

This week:

Iron ore could hit \$90/t by year-end

Kallanish Consulting Services' Ian Roper foresees strong supply growth pulling iron ore prices back down towards \$90/tonne by year-end.

He said at Thursday's Kallanish Asia Steel Markets 2023 event in Ho Chi Minh City that iron ore market tightness will fade in the second half of 2023.

According to him, seaborne iron ore supply fell by 50 million tonnes in 2022. However, supply may grow by as much as 60mt this year, driven by volume recovery out of Brazil, India, and potentially Russia and Ukraine.

He also noted that Chinese iron ore output fell over 10% or 25mt last year, while iron ore imports were also lower year-on-year, helping to keep the market relatively tight despite declining steel output.

With no more Covid-19 constraints, Roper forecasted China iron ore supply could recover by as much as 40mt in 2023, especially with price incentives being so high over the first half.

He also noted that Chinese scrap supply should surge this year, while electric arc furnace production may also recover more than blast furnace output globally, hindering iron ore consumption growth. These two trends should contribute to iron ore price weakness through H2 2023.

Having said that, Roper says that iron ore will continue to hold at elevated levels as steel mills raise output into their traditional peak season in April/May. Iron ore prices are back at highs not seen since June 2022, at over \$120/t.

With Chinese steel production restrictions and strong steel margins coming through, Roper concluded that widening grade spreads will be seen as the year progresses.

The last time iron ore prices moved down to as low as \$90/t was briefly in October and November 2022, before the start of the latest recovery rally.



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

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KORE INDEX

Index	50%	62%	65%
W-o-W % Change	-2.19%	-2.19%	-1.90%
31 Mar	115.42	125.72	141.40
30 Mar	115.09	125.50	141.24
29 Mar	115.02	125.01	140.76
28 Mar	114.19	123.29	139.32
27 Mar	114.08	122.09	138.05
Average	114.76	124.32	140.15
24 Mar	113.82	121.72	137.63
23 Mar	116.76	126.39	142.22
22 Mar	119.08	127.27	143.04
21 Mar	118.74	129.41	145.05
20 Mar	119.23	130.75	146.39
Average	117.33	127.11	142.87

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Global Overview

Americas:

- Sheet prices soften in the US
- US plate, rebar markets begin to heat up
- Scrap pricing outlook weakens for April

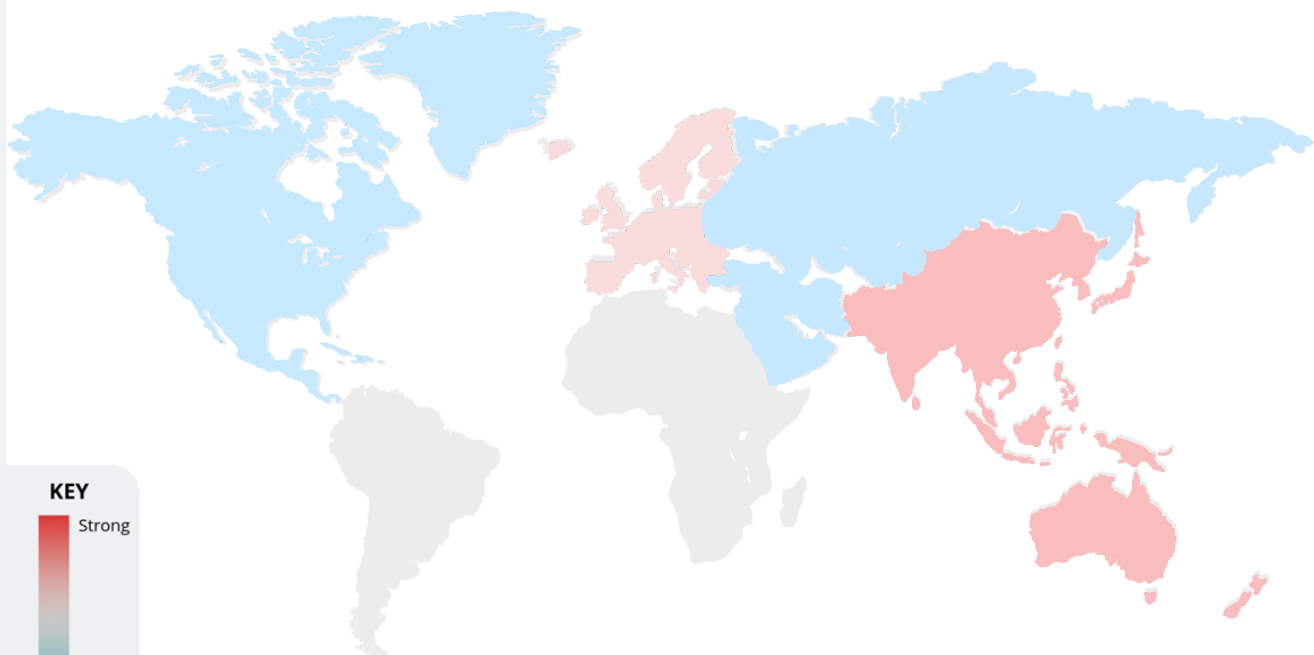
Europe:

- Two ArcelorMittal BF damaged by accidents
- European scrap prices look down
- German rebar suppliers try to raise offers

Asia:

- Chinese iron ore up
- Chinese steel demand still uncertain
- Weak domestic demand hits Vietnamese HDG

KALLANISH STEEL WEEKLY GLOBAL SENTIMENT MAP



KEY



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India:

- Indian mills consider hiking domestic HRC offers
- Indian imported scrap offers fall
- Pakistan imported scrap offers fall amid slowed steel demand

CIS:

- CIS billet drops further
- CIS HRC faces slow Turkish demand, strong competition

Middle East:

- Turkish scrap bookings die down again
- Turkish longs exporters reduce prices further
- GCC HRC buyers observe further price drop



Amsterdam 16-17 May

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Europe Steel Markets 2023

The 8th annual Europe Steel Markets conference will see steel executives and market participants gather to discuss global and European steel sector prospects for the second half of 2023, as well as share their experiences and latest industry developments.

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This event will provide steel participants from the whole supply chain with a unique opportunity to come together and discuss global scrap, DRI and HBI market trends. Hear directly from industry experts, network with your peers and learn how to improve all areas of your business plan from top steel experts and guest speakers.

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Word of the week

Drawing

This a process whereby the shape and/or dimensions of rolled steel sheet or long product, such as bar, wire or tube, are altered. In the case of steel sheet, drawing takes place in a press to change the sheet from a flat to a shaped profile. Drawing is generally, but not exclusively, a cold working technique as it is usually conducted at room temperature.



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EUROPE STEEL MARKETS 2023

16-17 May 2023
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the Netherlands

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