

Top News:

2021 outlooks remain positive despite some Chinese uncertainties

Apparent steel consumption outlooks for 2021 remain positive at the moment, but many market observers are waiting to understand how the sentiment of the Chinese steel market will be after the ongoing New Year's holidays. In 2020 overall the global steel market was mainly supported by the strong demand of the Chinese market. This year the trend should reverse and most global regions will see important jumps in demand, while Chinese sentiment should cool down slightly.

ArcelorMittal last week issued its latest apparent steel consumption outlook for the global markets. The group expects global demand to grow 4.5-5.5% year-on-year, after a contraction of some -1% y-o-y in 2020.

"Economic activity progressively improved during 2H 2020 as lockdown measures eased. Following a prolonged period of destocking, the global steel industry is now benefiting from a favorable supply demand balance, supporting increasing utilization as demand recovers," ArcelorMittal said.

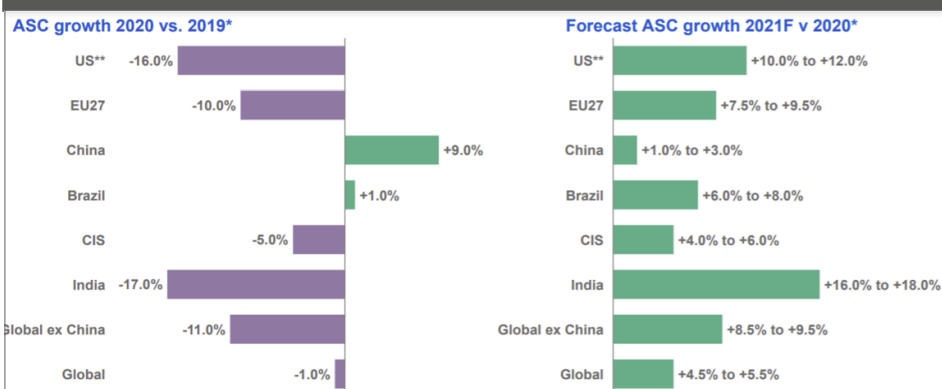
The biggest recovery for apparent steel consumption should be seen in the US, where this year it is expected to jump 10-12% y-o-y, after a contraction of some -16% y-o-y in 2020. In Europe ArcelorMittal expects the recovery to be of 7.5-9.5% y-o-y after a contraction of -10% y-o-y last year. This outlook is somewhat less positive than that issued last week by Eurofer, expecting apparent demand in the continent to rebound 13.3% y-o-y after a slump of -13% y-o-y in 2020.

Other key areas of expansion in 2021 will include India, where apparent demand should jump 16-18% y-o-y after the drop of some -17% y-o-y last year. China is expected to continue registering growth, but the recovery pace should slow down to 1-3% y-o-y in 2021 after a staggering recovery of 9% y-o-y in 2020, ArcelorMittal noted.

IREPAS - Irepas, the global rebar exporters and producers association, also issued a relatively positive outlook for 2021 last week. "2021 looks very likely to be a year of rebound, a year of multilateral boosts to the global resurrection, with less political uncertainty," Irepas says. "It is highly likely that demand will be good this year. However, we will not be seeing the same spread during the rest of the year that we are currently observing in this first quarter, since we have been reading that furnaces are being fired up one after the other."

All eyes are on China's return after the Lunar New Year holiday, and whether it will boost exports. Irepas hopes China will lower post-holiday production, or else the price increase for raw materials will be maintained. As for trade barriers and political uncertainty, 2021 so far seems to be potentially a calmer year for the steel market. Section 232 duties are likely to stay for now, but there is still hope that trade barriers will be torn down for good allies of the US. The new administration has common sense rather than "...tweeting nonsense" like the previous one did, Irepas comments.

Apparent steel consumption outlook from ArcelorMittal



Source: AM 2020 full year report

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How will Chinese markets return after the holidays?
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Will a demand-side push from President Biden support current price levels?
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Have scrap prices found their equilibrium?
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How much will Brazilian iron ore output rise this year?

KORE INDEX

W-o-w avg	+2.04%	+4.8%	+4.2%
Index	58% Fe	62% Fe	65% Fe
12 Feb 2021	\$ 146.35	\$ 161.48	\$ 185.62
11 Feb 2021	\$ 146.49	\$ 161.76	\$ 185.92
10 Feb 2021	\$ 146.33	\$ 161.84	\$ 185.98
09 Feb 2021	\$ 146.30	\$ 161.50	\$ 185.61
08 Feb 2021	\$ 145.74	\$ 159.03	\$ 182.53
Average	\$ 146.24	\$ 161.12	\$ 185.13
05 Feb 2021	\$ 143.44	\$ 155.00	\$ 178.28
04 Feb 2021	\$ 142.56	\$ 156.47	\$ 180.00
03 Feb 2021	\$ 141.88	\$ 151.60	\$ 175.77
02 Feb 2021	\$ 143.45	\$ 149.94	\$ 173.92
01 Feb 2021	\$ 145.28	\$ 155.97	\$ 180.44
Average	\$ 143.32	\$ 153.80	\$ 177.68

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Global Overview

SAMPLE

North America

- US sheet prices march ahead, plate falls back
- Energy tube continues to benefit from historic skelp highs
- Biden targets auto semiconductor shortage with executive order

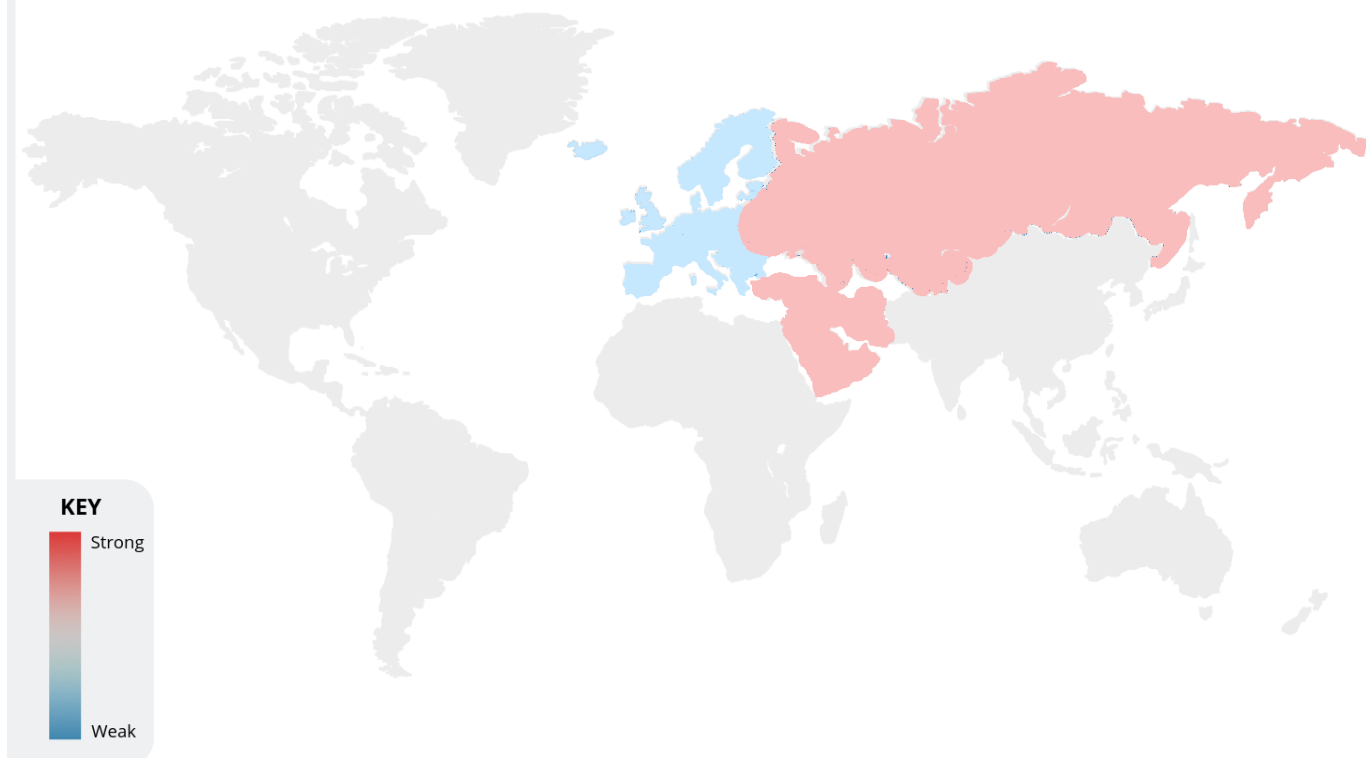
Europe

- Apparent steel demand to rebound in EU
- NLMK stops La Louviere strip mill
- French domestic scrap prices prepare for rebound

Asia

- Iron ore rebounds
- Indian output grows
- Asian longs market remains silent

KALLANISH STEEL WEEKLY GLOBAL SENTIMENT MAP



[See the interactive version online](#)

South America

- Brazilian pig iron prices down
- 2020 LatAm crude steel production down y-o-y

Middle East

- Turkish scrap rebounds
- Turkish rebar buyers return with inquiries
- Turkish HRC sold to US, more expected

CIS

- CIS billet eyes scrap boost
- CIS HRC mills withdraw offers after making sales



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Word of the week

Plate

Plate is thick, flat-rolled steel produced from slab or ingot, and is mostly sold as discrete pieces but also coiled. It is available in carbon, alloy and stainless grades. It has a width of more than eight inches, with a thickness ranging from one quarter of an inch to more than one foot.

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