



## Global Steel Production Running Around 2% Lower



**G**lobal: World crude steel production was more than 13 million tonnes lower in the opening five months of 2015 than in the corresponding period last year at 675.628 million tonnes - equivalent to a decline of 1.9%, according to latest figures supplied by 65 countries to the World Steel Association. In May alone, the differential

was 3 million tonnes to the downside.

When comparing the two five-month periods, China's output fell around 5.5 million tonnes this year to 340.164 million tonnes, the US total slid more than 3 million tonnes or 8.6% to 33.129 million tonnes, and Japan recorded a drop of 4.4% to 44.063 million tonnes.

Meanwhile, the world's largest steel scrap importer, Turkey, cut its crude steel production by 5.9% to 13.347 million tonnes. On the other side of the equation, production in India jumped 6.1% in this year's January-May period to 37.652 million tonnes and Russia posted a gain of 3.2% to 30.269 million tonnes. On a year-on-year basis, EU crude steel output edged 0.7% higher in May but was down 0.1% across the whole five months. Crude steel capacity utilisation for the 65 reporting countries was 72.1% in May - a drop of 3.4 percentage points from the same month last year and of 0.4 percentage points from April 2015.

## German Steel Price Roundup



**M**any German hot rolled coil customers, especially the service centres, are asking for discounts on selling figures, according to MEPS. Distributors are still struggling with low resale prices because of overcapacity in that sector. The quantities of Russian material have reduced but there is more competition from Brazilian mills.

Hot rolled plate distributors are competing fiercely for business as they continue to try to reduce their overblown stocks, ahead of the summer vacation. Meanwhile, cold rolled coil domestic basis numbers have fallen, marginally. Demand for auto sheet remains good and sales to the

general market are satisfactory. However, distributors are struggling to make decent margins. There are competitively-priced third country galvanised coil import offers in the thinner gauges. Domestic figures have declined. The auto sector continues to perform well but the carmakers will still try to negotiate price cuts for second half, 2015 contracts, citing the mills' lower outlay on raw materials. Construction-related demand has not really recovered during the spring. During recent negotiations for sales of low carbon wire rod, German producers have maintained the modest rise they secured in May. Recoil values are unmoved this month. Buying activity is weak.

Activity in the structural sections market has not fully recovered, where steelmakers have failed to secure the proposed hike. There is strong competition for the business available rebar customers are purchasing only minimum requirements. Consequently, demand is slow. The small advance, implemented last month, remains in place.

## Chinese Iron Ore Price Got Slashed



**T**he price of iron ore has fallen for the first session in nine on a bout of mild profit-taking. At the end of the latest session, benchmark iron ore for immediate delivery to the port of Tianjin in China was trading at \$US65.00 a tonne, down 0.6 per cent from its prior close of \$US65.40 a tonne. An eight session positive run over the past fortnight had sent iron ore to a four-month high as traders welcomed signs of falling stockpiles at key Chinese ports. Recent data showed stockpiles at their lowest level in 18 months, with high quality Australian ore seen in heavy demand as a result. Prices were also boosted last week by comments from Brazilian mining heavyweight Vale, with the world's largest iron ore miner reporting that scale-backs from low-grade Chinese producers had been more extensive than most analysts realise.

The latest sign of weakness appeared to have little in the way of catalysts, with the move a sign of caution after the extended rally. Few analysts expect the price recovery to continue much longer, with most forecasting prices in the \$US40s or \$US50s by the end of the year.

## US to Import Corrosion-resistant Steel

**T**he U.S. Department of Commerce will look into a complaint about imports of corrosion-resistant steel from China, India, Italy, South Korea and Taiwan in a process that could end in import duties. United States Steel Corp, Nucor Corp, Steel Dynamics, Inc., ArcelorMittal USA, AK Steel Corp and California Steel Industries complained the imported goods were being sold too cheaply and benefited from unfair government subsidies.

This section is a compilation from various company press releases, business dailies & trade publications.