



## News

### Iran steel market Trend in Week 44th , 2021



#### Billet

Billet price was almost stable during last week in Iran domestic market. Average price was around USD 647/mt ex-work including 9% VAT. Higher prices at IME (Iran Mercantile Exchange) made market a little excited, but weak demand returned prices back again.

#### Long Products

Rebar price remained almost stable at around to USD 717-718 /mt ex-work including VAT. Although there was a limited increase in the prices announced on IME, but cheap purchases of previous weeks did not allow any significant improvement in prices.

I-beam market remained almost unchanged from USD 695/mt to USD 689/mt. Poor demand and enough inventory were the two main factors behind this stability.

#### Flat Products

Price of 2 mm thickness HRC ex-work Mobarakeh was USD 1136 /mt on last Saturday, which reached USD 1144 /mt by Tuesday. Mobarakeh Steel co HRC has reached its price floor due to higher supply level along with a sharp drop in demand. Falling prices for this product can upset the market because it will hurt market confidence. Weak demand is not letting prices improve.

Oxin co HRP price has reached the bottom, but enough inventory level and lack of demand does not allow its price to improve. Kavian co HRP was still stable due to mill's market control at around USD 1076/mt ex-work including VAT.

CRC was stable at around USD 1283/mt due limited demand. Prices do not have enough room to decrease, buyers are not interested too.

HDG was also faced with a slow market due to stability of HRC and exchange rate and changed from USD 1312/mt to USD 1336/mt.

#### **Weekly Analysis:**

In terms of domestic market demand, it has been halted due to various issues such as banking problems, change of managers, uncertainty about economic plans of the government. Despite rising oil prices in world market, falling Chinese demand has made prices unchanged or also downward. Therefore, any change in Iran domestic market would be affected by just cost price. There are talks about eliminating gas and power subsidies. This means at least ten percent increase in price of finished products which would hurt Iranian export competitiveness in global markets too. Besides, global recession and lower export level will certainly affect currency rate.

In any case, at the moment enough inventory level at warehouses along with lack of demand, will not allow prices to increase in coming days.

**CBI weekly average ex-rate for Steel Products (SANA): Rials 230,689 USD**

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