



News

Iran steel market Trend in Week 26th , 2021



Billet

Billet price was on the rise during last week in Iran domestic market from USD 646/mt to USD 660 /mt ex-work including 9% VAT while everyone was expecting downward movement in the market. Market making at IME (Iran Mercantile Exchange), New regulations announcement by the authorities and higher ex-rate were the reasons behind higher billet price.

Long Products

Rebar price went up from USD 710 /mt to USD 719/mt ex-work including VAT. Higher billet price and currency rate increase caused the upward trend. While demand side has become extremely conservative.

I-beam price rose slightly from USD 719/mt to USD 730/mt but its market was stagnant.

Flat Products

Mobarakeh Steel co HRC 2 mm thickness was USD 1065/mt on last Monday, which reached USD 1083 /mt by Wednesday. HRC average price rose slightly due to higher ex-rate and limited supply level.

Oxin co HRP had a relatively steady trend but its market was very stagnant. Its price rose by USD 11/mt to USD 1230/mt by end of the week. Kavian co HRP had a steady trend due to mill control and market stagnation at around USD 1083/mt.

CRC price declined from USD 1297/mt to USD 1290/mt as Mobarakeh Steel co declined its price at IME. HDG didn't change significantly due to stability of HRC. It was down from USD 1346/mt to USD 1341/mt by end of the week.

Weekly Analysis:

Several factors can affect prices. Possible factors behind a downward trend would be:

1- Signing of the Nuclear Deal and lower ex-rate. This positive factor cannot last much because imported currencies, if converted into Rials, will increase the monetary base. Given the need of mills for banking facilities to move on and improve the economy, this is not far from expectation.

2- Price reduction in global markets. Global markets have been stable over the past two weeks and have experienced limited volatility. Given the volume of money printed worldwide, the probability of a price reduction in the short term is limited.

3 -Increasing interest rates in the United States to control inflation, which would reduce demand in that country.

The possible factors that may keep the steel market rising or prevent its price from falling are mainly:

1-India's exit from the pandemic situation. This diminishes India's role as a main steel supplier in the world.

2- Higher oil price, which would affect all goods prices, especially freight rate.

3-The third factor that is very important is the start of the production cycle in Iran, which will increase demand in the domestic market.

4-The fourth factor that is rapidly changing the market is the new regulations for export of long products which will increase export level in the short term.

5-The fifth issue is power outages at production lines, which will reduce production and put pressure on supply level.

CBI weekly average ex-rate for Steel Products (SANA): Rials 215,987 USD

05 Jul 2021

IFNAA. IR

Jul 5, 2021 14:19

Number of visit : 796

Comments