



## News

### Iran steel market Trend in Week 24th , 2021



#### Billet

Despite falling prices in global markets and weak demand, Iranian billet producers raised prices at IME ( Iran Mercantile Exchange), and less than half of the offered level was sold. High supply policy combined with high prices means that billet producers are reluctant to sell their products in domestic market and count on export market activity. If export market stops, small producers who are facing with higher scrap and DRI price and also power outages in summer time, will be out of market. If iron ore prices rise in the world market and billet export market stays active, the trend of rising billet prices at IME will continue so that small producers can be hopeful for their survival.

#### Long Products

Following higher billet price, base price of rebar also increased at IME. In spot market it was up from USD 746/mt to USD 748/mt ex-work including VAT. Billet and rebar price gap has reached 7%, which is not affordable for re-rollers. Therefore, meetings were held between re-rollers and billet producers last week. Rebar producers are looking for lower billet price and expectation of billet producers is to stabilize the market. Due to higher rebar price and the presidential election, long products market experience a quiet week.

Higher ex-rate from Monday onward made I-beam price improve a little from USD754/mt to USD 761/mt ex-work including 9% VAT.

#### Flat Products

HRC 2 mm thickness was around USD 1134/mt until Wednesday. Despite higher currency rate, market recession made HRC average price downward from Monday onward. Oxin co HRP declined from USD1307/mt to USD 1286/mt ex-work including VAT by end of the week. The market does not have the power to absorb previous price rises and is waiting for lower prices.

CRC market was faced with a drop in price, but this decline was not so noticeable. It ended the week at USD1366/mt. HDG market experienced some fluctuations and finished the week at USD 1408/mt ex-work including VAT.

#### Weekly Analysis:

Price trend in Iran steel market is influenced by the extreme caution of buyers at the moment. On one hand, hopes for signing of the Nuclear Deal and on the other hand, the presidential election has made it very difficult for market participants to make decisions. At the same time, rising prices have concerned market participants more, resulting in a severe market recession. History has shown that when an economy reaches this point, it will change dramatically. We have to wait to see the result, but the prospect for the next one or two months until the new president takes office is not clear, and all hopes are on his plans.

CBI weekly average ex-rate for Steel Products (SANA): Rials 206,420 USD

21 Jun 2021

Jun 21, 2021 11:36

Number of visit : 692

#### Comments