



Emanuele **Norsa**

Editor **Kallanish**

Il mercato internazionale dell'acciaio: com'è stata la ripresa e quali sono le prospettive nel breve periodo



Table 1. Supply and Demand (million tonnes)

	2019	Jan-Nov 2020	Y-o-y	2020 outlook	Y-o-y
Official crude steel output		961	5.50%	1050.0	5.70%
Apparent consumption		901	9.94%	983	9.50%
End user demand		892	8.32%	982	9.60%

Source: Kallanish

Figure 1. Daily steel production and demand 2010-2020 (tonnes)



Source: NBS, Kallanish

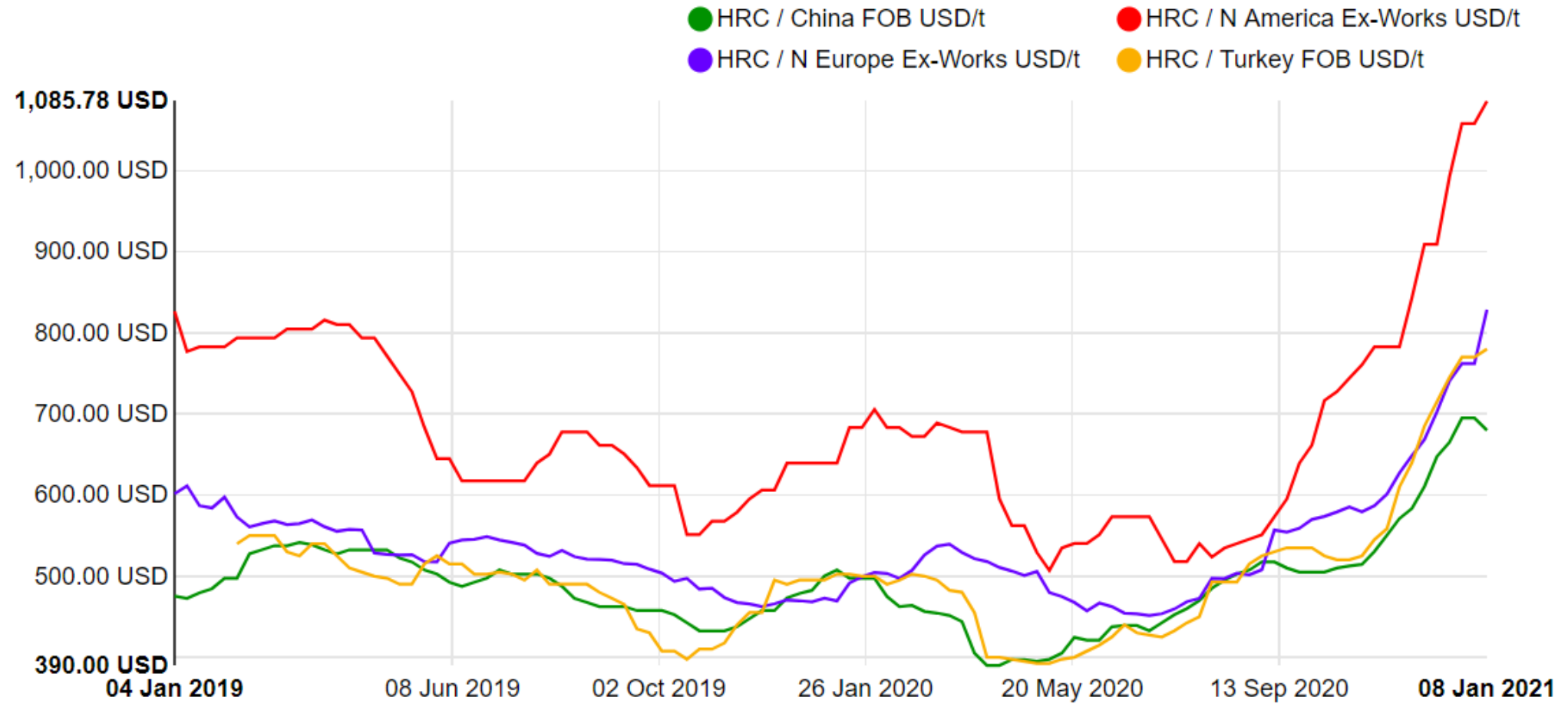
Table 2. Supply and demand forecasts

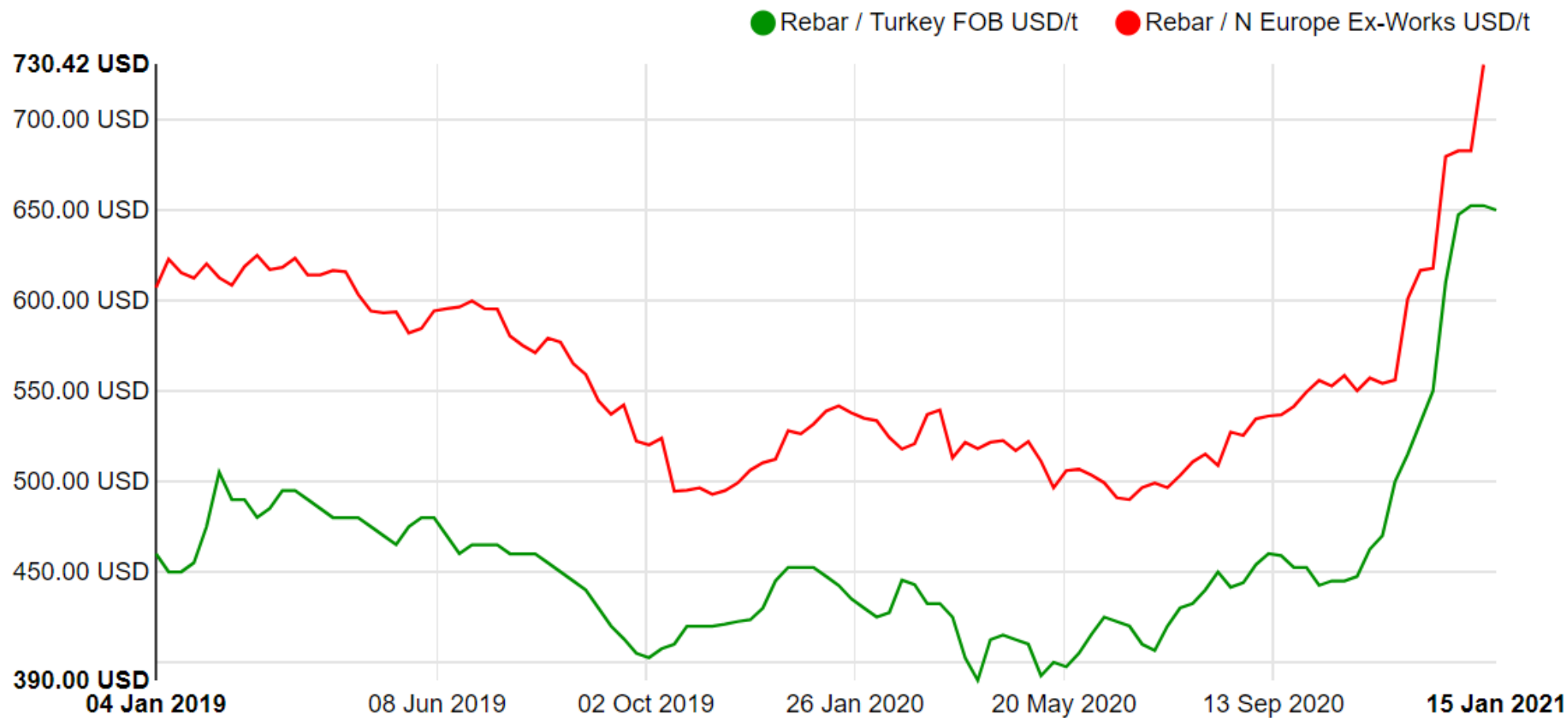
	2020e	2021f	Y-o-y
Crude steel output	1,050	1,080	2.90%
Exports	54	70	29.60%
Imports	39	20	-48.70%
Apparent demand	983	976	-0.70%
End user demand	983	978	-0.50%

Finished steel demand from:

Automotive output	43	44	2.30%
White Goods	16	17	6.50%
Shipbuilding	13	13	4.00%
Energy	32	34	6.30%
Engineering	160	65	3.10%
Construction	346	341	-1.40%
Infrastructure	220	215	-2.30%

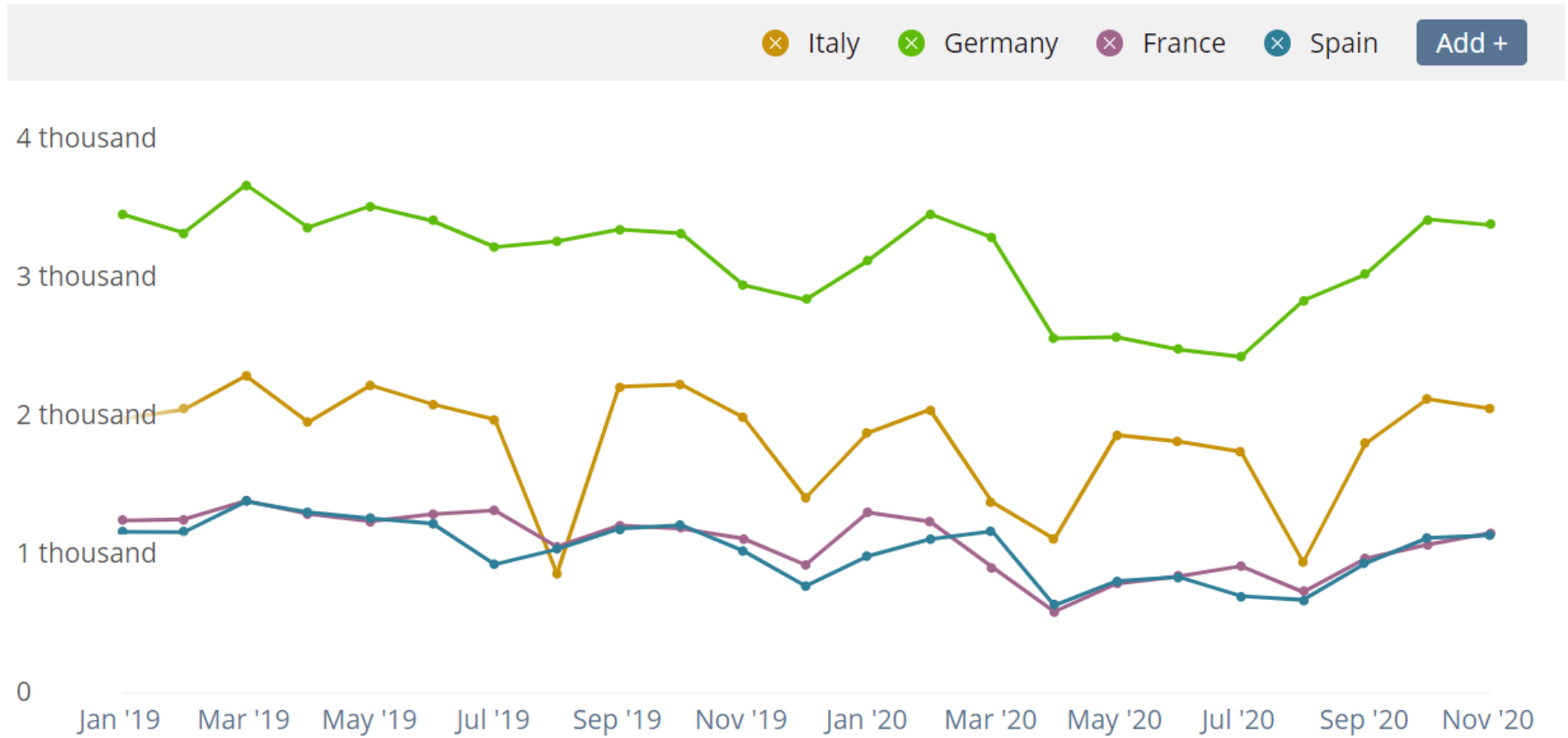
Source: Kallanish (million tonnes)





Jan 2019—Nov 2020 CHART

Crude steel production monthly (thousand tonnes)



	November 2020	November 2019	% change Nov-20/19	11 months		
				2020	2019	% change
Austria	550 e	562	-2.1	6 023	6 903	-12.7
Belgium	530 e	628	-15.6	5 955	7 254	-17.9
Bulgaria	40 e	42	-5.4	443	523	-15.3
Croatia	0 e	0	..	0	62	-100.0
Czech Republic	413	348	18.8	4 054	4 191	-3.3
Finland	336	258	30.4	3 162	3 287	-3.8
France	1 149	1 109	3.7	10 441	13 532	-22.8
Germany	3 376	2 941	14.8	32 521	36 792	-11.6
Greece	115 e	115	0.0	1 252	1 256	-0.3
Hungary	111	163	-32.1	1 421	1 606	-11.5
Italy	2 049	1 986	3.2	18 702	21 787	-14.2
Luxembourg	175 e	178	-1.9	1 770	2 023	-12.5
Netherlands	554	545	1.7	5 514	6 136	-10.1
Poland	670 e	644	4.1	7 209	8 314	-13.3
Slovenia	50 e	51	-1.1	519	589	-11.8
Spain	1 133	1 019	11.2	10 043	12 822	-21.7
Sweden	400 e	309	29.5	3 978	4 344	-8.4
United Kingdom	702	542	29.6	6 481	6 668	-2.8
Other E.U. (28) (e)	455 e	699	-34.9	5 671	8 450	-32.9
European Union (28)	12 809	12 137	5.5	125 159	146 538	-14.6

Austria	Voestalpine Linz	Restarted	
Austria	Voestalpine Donawitz	Relining	
Belgium	AM Gent	Relining	To restart early February
Bosnia	AM Zenica	Restarted	
Czech Republic	Liberty Ostrava	Restarted	
Finland	SSABRaabe	Idled	
France	AM Fo-Sur-Mer	Restarted	
France	AM Dunkirk	Restarted	
France	AM Dunkirk	Restarted	
Germany	AM Bremen	Restarted	
Germany	HKM Duisburg	Restarted	
Germany	Salzgitter	Idled	
Italy	AM Taranto	Idled	To restart in Feb 2021 to achieve 5mt/y
Poland	AM Krakow	Idled Permanently	
Slovakia	USSK Kosice	Restarted	
Slovakia	USSK Kosice	Idled	
Spain	AM Gijon	Restarted	
Sweden	SSABOxelösund	Idled	



EU distributors remain concerned over steel supply

European distributors and service centres for steel continue being concerned over the availability of steel supplies from mills and the impact of the jump in prices.

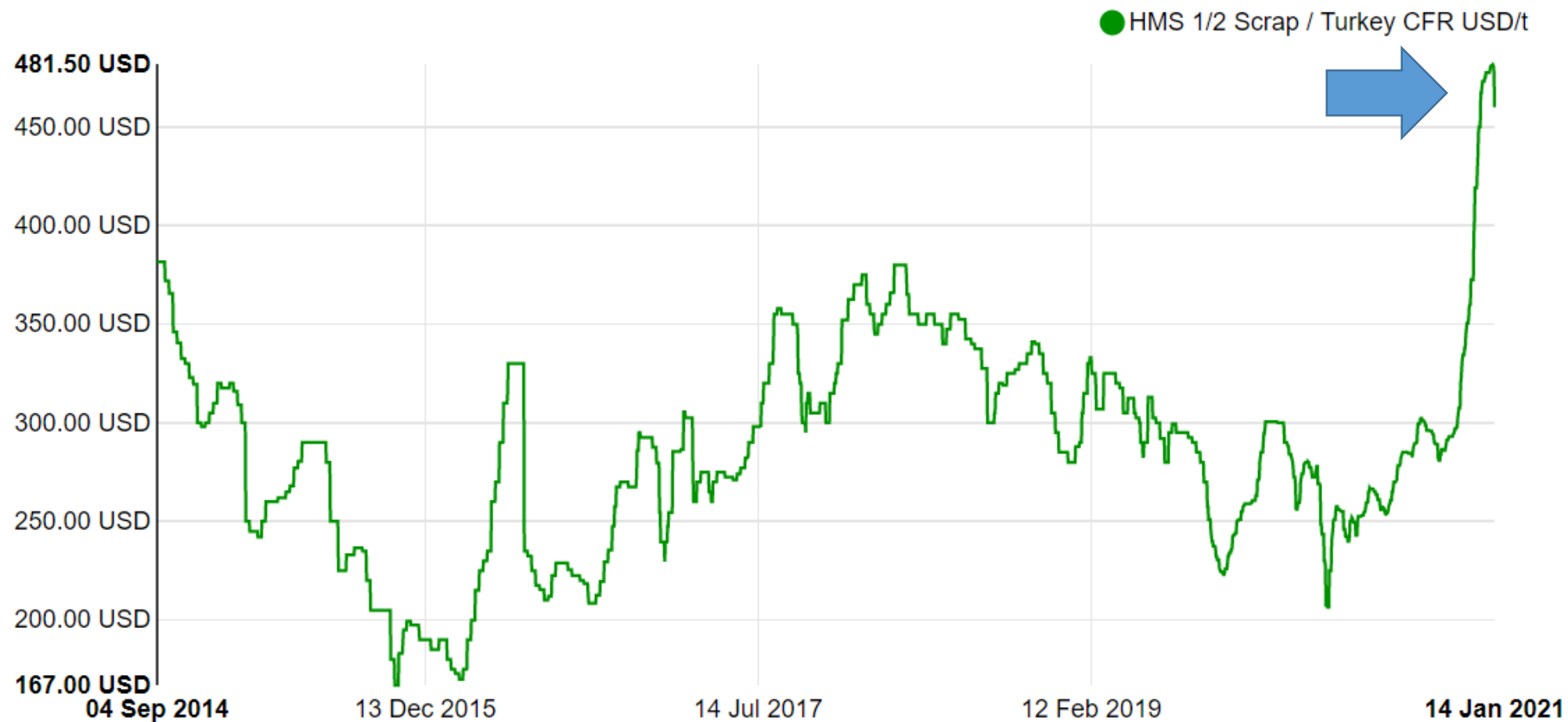
Most believe the tight availability of steel supply will continue at least until the end of the second quarter. Clisson Groupe, a large French steel distributor, issued a letter to its clients in December to explain the problems faced due to difficulties in finding material from its suppliers and the rapid steel price growth. The company noted that the situation should not normalise at least until Q2. It added that while the tight supply was mainly for coil products originally, it then spread into all other categories, including sheet, tube and longs.

A service centre in the Benelux confirms this view. "Supply and demand became completely out of balance," it notes. "Previously, there was more supply than demand, but the situation has now been drastically reversed."

The Benelux source adds that there are rumours some European service centres could be forced to introduce reduced working hours due to the shortage of supply in the market.

Various sources say the tight supply is due to drastic production cuts applied last year by European mills in response to the pandemic. These, together with new trade barriers and a faster-than-expected demand recovery, have created the current problems.

The situation is complicated further by the rapid jump in steel prices, which has given the upper hand to domestic mills that can renegotiate existing long-term contracts if needed to secure higher levels.



Weak demand tightens pressure on Turkish rebar prices

Turkish rebar producers are seen struggling to sell in the global market amid weak demand. Demand in the domestic market, meanwhile, is no different from the global market.

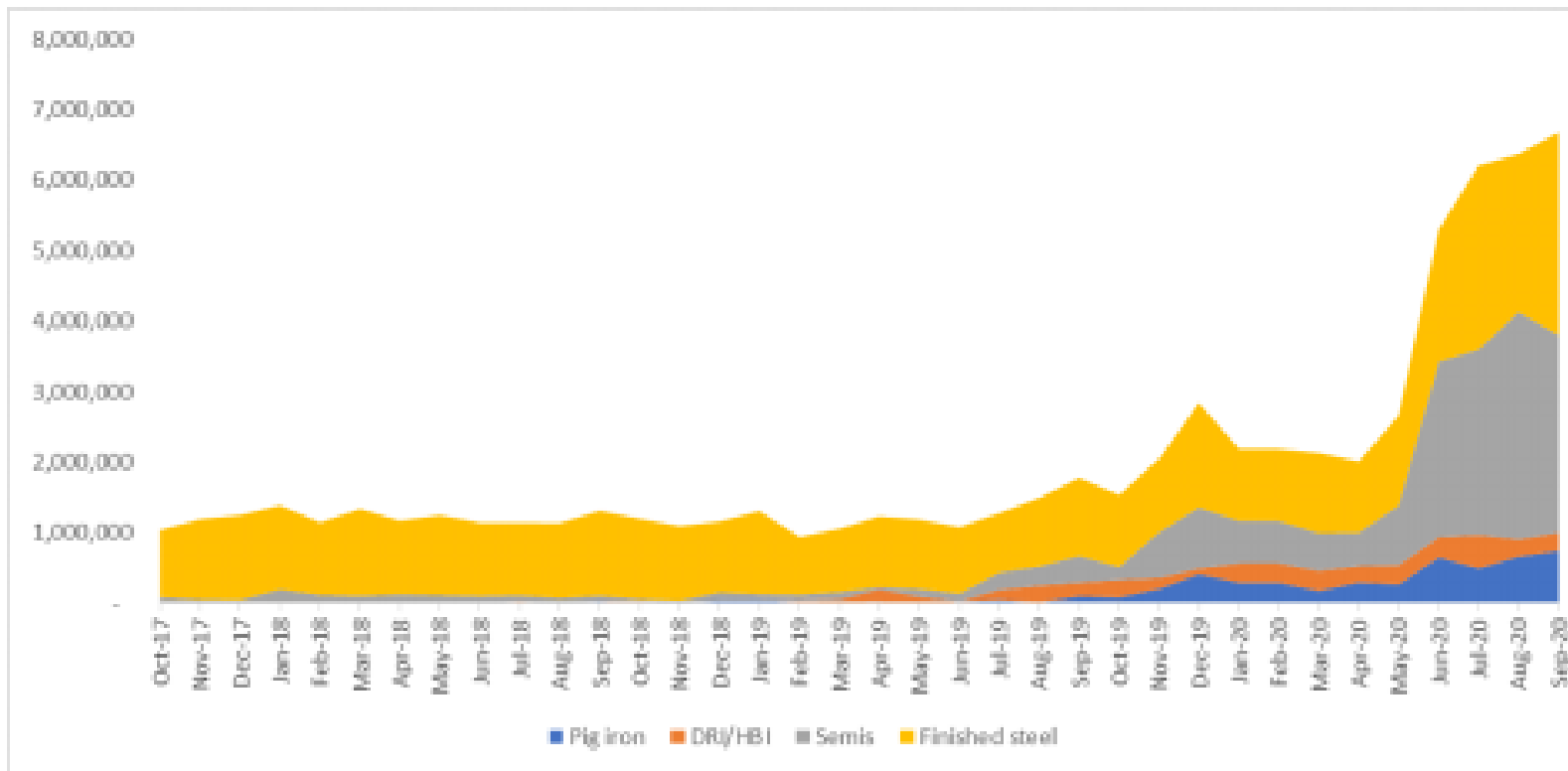
Rebar export quotes, which stood at \$650-660/tonne fob Turkey last week, were mostly at \$650-655/t fob actual weight on Thursday. However, Turkish rebar producers agree that these levels are not workable in the global market as buyers' expectations are now far lower. They are however not willing to further decrease their offer prices before seeing where scrap prices settle.

Following the 50,000 tonnes of rebar sales to Hong Kong at \$681/t cfr actual weight last weekend, no new remarkable sales have been heard this week. Only a few small-tonnage sales have been concluded to Israel, Latin America and Africa, with prices varying from \$640-650/t fob depending on the customer. Yemen, a traditional market, continues to remain quiet.

A Turkish rebar producer tells: "Although we are offering at \$650/t fob, I know that this price is not workable in the global market as buyers' expectations are way lower. However, we are not willing to further decrease our offer prices before seeing the exact levels of scrap. We have to make sure that we protect our margins."

Turkish mills have decreased rebar prices in the domestic market too amid poor demand. Prices, which stood at TRY 5,700-5,880/t on Monday, fell to TRY 5,620-5,680/t ex-works including VAT on Thursday. With the dollar at 7.38 per lira on Thursday, prices in dollar terms stood at \$645-652/t ex-works, VAT excluded.

In 2009 when scrap imports were allowed, Chinese demand was strong and global demand very weak, China imported 13.76mt of ferrous scrap, second only to Turkey.



Source: Kallanish China Scrap Markets 2020, GTT (tonnes/month)

Acciaieria**Arvedi** 

 **ACCIAIERIE
VENETE** SPA

 **DANIELI**

 **Duferco**
TRAVI E PROFILATI

 **FERALPI
GROUP**


bendotti

 **LACISA**
Innovative Logistics

 **MARCEGAGLIA**

MADE IN 
STEEL

 **metallurgica
legnanese
s.p.a.**

 **MORANDI STEEL**
OVER THE TUBES

 **ORI
MARTIN**

 **PIPEX** Italia

 **RICREA**
CONSORZIO NAZIONALE RICICLO
E RECUPERO IMBALLAGGI ACCIAIO

Sideralba
The steel you need

 **SLINGOFER** **60**
YEARS
1961 - 2021

 **Zaninoni**
INTERNATIONAL FORWARDING AGENT SPA

siderweb
LA COMMUNITY DELL'ACCIAIO



Grazie

Emanuele.norsa@kallanish.com