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South East Asia Report

In the news

Raw Materials

Iron ore to hit \$90 by year-end: Roper

Kallanish Consulting Services' Ian Roper foresees strong supply growth pulling iron ore prices back down towards \$90/tonne by year-end. He said at Kallanish Asia Steel Markets 2023 event in Ho Chi Minh City that iron ore market tightness will fade in the second half of 2023.

ANZ raises iron ore target to \$130/t

ANZ Research has raised its short-term target for iron ore to \$130/t, but sees prices pushing back below \$100/t by the end of the year.

Moody's sees iron ore prices easing, coal price gains.

Moody's expects iron ore prices to ease through at least early to mid-2024 but tighter production will support prices above \$100/t for at least H1 2023. It raised its price assumption for metallurgical coal through early 2024 to \$260/t, up from \$220/t.

Global Ferronickel seals nickel deal with Baosteel Resources

Global Ferronickel Holdings (FNI) will supply 1.5m wmt of nickel ore to Baosteel Resources for the 2023 mining season.

Cokal completes second barge shipment for BBM coal

Australia's Cokal has completed the second barge shipment of coking coal at its Bumi Barito Mineral (BBM) mine in Indonesia's Central Kalimantan. Its coal haulage road from the BBM to the Bata Tuhup Jetty will be operational in April.

ANTAM nickel production grows in January

Eastern Steel starts blast furnace construction in Malaysia

Eastern Steel started the construction of one 1,380 cubic-metre blast furnace on 8 March, and aims to operate it by Q3 2023, expanding its iron capacity to 2.7m t/y.

Hoa Phat targets higher revenue, lower profits

Hoa Phat plans to achieve VND 150,000 billion (\$6.36 billion) in revenue and VND 8,000 billion in after-tax profit this year, up by VND 7.23 billion for revenue but down VND 95 billion for the after-tax profit compared with last year's figure.

Mitsubishi funds Indonesia steel subsidiary

Mitsubishi Steel Corporation will inject IDR 500 billion (\$32.7 million) capital to its Indonesian subsidiary, Jatim Taman Steel. This will increase its stake in Jatim to 74.98% from the current 66.54%.

Hoa Phat's steel output rises in February

Hoa Phat produced 416,000t crude steel in February, and sold a total of 475,000t of steel products including construction steel, hot-rolled coil and billet.

Trade & Policy

Thailand to lift Malaysian, Chinese HRC anti-dumping duties

The Thai government has approved a recommendation that anti-dumping duties on HRC from China (30.91%) and Malaysia (23.57% for Megasteel, 42.51% for all other Malaysian producers) should be withdrawn. Guarantees of payment for the duties will be returned from 12 July 2022.

Keep reading this report

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

The collage displays several key data points and trends from the report:

- Iron Ore Price:** A line chart showing price fluctuations over time, with a significant peak and subsequent decline.
- Hot Rolled Steel Production by Week:** A bar chart showing weekly production levels, indicating a steady increase over the period.
- Hot Rolled Steel Imports by Week:** A bar chart showing weekly import volumes, with a notable spike in one week.
- Hot Rolled Steel Exports by Week:** A bar chart showing weekly export volumes, showing a consistent upward trend.
- Iron Ore Price Table:** A table listing prices for various iron ore grades (e.g., 62% Fe, 66% Fe) across different regions (e.g., Australia, Brazil, Indonesia).
- Hot Rolled Steel Production Table:** A table listing production volumes for different steel grades (e.g., HRC, HSLA) across various countries (e.g., China, India, Thailand).

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South East Asia Report

Markets: Flats

Vietnam's import market for commercial-grade hot-rolled coil rose in early March on the back of improving market sentiment in China. But in the second half of the month, financial market turmoil and weak demand caused prices to retreat.

The Vietnamese HRC market saw deals being concluded in a rising market in early March, with suppliers reluctant to sell at low prices due to positive trends. In particular, Chinese HRC suppliers were active in the Vietnamese market last month, and prices from Vietnamese buyers were very attractive to Chinese exporters. Strong demand from Europe and the US has boosted Vietnamese coil exports to these countries.

However, the market stabilized and soon declined since mid to late March amid the weakening in Chinese prices and concerns that a brewing banking crisis could evolve into a global financial crisis. Market sentiment was negative, with expectations the market will remain depressed in the coming weeks in April.

Vietnam's main producer Formosa Ha Tinh Steel (FHS) announced on 15 March its April/May-shipment price for non-skin-passed SAE 1006 HRC at the equivalent of around \$727/t (VND 17,250/kg) of Vietnam, up from around \$694/t of in February. Skin-passed HRC commands a \$5/t premium. The mill's prices for SS400/pipe-making grade HRC are the

End March Price:

Product	End Mar	Week	Month	Yoy
SAE1006 HRC of Vietnam	\$650-655/t	1%	-1%	-27%
SAE1006 HRC of China	\$660-670/t	-1%	-1%	-26%

SE Asian Flat prices



Source: Kallanish (\$/t)

Offers for the month

Product	Price	Change
SAE1006 HRC of Vietnam	\$650-655/t	1%
SAE1006 HRC of China	\$660-670/t	-1%

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Southeast Asian steel market used to stabilize in early July but flat prices fell quickly and demand was weak. Despite a rise in the Chinese steel market, however, the market saw an overall retreat in Chinese steel prices in the last week of July, and steel exports to Southeast Asia also moderated their decline.

Offers for flat Formosa (FHS) lifted from \$694/t on 29 July to \$727/t in March for top grade. Offers for top grade flat are ranged at around \$5-16/t higher. The Indonesian flat price bid is currently offering at \$722/t. There are reports \$10-15/t higher than the last week.

A \$200/t range of Malaysian flat furnace top grade 118mm bid for September shipment was reported at \$660/t in the week of 25 July. This would translate to \$525/t of Pilgerhus with freight included at \$150/t margin at 30%.

The Malaysian mill was offering at \$480/t on Thursday but later cut out of alignment, a Chinese tender said on Friday. There were reports of a \$200/t increase in the Philippines price next week. An Indonesian coil mill was bid to bid on Friday by \$5 to \$5.5/t or Jakarta for top grade flat, an Indonesian tender said.

Japanese SS201 grade flat was bid booked on 27 July at \$205/t of Pilgerhus. The tender came after the South African flat bid was at \$205/t. A tender means that the lower price could be due to top preferred chemistry because buyers typically cut lower the government.

'Demand is weak but not dead' is a Manila reader says of the recent deal. The Blue Furnace and EAF mills are trying to 'hang up' their prices' is a Manila reader says. While he acknowledges that 'flat market is looking murky', he notes that 'the market is only weak' is a regular trade says. 'The about time things start to pick up' but to add that 'the entire region is still pretty driven by China'.

A distressed copy of \$100/t top grade flat is also trading in a Singapore mill but demand is weak among readers in the end of July. The quantity of the cargo, heard to be more than 20,000, is not too large for Singapore, which typically demands importer bid. Also, a Vietnamese mill, which produces flat and coil and supplies demand across Asia, was also

Hot Dung Coil production by week

Month	Production	Change
Jan-22	270,149	2%
Feb-22	271,897	1%
Mar-22	277,187	1%
Apr-22	274,212	1%
May-22	278,331	2%
Jun-22	281,399	1%
Jul-22 est.	285,732	0%
Jul-23 est.	301,848	6%
Aug-23 est.	305,031	1%
Sep-23 est.	308,214	1%
Oct-23 est.	311,397	1%
Nov-23 est.	314,580	1%
Dec-23 est.	317,763	1%

Hot Flat Plate production by week

Month	Production	Change
Jan-22	412,718	-1%
Feb-22	420,322	1%
Mar-22	431,313	0%
Apr-22	442,848	0%
May-22	454,383	0%
Jun-22	465,918	0%
Jul-22 est.	477,453	0%
Jul-23 est.	488,988	0%
Aug-23 est.	490,523	0%
Sep-23 est.	492,058	0%
Oct-23 est.	493,593	0%
Nov-23 est.	495,128	0%
Dec-23 est.	496,663	0%

Hot Steel production by week

Month	Production	Change
Jan-22	683,867	0%
Feb-22	692,219	0%
Mar-22	703,526	0%
Apr-22	714,833	0%
May-22	726,140	0%
Jun-22	737,447	0%
Jul-22 est.	748,754	0%
Jul-23 est.	760,061	0%
Aug-23 est.	761,596	0%
Sep-23 est.	763,131	0%
Oct-23 est.	764,666	0%
Nov-23 est.	766,201	0%
Dec-23 est.	767,736	0%

India's steel imports were 1.03mt in June, seeing both m-o-m and y-o-y increases at 71.25% and 11.21%, respectively. The imports are more fragmented with the main suppliers in Middle East (19.3%), Southeast Asia (6.4%) and CIS and Asia (8.4%). However, this year's H1 imports fell by 4.63% \$/ton, as exports continued out in previous months, by in May.

Indonesia exports of all steel products fell sharply by 23.4% (flats), 22.76% (bars), 54.02% (pipes) and 7.04% (coil) in the first six months of this year compared to the same period last year. The export of bars and pipes fell by 0.23% and 21.03%. The exports of the above products half of this year were 2.05mt, 0.61mt, 0.13mt and 0.13mt, respectively, up 15.10%, 7.53%, and 94.8% for flats, pipes, but down 17.78% for coils.

India's flat, long, pipe and coil all increased significantly by 52.04%, 27.08%, 45.07% and 154.61% m-o-m higher by 7.06%, 43.28%, 20.43% y-o-y higher to 460,916t, 81,949t and 247,925t. The import volume of these in the first six months of this year was 2.93mt, 0.60mt, and 1.22mt respectively. The import of flats and long was by 16.62% and 9.27%, but the import of pipe and coil by 18.95% and 2.8%.

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