



## News

### Steel market Trend in Week 04th, 2022



#### Billet

Billet had an upward trend during last week in Iran from USD 557/mt to USD 579/mt ex-work including 9% VAT. The reason behind this price increase was power cuts at some mills and gas outage of DRI producers, and on the other hand, empty warehouses of re-rollers and market expectation for a change in market direction. Competitions at IME (Iran Mercantile Exchange) also caused prices to rise there.

Also last week, according to Metal Bulletin, Iranian average export billet was unchanged at USD 550-555/mt FOB.

#### Long Products

Average rebar price went up sharply during the week in domestic market from USD 614/mt to USD 639/mt by end of the week. Several factors pushed up prices, including; higher billet price at IME, power cuts at some billet and rebar mills, cold weather that forced some mills stop supply and market increased anxiety to purchase.

I-beam was upward like rebar due to market buying interest from USD 615/mt to USD 630/mt ex-work including VAT by end of the week.

#### Flat Products

Price of HRC 2 mm thickness ex-work Mobarakeh was USD 912 /mt on last Saturday, which reached USD 941 /mt by Wednesday. HRC market was upward due to market expectations and previous expensive purchased inventories, along with the possibility of power cuts and DRI supply level, but demand was weak.

Market positive sentiment made Oxin co HRP up from USD 1004/mt to USD 1027/mt. More slab transactions at IME also helped market sentiment. Kavian co HRP remained stable at USD 982/mt due to mill's market management. But demand did not change significantly.

CRC price improved by end of the week mainly due to better sentiment of the market from USD 1167/mt to USD 1176/mt.

Higher HRC price made HDG market upward from USD 1183/mt to USD 1196/mt by end of the week.

#### Weekly Analysis:

Demand has been in a waiting mood for a long time. The reason is that for about three months, IME has been gradually lowering prices and made purchase limitations. Two weeks ago, the purchase restriction was lifted due to the pressure caused by lack of demand. Last week, power and gas cut worries made demand upward. As billet demand increased, so did the price of rebar. Empty rebar warehouses intensified demand and pushed up price of long products. Some insiders believe that this trend will be reversed in the next one or two days as speculators will offer their IME purchases in the spot market. Especially since the issue of electricity and gas seems to have been resolved too. Besides, everything depends on DRI too. If DRI producers be forced to decrease base prices at IME, market will return quickly. Of course, with higher global DRI price and increase in domestic billet price at IME, this possibility seems weak. Anyway, more upward trend in the market seems unlikely as by Thursday some products were faced with small declines too.

CBI weekly average ex-rate for Steel Products (SANA): Rials 243,421/ 1USD

31 Jan 2022

Iran Steel News Bulletin

IFNAA.IR

IRSTEEL.COM

Jan 31, 2022 13:53

Number of visit : 792

#### Comments