

## Top News:

## worldsteel reviews global demand outlook

The World Steel Association (worldsteel) has released its April 2019 short-range outlook. The association says that global steel demand will reach 1.735 million tonnes in 2019, an increase of 1.3% over 2018. In 2020, demand is projected to grow by 1% to reach 1.752mt.

The new outlook confirms the expectation of a slight downward revision compared to the outlook for 2019 and 2020 issued in October last year. In global terms the revision for 2019 was minor (down to 1.3% from the 1.4% previously expected); nevertheless, important changes were registered in some local outlooks, including China.

"In 2019 and 2020, global steel demand is expected to continue to grow, but growth rates will moderate in tandem with a slowing global economy. Uncertainty over the trade environment and volatility in the financial markets have not yet subsided and could pose downside risks to this forecast," says worldsteel Economics Committee chairman Saeed Al Romaihi.

Global steel demand increased by 2.1% in 2018 and grew slightly slower than in 2017. "In 2019 and 2020 growth is still expected, but in a less favourable economic environment. China's deceleration, a slowing global economy, and uncertainty surrounding trade policies and the political situation in many regions suggest a possible moderation in business confidence and investment," worldsteel adds.

In China, the government is likely to heighten the level of stimulus, which is expected to boost steel demand in 2019 (1% y-o-y). A minor contraction in Chinese steel demand is anticipated for 2020 as the stimulus effects are expected to subside (-1% y-o-y). Earlier last year worldsteel expected China would not record any demand growth for 2019.

Steel demand in the developed economies is forecast to further decelerate its recovery to 0.3% in 2019 and 0.7% in 2020, reflecting a deteriorating trade environment.

In 2019, the US growth pattern is expected to slow with the waning effect of fiscal stimulus and a monetary policy normalisation. A further slowdown of the demand recovery is then expected in 2020 as growth will only reach by then 0.3% y-o-y.

Brexit tensions amongst other factors will also slow economic growth in Europe in 2019, but steel demand is expected to improve in 2020.

Japan and Korea are expected to see reduced steel demand in 2019 (-1% y-o-y and -0.4% y-o-y respectively). While in Korea the negative trend could reverse in 2020, Japanese demand will continue to move down further next year.

For the world's developing economies excluding China, steel demand is expected to grow by 2.9% and 4.6% in 2019 and 2020, respectively.

## Worldsteel Short Range Outlook

SRO April 2019, finished steel products

Regions	million tonnes			y-o-y growth rates, %		
	2018	2019 (f)	2020 (f)	2018	2019 (f)	2020 (f)
European Union (28)	169.7	170.2	172.2	4.3	0.3	1.2
Other Europe	38.4	36.9	39.3	-9.5	-3.9	6.5
CIS	56.2	57.0	57.9	3.5	1.4	1.7
NAFTA	142.9	144.5	145.6	1.5	1.1	0.8
Central and South America	43.3	44.9	48.3	2.8	3.6	7.5
Africa	37.0	38.1	39.2	5.6	3.0	3.0
Middle East	50.1	48.9	49.5	-5.9	-2.6	1.2
Asia and Oceania	1 174.5	1 194.6	1 199.6	6.6	1.7	0.4
<b>World</b>	<b>1 712.1</b>	<b>1 735.0</b>	<b>1 751.6</b>	<b>4.9 *</b>	<b>1.3</b>	<b>1.0</b>
World excl. China	877.2	891.7	916.7	2.2	1.7	2.8
Developed Economies	414.0	415.2	418.1	1.8	0.3	0.7
China	835.0	843.3	834.9	7.9 *	1.0	-1.0
Em. and Dev. Economies excl. China	463.2	476.5	498.6	2.5	2.9	4.6
ASEAN (5)	74.6	78.8	83.1	5.0	5.6	5.5
MENA	68.6	68.2	69.5	-4.3	-0.6	1.9

## In this week's issue:

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How will the regional market change as Liberty moves to become Europe's third largest steelmaker?

## ▶ PAGE 5

What is the implication of March's falling construction spending figures in the US?

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Can Turkish rebar mills count on Asia for more sales?

## ▶ PAGE 8

Can European coil prices continue to move against the Chinese trend?

## KORE 62% Fe / Qingdao CFR USD/t

W-o-w avg change **-0.15%**

19 Apr 2019	\$	<b>92.61</b>	<b>low</b>
18 Apr 2019	\$	93.39	
17 Apr 2019	\$	94.07	
16 Apr 2019	\$	95.08	
15 Apr 2019	\$	<b>95.38</b>	<b>high</b>
<b>Average</b>	\$	<b>94.11</b>	

12 Apr 2019	\$	<b>95.51</b>	<b>high</b>
11 Apr 2019	\$	94.60	
10 Apr 2019	\$	<b>93.38</b>	<b>low</b>
09 Apr 2019	\$	93.41	
08 Apr 2019	\$	94.35	
<b>Average</b>	\$	<b>94.25</b>	

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# Global Overview

## North America

- US sheet bottom falls, spread widens
- OCTG prices remain consistently weak
- Construction falls after 2 years of uninterrupted growth

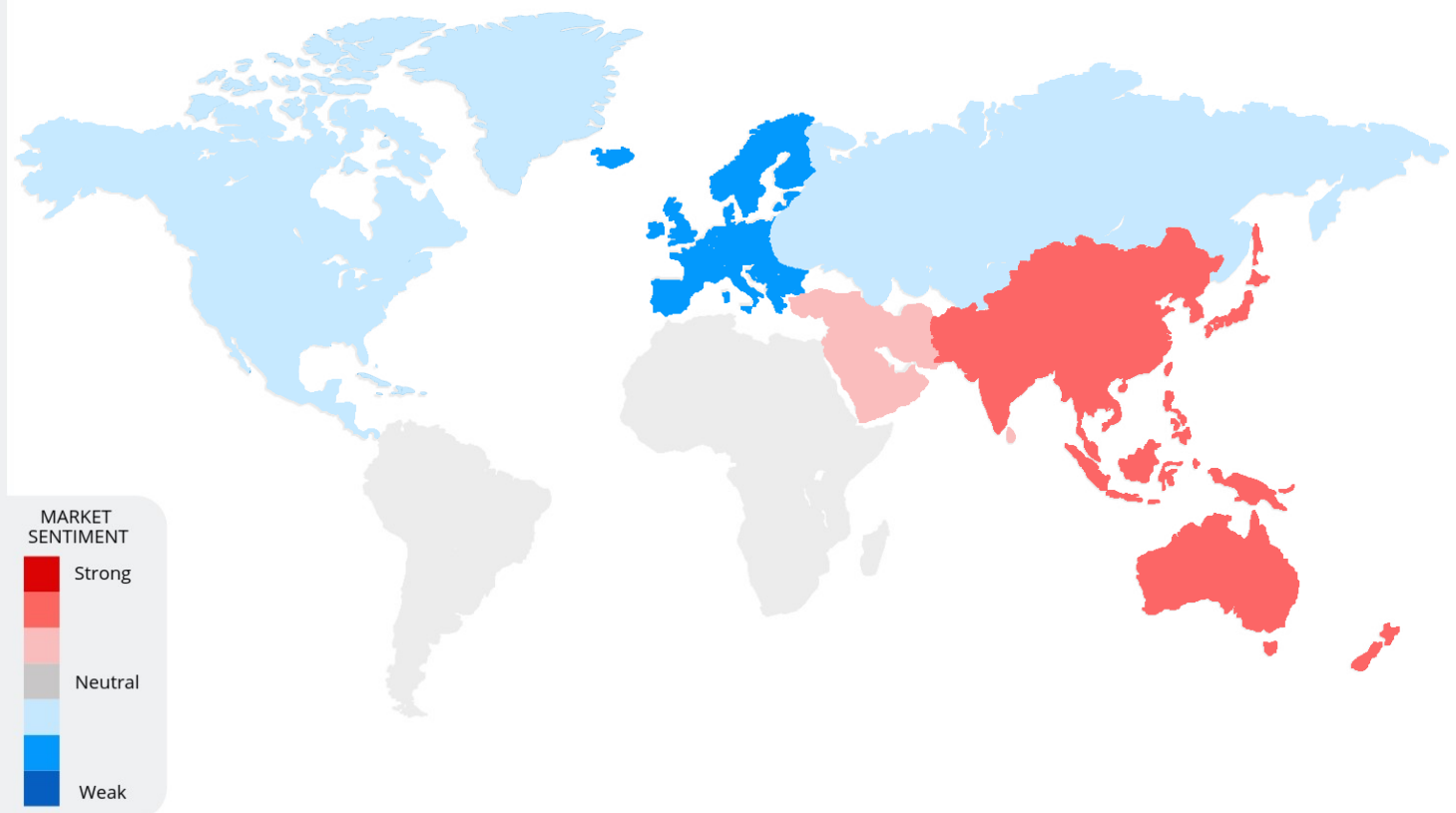
## Europe

- Liberty gets green light to become third largest EU steelmaker
- Italian coil prices down again
- Longs market silent

## Asia

- Iron ore remains above \$90/t CFR
- Indian demand continues to outpace rest of the world
- Chinese steel prices hold

## KALLANISH STEEL WEEKLY GLOBAL SENTIMENT MAP



## South America

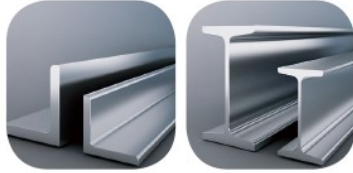
- Vale restarts Brucutu operations
- Usiminas delays Cubatão plant decision

## Middle East

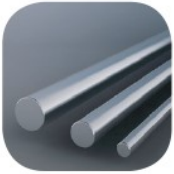
- Turkish scrap rebounds unexpectedly
- Asia returns to buying Turkish rebar
- Turkish mills lower HRC offers to compete with CIS

## CIS

- CIS billet exporters bag sales after reducing prices
- CIS HRC prices unchanged but mills prepared to lower



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# Word of the Week

## Cut-To-Length

Cut-To-Length in the process where sections of flat-rolled steel is cut into a particular or desired length or shape. Such product that is cut to length is normally shipped flat-stacked.

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If you found this issue of Kallanish Steel Weekly interesting please let us know, we would love to hear from you.

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