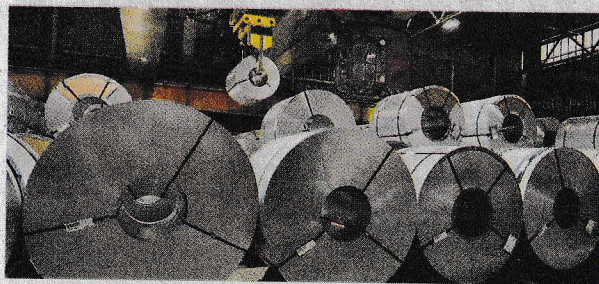


Steel companies to raise HR coil prices by ₹3,500/tonne

MYRIAD ISSUES. Raw material volatility, supply chain disruptions add to overall costs

Suresh P Iyengar
Mumbai



FORGING THROUGH. Steel and other raw material imports have stalled due to costs involving the war in West Asia REUTERS

Steel companies plan to increase hot-rolled (HR) coil prices by ₹3,500 a tonne to about ₹64,500 per tonne this month to pass on the incremental cost of raw material and energy costs.

Following HR coil price rise, cold-rolled coil prices will also increase by ₹3,000 to ₹68,000 a tonne.

INVENTORY PROBLEMS

NMDC Ltd, the largest iron ore producer in India, also increased iron ore prices by 11 per cent in April on the back of strong demand. The iron ore lump (65.5 per cent Fe) from Bailadila mine in Chhattisgarh was marked up to ₹5,300 a tonne and at that of fines (64 per cent Fe) was priced ₹4,500 per tonne.

The revised prices are excluding statutory levies such as royalty, District Mineral Foundation charges, Na-

tional Mineral Exploration Trust contributions, GST, environmental cess and other taxes, said NMDC.

Most steel companies have almost exhausted their raw material inventory and are now completely dependent on imports for their key raw materials, said a steel company official.

MORE CHALLENGES

This apart, the rise in energy cost, shortage of gas and constraints in labour availability will hit the cost of steel in-

dustry in June quarter, he added.

Steel and other raw material imports have come to almost a standstill due to high shipping and insurance charges due to the month-long war in West Asia.

The steel demand from the downstream industry are expected to slowdown as they are dependent on consistent LNG supply for powder coating and welding, he said.

Vedant Goel, Director of an integrated metal supply

platform Enlight Metals, said ongoing geopolitical uncertainties and energy supply challenges, particularly around LNG availability, are impacting production consistency.

VOLATILITY CONCERNS

Bhavik Bhagwanji Shah, Research Analyst, Choice Institutional Equities, said steel companies have been gradually increasing HR and CR coil prices, largely driven by rising input costs.

However, the current pricing environment remains largely cost-push in nature as the current demand is stable but not strong enough to independently drive sharp price increases, he said.

Overall, while price momentum has turned positive, the sustainability of further hikes will depend on raw material trends, global pricing dynamics and supply discipline, with demand providing a steady but not aggressive tailwind, he added.