



## News

### Iran Steel market Trend in Week 03rd , 2022



#### Billet

Billet price declined by USD 2/mt to USD 550/mt ex-work including 9% VAT during last week in Iran due to reduction of prices at IME and lack of demand in long products market. IME lifted its restrictions on trading sector to escape a months-long recession but this policy also did not help much in improving price of billet. Many mills have either stopped production or have high inventory levels, hoping to gradually digest inventories in the market while IME continues to control prices.

Also last week, according to Metal Bulletin, Iranian average export billet price increased from USD545-550/mt to USD 550-555/mt FOB.

#### Long Products

Rebar was down by USD 6/mt to USD 604/mt ex-work including 9% VAT. Cold weather has kept demand at a minimum level, and on the other hand, government pressure to reduce prices at IME continues. This has led many mills to consider exporting rebar. While ex-work export rebar price is lower than billet price FOB Iranian ports.

The government's controlling policy on I-beam market continued, causing prices to fall again in the absence of demand from USD611/mt to USD 602/mt ex-work including VAT during last week.

#### Flat Products

Price of 2mm thickness HRC ex-work Mobarakeh Steel co was USD 932 /mt on last Saturday, which reached USD 907 /mt by Wednesday. Generally, Mobarakeh steel co HRC market had a downward trend due to falling demand and higher supply of the mill. Lower prices in global markets also affected this trend.

Lack of demand, lower price of slab at IME and global markets made Oxin co HRP down again from USD 1022/mt to USD 1003/mt ex-work including VAT. Kavian co HRP also experienced declines due to same reasons from USD 1008/mt to USD 984/mt.

Scarce demand made CRC also down from USD 1172/mt to USD 1161/mt.

HDG remained stable by beginning of the week, but lower HRC price made HDG also down from USD 1184/mt to USD 1177/mt ex-work including VAT by end of the week.

#### Weekly Analysis:

Last week, banking sector executives had a meeting with the president and his economic team. Government has severely restricted banks credit, which has reduced money flow on a large scale. This will eventually show its effects on production within a month or two and will cause severe supply constraints. Finally, next year, with the imposition of new wages and energy prices with declining production, all parts of the economy will experience negative effects. For this reason, all eyes are on the Nuclear negotiations, and this has also led to limited trades too. Continuation of this process will determine a very dangerous fate for producers. If the negotiations reach a satisfactory result, Iran will witness an economic boom next year, which, of course, needs government's proper management of its resources and expenditures too.

CBI weekly average ex-rate for Steel Products (SANA): Rials 244,707/ 1USD

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