

## Iranian Iron Ore Exports to Rise Post Sanctions



Chinese buyers said they do not expect the lifting of trade sanction for Iran would lend much support in expanding their iron ore exports to China, given ongoing supply overhang and lackluster steel performance.

Iranian iron ore products typically have iron ore content ranging from 58-62% iron content for fines and 65-67% for concentrates, and they were heard sold to Chinese buyers on Platts 62%-Fe IODEX basis and a fixed price discount are further accorded based on market condition, sources said.

Iranian materials usually sailed to China on Panamax vessel and traveling time between Bandar Abbas, the main iron ore loading port of Iran to Qingdao in northern China could take around 24 days.

A Shanghai trading source was optimistic that the lifting of sanction would open more doors for Iranian sellers as Iranian fines have good sintering properties which could help them to find their home among more Chinese buyers.

"Before the sanctions, Chinese end-users would need to bring suitcases of cash to buy Iranian iron ore at the port, but the lifting of sanctions would mean they could buy directly from them on a credit term from the banks," said a Shanghai trader in reference on how a switch from a cash payment term to a credit system would be more palatable to Chinese buyers who were facing tight cash flow in lieu of poor downstream steel sales.

But many other were skeptical that Iranian iron ore exports to China would rise given the competitive pricing landscape, and they added the lifting of sanction for Iran comes "too late" to salvage the Iranian iron ore export to China.

## US Price of Turkish Export Rebar Steel Edges Lower



The price of Turkish rebar steel in the US has edged lower since the start of 2016, with buyers backing away from booking forward orders, sources said.

"The market is extremely quiet," one East Coast-based trader said. "I'm trying to sell for March and April and I'm not getting anyone calling me back."

Turkey remains the price leader in the US Gulf. Lowered its daily US imported rebar price assessment to \$311-\$318/st CIF Houston from \$316-\$321/st.

One market source said he's seen Turkish import offers as low as \$335/mt beginning to surface in the Southeast.

"I think a lot of people are scared prices are going to continue to drop, but I don't think there's much more room to go down," he said.

Given how low prices are, another trader said he expects rebar prices out of Turkey to remain relatively stable in the near term.

"You may see prices come down a bit more, but I don't think you will see a drastic change," he said.

One Southeast buyer said lower Turkish prices have led to more aggressive pricing from US mills, but the prices are still not as low as import prices.

"To be honest, I can't fathom how Turkish mills could be making money," he said.

## KIOCL Ltd. Set to Export Iron Ore Pellets to Iran

High grade Brazilian iron ore fines processed by KIOCL Ltd. at its pellet plant here is all set to be shipped to Iran. With the Islamic Republic presenting a market of around 10 million tonnes of high grade pellets they prefer, KIOCL Ltd. under PM Narendra Modi's flagship scheme Make In India made a small yet affirmative beginning by selling 65,000 metric tonnes of pellet shipment worth Rs 40 crore to that nation.

Describing the event as historic, Malay Chatterjee, chairman and managing director of KIOCL Ltd. said that the company's pellet plant at Panambur near here that has a capacity to produce 3.5 million tonnes of iron ore pellets per annum is perfectly capable of handling high grade iron ore fines. "This venture will help the company recover the fixed and variable cost that it incurs on keeping the pellet operational and meeting costs," Malay noted.

The process of loading the pellets on to M V Aries captained by Mohsen Sheikhi got underway at KIOCL's dedicated berth number 8 in the presence of P C Parida, chairman, NMPT, Suresh P Shirwadkar, deputy chairman, Anil Malhotra, Managing Director,



TUF group, D Chatterjee, Executive Director, TUF group and other dignitaries. The process of loading the pellets is expected to take up to 36-hours after which M V Aries will sail out to Bandar Abbas port.

Malay said the short distance between New Mangalore Port on the West Coast and Bandar Abbas makes the venture of exporting pellets all the more feasible. With Brazil and Chile the only nations that produce high grade iron ore, the Latin American country was a natural choice to source the mineral from for converting it in to pellets and exporting it to Iran, Malay said adding KIOCL Ltd. will source the mineral from Brazil based on demand from Iran or other markets.