



News

Iran Steel Market Trend in Week 08th, 2022



Billet

Due to weak domestic demand, billet price had a downward trend in the first two days of the week, but higher global prices and the rise in base prices at IME (Iran Mercantile Exchange) helped stabilize prices. Billet average price was down by USD 5/mt to USD 601/mt ex-work including 9% VAT.

Long Products

Despite higher billet price at IME and the increase in base price of rebar, it did not change much in the spot market due to availability of cheap purchased inventories in warehouses. Its average price was around USD 662/mt ex-work including 9% VAT during the week.

I-beam market was downward due to lack of demand from USD 645/mt to USD 636/mt.

Flat Products

Price of HRC 2 mm thickness ex-work Mobarakeh was USD 931 /mt on last Saturday, which reached USD 948 /mt by Wednesday. Market was quiet and higher price at IME was the only reason behind this upward trend. Higher slab price at IME made Oxin co HRP price up from USD1045/mt to USD 1051/mt ex-work including VAT. Kavian co HRP also experienced the same and rose by USD 17/mt to USD 1002/mt by end of the week.

Lack of demand didn't let CRC market improve despite higher HRC price. It was unchanged at around USD 1190/mt. HDG market was also faced with limited demand and decreased from USD 1190/mt to USD 1181/mt.

Weekly Analysis:

Different factors are affecting Iran market at the moment:

First one is Vienna nuclear talks, which is in a state of uncertainty.

The second is the issue of Russia's invasion of Ukraine, which causes world prices to fluctuate and upset all markets equations.

The third issue is the government budget plan of next Iranian year, which is being investigated in the parliament.

What will affect Iranian market in the short term is Russia's invasion of Ukraine. On the one hand, oil prices will rise in coming days, and this will affect all commodity markets. Naturally, Iran export market would be more active as demand for our exporting goods would rise, which will increase base prices at IME too.

Nuclear talks will not show its possible effect at least until end of the year, because there are practically no more than 15 working days left until end of the year, and the consequences will be clear for next year.

State budget will create a lot of tension in the first quarter of next year.

The government is facing with severe ups and downs in the short term. Dealing with this requires it to make appropriate decisions quickly against any consequences, otherwise the market will put pressure on it.

What is certain is that despite stagnation of domestic market, there is no reason for downward trend in domestic prices as global markets are upward.

CBI weekly average ex-rate for Steel Products (SANA): Rials 239,412/ 1USD

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