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Global crude steel output in H1 up, China pace slows

Crude steel production in the 64 countries reporting to the World Steel Association (worldsteel) grew 11.6% on-year in June to 167.92 million tonnes. This represented a slight slowdown in growth rate due to slowing Chinese output growth. Production was also down 4% on May.

Chinese production grew only 1.5% on-year in June to 93.88mt, while Indian output surged 21% to 9.36mt. Output in Japan and South Korea surged 44% and 17% respectively to 8.1mt and 6mt. Vietnamese output is estimated to have risen 43% to 1.97mt.

EU27 crude steel output grew 35% in June to 13.22mt, driven by 38% and 20% surges in Germany and Italy respectively to 3.4mt and 2.18mt. Output in Spain is estimated to have risen 57% to 1.3mt and French production grew 55% to 1.29mt. Finland, notably, saw output soar 94% to 386,000t.

The UK saw output at an estimated 695,000t, up 39% on-year. Turkish production meanwhile rose 18% to 3.36mt. US production surged 44%, rising for the fourth consecutive month, to 7.14mt, while Brazilian production surged 45% to 3.12mt. CIS production grew 9% to 8.92mt, with Russian output estimated up 11% to 6.35mt and Ukrainian production confirmed up 3% to 1.87mt.

Global crude steel production in January-June thus grew 14.4% on-year 1.004 billion tonnes.

IRON ORF

In line with global steel production, iron ore output also rose significantly during the first six months of the year. Going forward into the second half of the year, Brazilian supplier Vale expects to be in the position to boost further output.

Vale's iron ore production increased again in the first half of 2021, by 13% year-on-year, to over 143 million tonnes. The increase was supported by a further acceleration in production in the second quarter, which rose 11% compared with Q1.

"Considering the iron ore mining plan and the implementation of new initiatives, Vale achieved a production capacity of 330mt/year, mainly as a result of Serra Leste achieving full capacity," Vale explains.

If the current market conditions remain in place, Vale is set to produce 1m t/day, potentially achieving an overall annual production of almost 320mt in 2021.

Sales volumes of iron ore fines and pellets totalled 74.9mt in Q2, up 14.2% quarter-on-quarter, as iron ore production increased. "Iron ore price premium was \$8.4/tonne, in line with 1Q21, following higher pellet, IOCJ and BRBF premiums, which were offset by a higher share of high-silica products with the increase of sinter feed production by dry processing, taking advantage of a strong market environment," Vale concludes.

Source: worldsteel

How much more will iron ore prices suffer Chinese production restrictions?

How have the floods impacted the longs supply in Germany?

Will US sheet pricing continue its historic rise?

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Can CIS HRC prices rebound in August?

PAGE 9

How will Russian mills benefit from the local construction boom?

Index	58%	62%	65%
W-o-w % Change	-1.54%	-1.21%	-0.60%
23 Jul	168.55	201.81	236.11
22 Jul	177.76	209.71	243.48
21 Jul	179.26	214.97	248.58
20 Jul	180.28	216.61	249.82
19 Jul	180.15	216.44	249.44
Average	177.20	211.91	245.49
Average	177.20	211.91	245.49
Average 17 Jul	177.20 179.94	211.91	245.49 248.91
17 Jul	179.94	216.13	248.91
17 Jul 16 Jul	179.94 179.74	216.13 215.20	248.91 247.81
17 Jul 16 Jul 14 Jul	179.94 179.74 179.48	216.13 215.20 214.40	248.91 247.81 246.75

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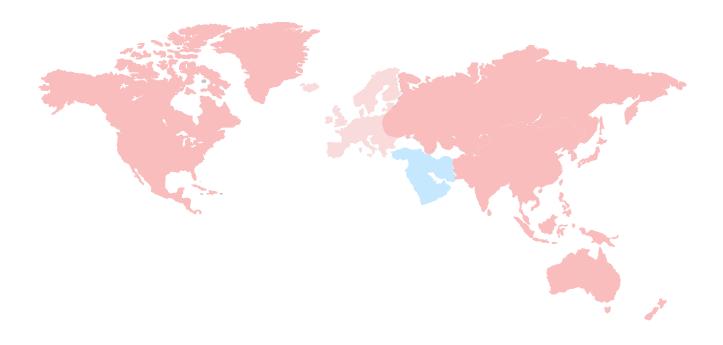




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- Auto demand boosts US sheet
- pricing
 US rebar prices firm up towards
- \$990/st Skelp, oilfield prices boost energy tube demand

- Italian HRC down NW EU rebar prices peak NLMK Louviere declares force majeure
- Iron ore price drop Chinese steel prices under pressure ASEAN market suffers new
- Covid wave



- CIS HRC prices plateau CIS billet/slab prices continue under pressure
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Seamless Tubes



Seamless tubes are made from solid blocks of steel that are pierced and drawn into tube shape. Seamless tubes have greater strength than welded tubes because of their homogenous microstructure, but are much more expensive to produce. They are made by rolling a preheated billet between offset rolls which is then pierced with a pointed bar or plug to create a tube shell. This is then elongated in a multi-stand rolling mill to achieve the desired thickness

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