



News

Iran steel market Trend in Week 50th , 2021



Billet

Billet price fell from middle of last week just due to lower prices at IME (Iran mercantile Exchange) from USD 583/mt to USD 579/mt ex-work including 9% VAT. Most market participants believed that prices should rise, but the stock market intervention reversed market trend.

According to Metal Bulletin, average Iran export billet price dropped by USD 15 /mt to USD 545/mt FOB Iranian ports.

Long Products

IME pressure made rebar price downward from USD 666/mt to USD 656/mt ex-work including VAT. From Wednesday market resisted against this pressure. Warehouses are empty and general belief is that prices have reached the bottom.

IME pressure and lack of demand made I-beam average price down by USD 10/mt to USD 639/mt ex-work including VAT.

Flat Products

HRC 2 mm thickness ex-work Mobarakeh was USD 1050/mt on last Saturday, which reached USD 1021/mt by Tuesday. HRC market had a downward trend due to falling demand, but market resistance began late in the week as most traders are at a loss and resisting against price cuts.

Oxin co HRP market was very weak due to lack of demand and dropped from USD 1103/mt to USD 1097/mt by end of the week. But everyone is asking if there is room for further price reductions? Some offered prices in the market are lower than mill's purchase price.

Kavian Co HRP still resists against market fluctuations and stayed at around USD 1038/mt during last week. While offered HRP by the mill's competitors in IME did not meet market interest, this can lead to lower prices because demand is weak.

CRC price fell due to limited demand and falling exchange rate over the weekend from USD 1251/mt to USD 1206/mt ex-work including VAT.

HDG market had a downward trend from USD 1292/mt to USD 1259/mt. Regardless of lower currency rate which effects on zinc price, demand level cannot help HDG market at the moment.

Weekly Analysis:

In global markets:

oil price has not fallen sharply and have sometimes experienced limited upward fluctuations. Christmas Holidays are coming, followed by more orders from Chinese buyers to fill empty warehouses before New Year Holidays. Steel prices have hit the bottom in global markets, so from a global perspective, any price decline won't be serious.

But in Iran domestic market:

Nuclear talks, followed by currency rate changes and market hopes or disappointments about it is the issue of insiders at the moment.

In addition, new policies of the Ministry of Mine and Industry, with the changes that have taken place inside this ministry, have made the market full of ambiguities.

Everything will be more clear in IME this week which shows government authorities policy direction. What is certain is that a further reduction in the prices at IME will separate physical market and IME away. Market has learned that it does not have to buy from IME, and if it waits and buys directly from the mills, it is more profitable.

The stock market's attempt to bring pellets, iron ore concentrates and fine to IME will not be welcomed, but the market is learning how to use the stock market as its own lever rather than following it. Especially since supply of some products such as magnetite iron ore is not everyone's business.

CBI weekly average ex-rate for Steel Products (SANA): Rials 240,888USD

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