

# This week: ArcelorMittal's steel global demand outlook remains stable, decreases for Europe

ArcelorMittal, the second largest steelmaking group in the world, has retained its global ex-China apparent steel consumption growth forecast for 2023 of 1-2%. However, it expects European demand to fall below the previous forecast range due to weak construction-driven long products demand, and Indian consumption to rise above the previous forecast.

"Based on year-to-date developments and the current economic outlook, ArcelorMittal continues to forecast global ex-China apparent steel consumption to grow by between +1.0% to +2.0% in 2023 as compared to 2022. Within this forecast, we expect ASC in Europe to be below the bottom end of our previous forecast range (-0.5% to +1.5%) due to weak demand for long products given weaker construction activity, whilst ASC in India is expected to be above the top end of the previous forecast range (+6.0% to +8.0%)," the company said.

The steelmaking group expects broadly stable on-year shipments in 2023. The second half of the year is being impacted by scheduled blast furnace relines in Gent and Bremen. "Given the prevailing low spread environment, the company is prioritising the replenishment of its metal stock during 2H 2023, to be well positioned to respond to customer demand in an improved spread environment," it says.

ArcelorMittal reported flat on-year consolidated steel shipments in the third quarter at 13.7 million tonnes, supported by ArcelorMittal Pecém consolidation, although they fell slightly from Q2. Crude steel output inched up 2% on-year to 15.2mt.

Revenue dropped 12% on-year in Q3 to \$16.6 billion amid a 13% decline in average selling prices, while net income attributable to equity holders of the parent fell 6% to \$929 million.

Business confidence has deteriorated as the year progressed, with residential construction and machinery end markets seeing weak activity. The automotive sector is relatively better but impacted by US UAW strikes. Although system inventories are low, higher imports have impacted the supply/demand equilibrium, ArcelorMittal says in a presentation and adds that Chinese domestic steel spreads are unsustainability low and expected to recover amid production cuts.

ArcelorMittal's shipments in the nine months through September fell 2% on-year to 42.3mt, while crude steel output dropped 3% to 44.4mt. Revenue declined 15% to \$53.7 billion and net income plummeted 57% to \$3.9 billion.

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**KORE INDEX**

Index	50%	62%	68%
Week % Change	0.61%	2.26%	2.24%
10 Nov	116.20	126.55	136.15
09 Nov	116.37	126.30	137.77
08 Nov	114.40	125.31	137.50
07 Nov	114.15	126.42	135.44
06 Nov	116.37	125.23	137.36
Average	116.04	127.06	137.24
03 Nov	117.16	127.01	136.16
02 Nov	117.07	126.86	135.69
01 Nov	115.76	125.69	134.45
31 Oct	113.61	122.91	132.25
30 Oct	113.28	123.20	132.60
Average	115.34	125.13	134.23



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## Global Overview

### Americas:

- US HRC, CRC prices hold on-week, despite mill hikes
- Monthly scrap trading begins early, export pricing firms up
- Plate, OCTG, rebar prices hold steady to begin November

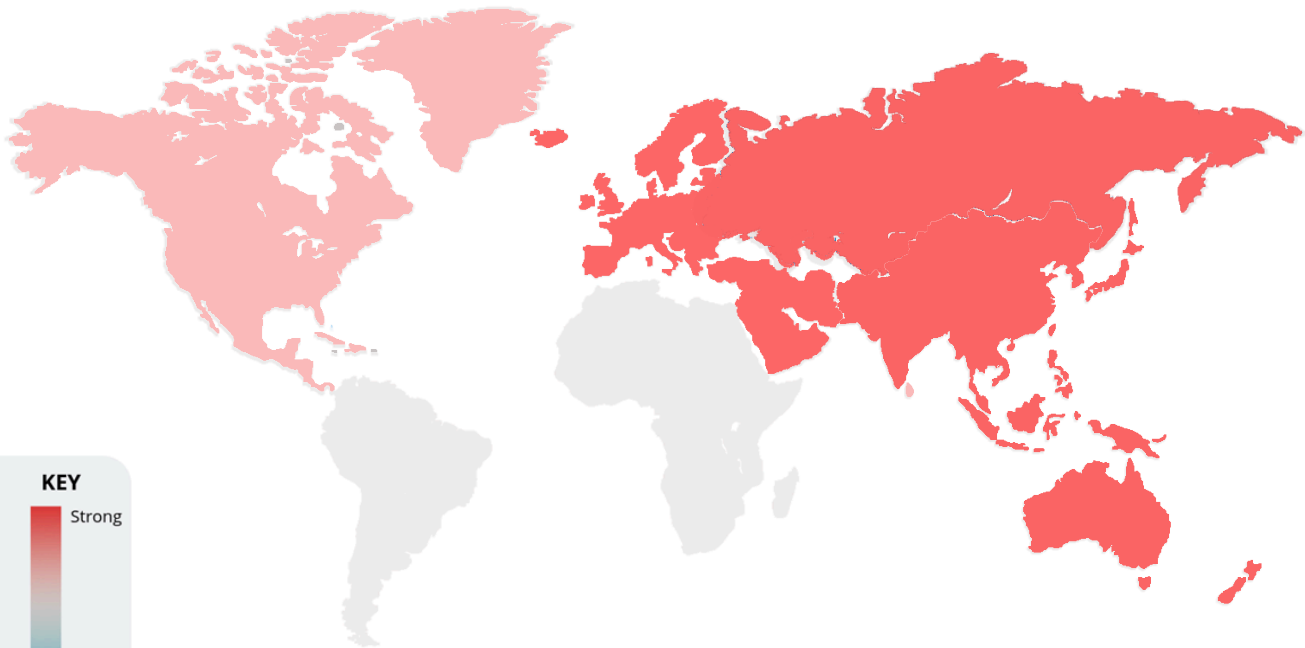
### Europe:

- European HRC mills consider further offer hikes
- Metinvest in talks for Piombino steel mill
- Galati begins BF restart

### Asia:

- Chinese prices jump
- Iron ore holds firm despite production cuts
- Asian offers increase on Chinese recovery

### KALLANISH STEEL WEEKLY GLOBAL SENTIMENT MAP



#### KEY



[Click here to view this map online](#)

### CIS:

- Russian billet follows scrap up but activity quiet

### Middle East:

- Turkish scrap rise continues
- Turkish rebar exporters struggle with buyers after hikes
- Turkish HRC sees modest increases

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 Word of the week

## Carbon Steel

This is a steel that is made up mostly of the element carbon. It relies on the carbon content for its structure. Most of the steel produced in the world is carbon steel.



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