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May 2023



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In the news

Raw Materials

Australia sees iron ore prices easing

Iron ore prices are seen easing to \$100/tonne this year and \$63/t by 2025, from \$107/t in 2022, according to the Australian government's latest Resources and Energy quarterly report.

Fitch Solutions revises iron ore price forecast higher

Fitch Solutions has made an upward revision to its 2023 iron ore price forecast from an annual average of \$110/t to \$125/t due to a stronger-than-expected recovery in China's economy.

Australia sees nickel prices easing in 2023

Australian Resources and Energy March quarterly report forecasts global mined nickel production to rise by 7.2% in 2023 to 3.4 million tonnes, with prices averaging \$24,200/t.

Fitch Solutions revises down 2023 nickel price forecast

Fitch Solutions is revising down its nickel price forecast for 2023 to \$24,500/t from \$30,000/t as global production volumes rise and the market remains in surplus.

Cokal commences infill drilling at BSM coal mine

Australian coal miner Cokal has commenced infill drilling activities at its flagship Bumi Serdang Mineral (BSM) metallurgical coal mine located in the Central Kalimantan Province of Indonesia.

OM temporarily suspends production for OM Sarawak

OM temporarily suspended output at the first silicon metal furnace at Malaysian subsidiary OM Materials (Sarawak) as it did not operate for the second half of the 2022 calendar

Company

Hoa Phat's production, sales recover in March

Hoa Phat produced 1.2mt of crude steel and sold 1.37mt of construction steel, billet and HRC in March, a decline of 37% and 42% year-on-year, respectively.

Hansa sets up Philippines, Australia subsidiaries

Japan's Hansa Group has established subsidiaries in Philippines (Hansa Philippines Corporation in Makati) and Australia (Hansa Australia PTY) to expand its global steel business.

Hoa Phat pools funds for Dung Quat project

Vietnam's Hoa Phat Group will not pay dividends in 2022 to reserve funds for the second phase of its Dung Quat project, which is expected to be completed by the first quarter of 2025.

Harta Nickel makes stock market debut in Indonesia

Indonesian nickel company PT Tremeqah Bangun Persada (TBP), also known as Harta Nickel, has listed on Indonesia Stock Exchange after raising IDR 9.19 trillion (\$675.6 million) via an initial public offering (IPO).

Hoa Phat's first quarter revenue drops 39% y-o-y

Hoa Phat reported operating revenue of VND 26.86 trillion (\$1.1 billion) and after-tax profit of VND 383 billion in Q1. It aims to achieve VND 150 trillion in revenue and VND 8 trillion in after-tax profit this year.

Trade & Policy

Keep reading this report

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

SE Asian iron prices

SE Asian iron prices

Commodity	Unit	2022	2021	2020
Iron ore	\$/tonne	107	100	80
Nickel	\$/tonne	24	25	20

SE Asian nickel prices

SE Asian nickel prices

Commodity	Unit	2022	2021	2020
Nickel	\$/tonne	24	25	20

Hoa Phat production by week

Hoa Phat production by week

Week	Crude Steel (mt)	Construction Steel (mt)	HRC (mt)
Jan-22	1,200	1,370	1,000
Feb-22	1,100	1,200	900
Mar-22	1,200	1,370	1,000
Apr-22	1,100	1,200	900
May-22	1,200	1,370	1,000
Jun-22	1,100	1,200	900
Jul-22	1,200	1,370	1,000
Aug-22	1,100	1,200	900
Sep-22	1,200	1,370	1,000
Oct-22	1,100	1,200	900
Nov-22	1,200	1,370	1,000
Dec-22	1,100	1,200	900

Indonesia's exports of steel products fell sharply

Indonesia's exports of steel products fell sharply

Month	Exports (mt)	YoY Change (%)
Jan-22	1,200	-10
Feb-22	1,100	-15
Mar-22	1,370	-5
Apr-22	1,200	-10
May-22	1,370	-5
Jun-22	1,200	-10
Jul-22	1,370	-5
Aug-22	1,200	-10
Sep-22	1,370	-5
Oct-22	1,200	-10
Nov-22	1,370	-5
Dec-22	1,200	-10

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South East Asia Report

Markets: Flats

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End April Price:

Grade	Price	Change	%	Unit
HR235 1000mm	204000	-1000	-0.5%	MT
HR235 1250mm	204000	-1000	-0.5%	MT



Source: Kallanish (\$/t)

Deals by week

Week	HR235 1000mm	HR235 1250mm	HR400 1000mm	HR400 1250mm
2023-04-24	1000	1000	1000	1000
2023-04-17	1000	1000	1000	1000
2023-04-10	1000	1000	1000	1000



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(By invitation only)

Wednesday 24 May

- Singapore Iron Ore Forum

Friday 26 May

- Singapore Coking Coal Conference

Tuesday 23 May

- SIFW Opening Plenary
- Singapore Green Steel Forum
- SIFW Gala Dinner

Thursday 25 May

- Singapore Coking Coal Conference
- TradeWinds Shipowners Forum
Singapore

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Production: Heat Map

After a brief rebound in March, hot metal production in Southeast Asia has fallen back again in April. Production declines vary across countries, but negative sentiment is once again hanging over the market and affecting production decisions by regional mills.

The market has seen more volatility in the past month, especially as Chinese steel production cuts have also dampened confidence in the Asian steel market.

The production of Vietnamese steel mill Hoa Phat Group's hot blast furnace at Hung Vuong plant fluctuated in April, but ultimately left mill's iron production almost unchanged compared to the previous month. Hoa Phat restarted a 1m t/y blast furnace last month. However, margin profiles are more losses per tonnage of steel have hindered the enthusiasm of steel mills to increase production. The mills April hot metal output remained unchanged m-o-m, and 3% lower y-o-y.

Production at another Vietnamese steelmaker, Formosa Ha Tinh, moved in late April after gradually rising from early to mid-April. Weekly production in April, however, fell back from a strong mid-March run to levels last seen in mid-January this year. Formosa's BF 2, in particular, reduced its run rate early and late last month, while the other BF also saw fluctuations in production. Inventory pressure is forcing local mills to cut output. The plant saw April output drop 4% m-o-m but up 2% y-o-y, benefiting from a lower base in the same period last year.

The jump in hot metal production of Malaysian steel mills has been more pronounced this year. While Eastern Steel's production was relatively steady in April, the mills iron output fell from its year-to-date peak in March. It has cycled a trend of decreasing monthly output and then increasing again this year. The blast

furnace operation rate rebounded slightly at the end of April. It is estimated to have seen output reach 12% m-o-m lower and but its y-o-y change returned to a 4% loss.

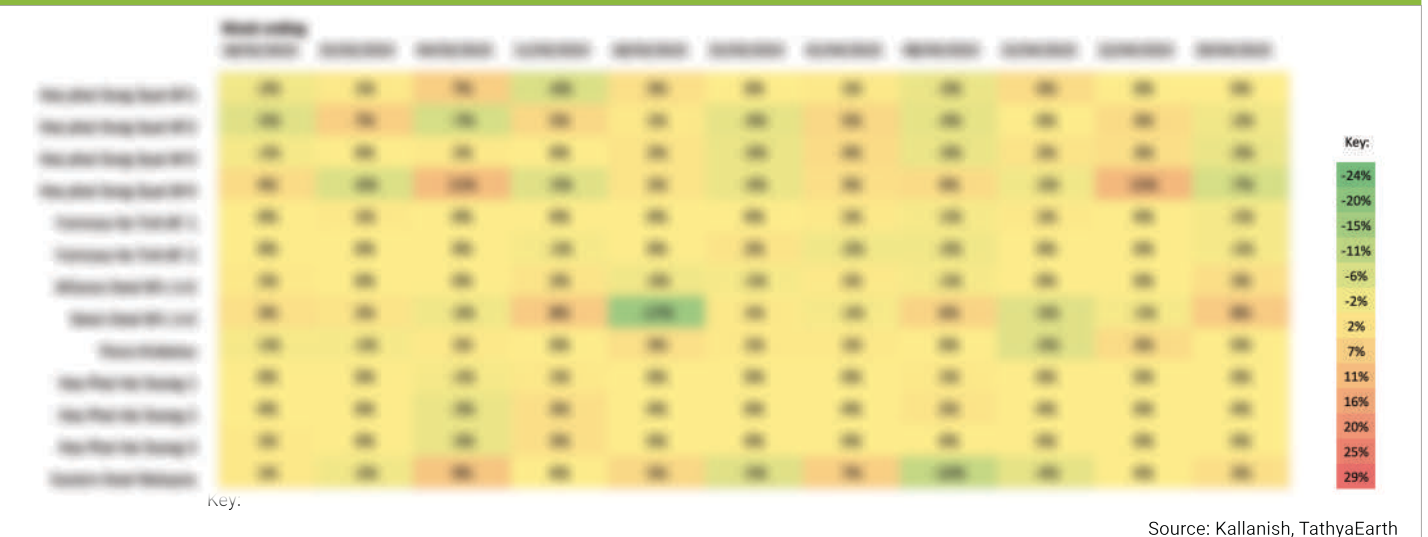
Malaysia Steel's hot blast furnace in Malaysia saw a 2% decline in April after reporting a 12% m-o-m rise in molten iron output in March. Production remained relatively weak through the first three weeks of April, even though the fourth week saw a rebound. This is also the lowest production level of the mill in the past ten months, leaving its production over April 2% lower m-o-m but still up 7% y-o-y.

Indonesia's Penco Krakatau Steel and Deesa Steel maintained a consistent decline in production trends in April. Penco Krakatau Steel started March's 12% production increase to a 2% drop in April. But its y-o-y production has seen a 2% increase on the back of a year-to-date production rise. After briefly falling in mid-April, production began to recover rapidly. Its April production over the month fell 2% m-o-m but was up 2% y-o-y.

At the same time, production at Deesa Steel was also fluctuating. The reduction in mid-April left hot metal output on a downward trend in April and the y-o-y decline grew. As a result, Deesa Steel saw the lowest output in the past six months in April, 2% lower m-o-m, and down 14% y-o-y.

Hoa Phat Ha Tinh is also seeing a shift in the direction of its hot metal production as the Southeast Asian steel industry has returned to a slump. After a strong March, hot metal production returned to a downward trend in April. However, compared with other mills, the mill's production is relatively stable. Its production turned into a 2% m-o-m decrease in April, and was 2% lower y-o-y.

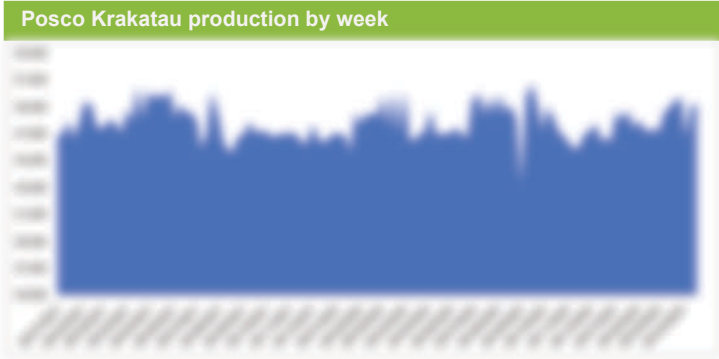
SE Asian blast furnace activity tracker



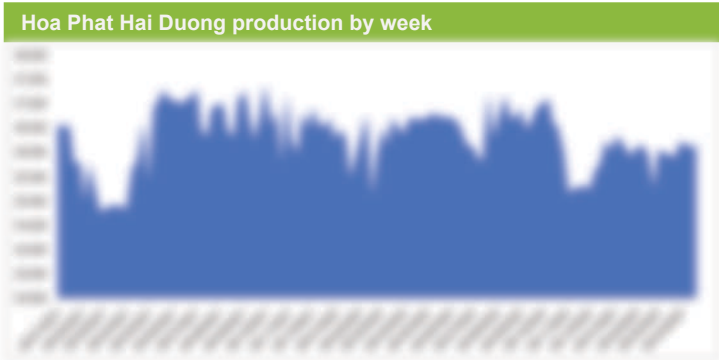
Source: Kallanish, TathyaEarth

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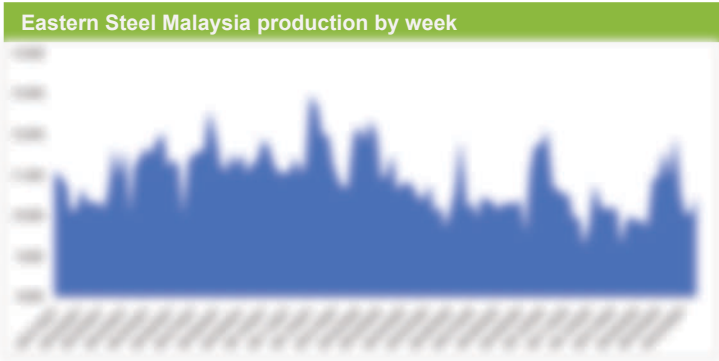
Production: Mill Data



Month	Production	Change	% Change	YTD
May 22	2,000,000	0%	0%	2,000,000
Jun 22	2,000,000	0%	0%	4,000,000
Jul 22	2,000,000	0%	0%	6,000,000
Aug 22	2,000,000	0%	0%	8,000,000
Sep 22	2,000,000	0%	0%	10,000,000
Oct 22	2,000,000	0%	0%	12,000,000
Nov 22	2,000,000	0%	0%	14,000,000
Dec 22	2,000,000	0%	0%	16,000,000
Jan 23	2,000,000	0%	0%	18,000,000
Feb 23	2,000,000	0%	0%	20,000,000
Mar 23	2,000,000	0%	0%	22,000,000
Apr 23	2,000,000	0%	0%	24,000,000



Month	Production	Change	% Change	YTD
May 22	1,000,000	0%	0%	1,000,000
Jun 22	1,000,000	0%	0%	2,000,000
Jul 22	1,000,000	0%	0%	3,000,000
Aug 22	1,000,000	0%	0%	4,000,000
Sep 22	1,000,000	0%	0%	5,000,000
Oct 22	1,000,000	0%	0%	6,000,000
Nov 22	1,000,000	0%	0%	7,000,000
Dec 22	1,000,000	0%	0%	8,000,000
Jan 23	1,000,000	0%	0%	9,000,000
Feb 23	1,000,000	0%	0%	10,000,000
Mar 23	1,000,000	0%	0%	11,000,000
Apr 23	1,000,000	0%	0%	12,000,000



Month	Production	Change	% Change	YTD
May 22	500,000	0%	0%	500,000
Jun 22	500,000	0%	0%	1,000,000
Jul 22	500,000	0%	0%	1,500,000
Aug 22	500,000	0%	0%	2,000,000
Sep 22	500,000	0%	0%	2,500,000
Oct 22	500,000	0%	0%	3,000,000
Nov 22	500,000	0%	0%	3,500,000
Dec 22	500,000	0%	0%	4,000,000
Jan 23	500,000	0%	0%	4,500,000
Feb 23	500,000	0%	0%	5,000,000
Mar 23	500,000	0%	0%	5,500,000
Apr 23	500,000	0%	0%	6,000,000

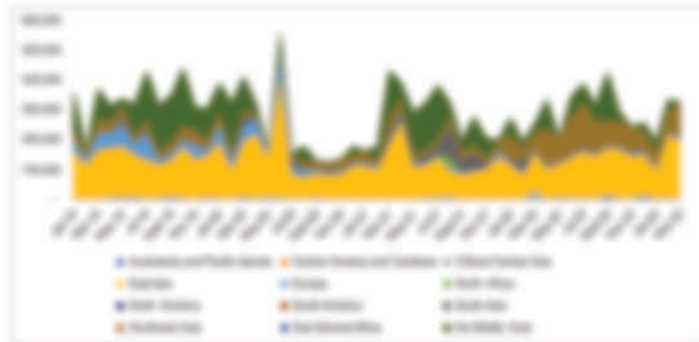
Source: Kallanish, TathyaEarth

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Trade: Singapore

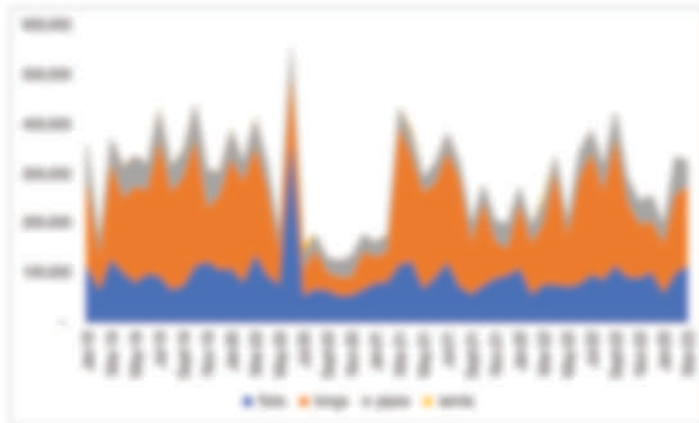
Singapore's imports of steel products fell slightly in March, but were still 27.81% higher than the same period last year. Supply from East Asia slipped in March, but from Southeast Asia it increased by 74.5% m-o-m. The stable performance in February and March this year meant Singapore's steel imports increased by 18.59% to 861,909t in the first quarter compared with the first quarter of 2022.

Singapore Imports By Origin



By product, Singapore's imports of flats and longs reported increases of 14.4% and 0.92% y-o-y in March, respectively, and 12.24% and 17.8% y-o-y in the first quarter. Imports of steel pipes increased by 45.15% in the first quarter, even though imports fell by 32.91% in March.

Singapore Imports By Products



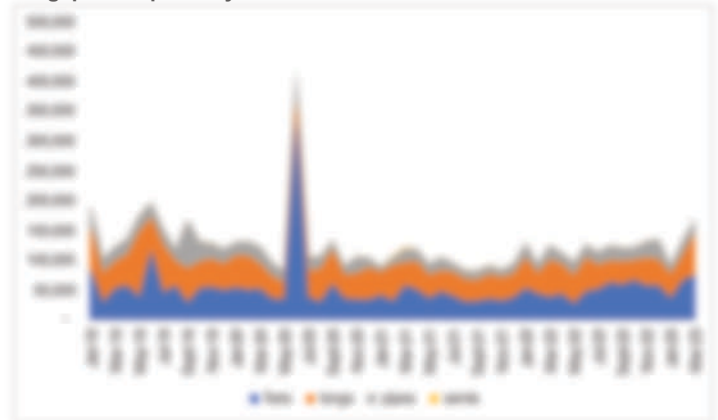
The country's steel exports meanwhile saw a 26.32% rise to 169,268t in March and a 12.79% increase to 396,321t in the first quarter of the year. Singapore's main export destination is Southeast Asia, and its exports to the region in March increased by 21.52% compared to February.

Singapore Exports By Destination



In March, Singapore's exports of flats and longs jumped by 13.58% and 65.8% m-o-m, respectively. The total exports of these two products in the first three months of this year increased by 30.7% and 3.08% to 138,822t and 146,867t respectively. But the export of pipes slipped by 5.67% m-o-m in March, and saw a 2% decline in the first quarter of this year to 62,969t.

Singapore Exports By Product



Source: Kallanish, GTT

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