



News

Iran steel market Trend in Week 22nd , 2021



Billet

Billet price was upward due to higher prices at IME (Iran Mercantile Exchange). It was up from USD 666 /mt to USD 681 /mt ex-work including VAT. Despite the price increase, buyers were not interested in offers at IME.

Long Products

Higher billet price, made rebar also upward from USD 723/mt to USD 744/mt, but its market trend was similar to billet market sentiment. I-beam price also followed its upward trend at IME. It was up from USD 742/mt to USD 760/mt ex-work including VAT.

Flat Products

Mobarakeh Steel co 2 mm HRC was USD 1133/mt on Saturday, which reached USD 1163/mt by Wednesday. Despite the price increase at IME, HRC was welcomed in the market. Part of this interest was due to Mobarakeh Steel co credit sales and the other part was due to the mill's policy of restricting supply and market control.

Oxin co HRP started the week at USD 1363/mt, it was almost stable till mid-week then became downward to USD 1340/mt by end of the week. Kavian Co HRP had a stable week.

Limited supply level made CRC market upward from USD 1375/mt to USD 1396/mt. HDG market was almost stable during last week in Iran.

Weekly Analysis:

Iran steel market prices depend on several factors including price and demand in the global markets, domestic market demand and exchange rate.

1- Global prices have almost reached the bottom and price fluctuations is not severe like last month. If the situation continues like this, prices will decrease slightly in the second half of the year. What is affecting this market is the rainy season, return of India after the pandemic and oil price, which are the three main factors influencing steel market.

2- Until the presidential election in Iran, there will be no change in domestic market demand. Two factors are affecting the domestic market. The first is the new conditions for export by the commercial sector and the second is the issue of power outages, which is very important for the mills. Power outages can reduce steel production by up to 40 percent.

3. Ex-rate is waiting for the Vienna negotiations, in which, if reaching an agreement, market will wait for the exchange rate to fall. Falling currency prices will cause a sharp decline in the export market, and this will be quickly reflected in the base prices at IME. But due to rising prices, especially raw materials, price reductions cannot be sustainable. In general, if Joint Comprehensive Plan of Action be signed, the market will endure a tension, but after that, it will have an upward trend.

CBI weekly average ex-rate for Steel Products (SANA): Rials 202,061 USD

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