cfr while SS400/pipe-making grade HRC are tagged at \$620-623/t cfr. It soon cut its HRC domestic prices again by a further \$20-40/t to \$580-600/t cfr.

Kallanish assessed SAE grade 2-2.7mm thickness HRC at \$565-570/t cfr Vietnam on 26 May, down \$10/t from a week before and plummeted \$37.5/t from 28 April.

End May Price:

Product	End Mar	Woe	Mon	Yoy
SAE1006 HRC cfr Vietnam	\$575-580/t	-2%	-4%	-26%
SAE1006 HRC fob China	\$565-575/t	-2%	-7%	-23%

SE Asian Flat prices



Source: Kallanish (\$/t)

Offers for the month

Date	Product	Ton	Origin	Shipment	Price	Destination
11 May	3-12mm SS400 HRC	2,000t	China	June	\$544-545/t cfr	Vietnam
18 May	Q195 HRC	2,000t	China	June/July	\$530/t cfr	Vietnam
26 May	Q195/Q235 HRC	Small tonnages	China	June	\$520/t cfr	Vietnam

# Country Reports

The South East Asian Iron and Steel Institute (Seaisi) held its annual conference in Manila in May, in which Kallanish participated. Here we round up the country reports for the Asean-6 that were delivered at the event

## Vietnam

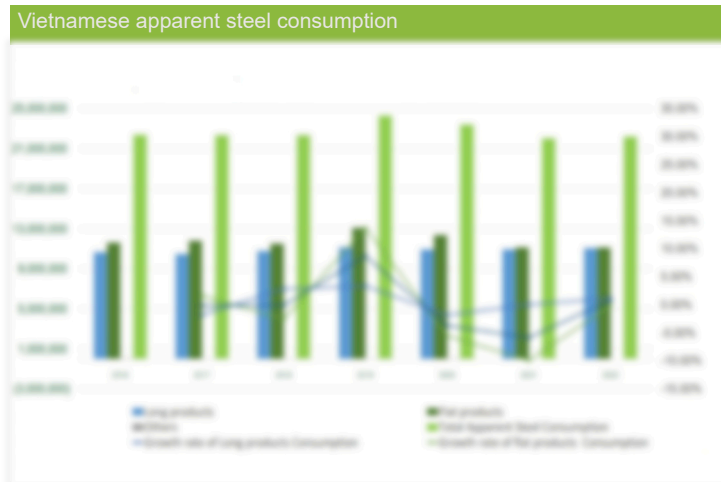
Vietnam's crude steel output reached 24% y-o-y lower in Q1 2023 to 4.412mt and consumption during the period was down 16% to 4.703mt, the Vietnam Steel Association reported. In the quarter, finished steel production and sales were 20.9% and 25.4% lower on-year to 6.692mt and 6.068mt.

The country's crude steel production declined by 13% y-o-y to 19,995mt in 2022. Meanwhile, finished steel production decreased by 11.9% y-o-y to 29.3mt, of which hot-rolled steel products reached output about 18.2mt, down 7% y-o-y. Last year, Vietnam's steel consumption was up by 0.9% y-o-y to 22.2mt, consumption growth rates from bicycle, electrical appliance, assembled motorcycle, construction and assembled automobile sectors were 98%, 46%, 30%, 17% and 9%, respectively.

The association forecast that Vietnam's total steel demand could reach 30-32mt by 2030, with increasing demand for automotive, shipbuilding, manufacturing, electrical appliances sectors. Steel consumption per capita could rise from current 240 kg/person to 290-300 kg/person by 2030. In 2023, the growth rate of steel production is expected to reach 2-3%.

### Current ongoing major steel investments in Vietnam

Company	Steel capacity(tonnes/year)
VINA ROMA Quang Tri Steel Joint Stock Company	4.5 million ty of construction steel, sections, steel plates
DST Nghi Son Iron and Steel Joint Stock Company	980,000 ty of HRC, 30,000 ty of structural steel, 300,000 ty of steel pipe, boxes, galvanized products
LongSon Phu My Iron and Steel JSC	5.4m ty of steel production
Xuan Thien Nam Dinh Green Steel	7.5m ty of steel production
Xuan Thien Nghia Hung Green Steel	2m ty of steel production



Source:VSA (tonnes)

## Trade: Singapore

Singapore's steel imports saw a faster decline in April, down 23.26% m-o-m and 25.81% y-o-y to 250,158t. Imports from East Asia and Southeast Asia slumped by 21.68% and 53.09% m-o-m in April, but imports from the Middle East increased to 27,688t in April from 1,866t in March. The country's total imports amounted to 1.11mt in the first four months of this year, up only 4.52% from the same period last year.

Singapore Imports By Origin



Singapore Exports By Destination



By product, Singapore mainly exports flats, followed by longs, pipes and very few semis. The export volume of all products in April fell by 0.75%-36.57% m-o-m to 54,422t, 44,134t, 23,034t and 133t. During the January-April period, exports of flats and pipes gained by 28.44% and 3.17% y-o-y to 235,867t and 86,003t respectively, but exports of longs decreased by 0.39% y-o-y to 195,524t.

Singapore Exports By Product



Imports of all products in flats, longs, pipes and semis saw m-o-m declines of 10.84%-52.6% over April. However, imports of flats and pipes recorded a 12.17% and 42.34% y-o-y increase to 361,537t and 215,198t during January to April, contributing to the rise in total imports, despite imports of longs and semis falling by 7.87% and 87.88% y-o-y to 534,021t and 1,313t.

Singapore Imports By Products



Source: Kallanish, GTT

In April, Singapore's steel exports also showed a downward trend, falling 28.09% m-o-m to 121,723t, but this was still 7.7% higher than the same period last year. About 84% of steel products were exported to other Southeast Asian countries in April, where the export volume fell by 25.94% m-o-m. The country's steel export volume in the first four months of this year, however, increased by 11.55% to 518,244t.

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