Steel demand, prices seen improving post September, says Naveen Jindal

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Steel demand and prices are expected to firm up in the second half of FY26, even as global uncertainties continue to weigh on commodity markets, Naveen Jindal, Chairman, Jindal Steel Ltd, and President, Indian Steel Association (ISA), said.

According to him, the monsoon-led lull in construction and infrastructure activity is easing, and seasonal demand drivers should help stabilise prices that had softened in recent months.

"There is some monsoon-led dull in prices and demand. We expect it to pick up in H2 (post September). So, demand should be in double digits for H2 and for the full year too," he said on the sidelines of the ISA annual conclave.

India's bench-mark hot rolled coil (HRCs) prices have been hovering in the ₹50,000 per tonne range over the last few months.

Steel prices in India have slipped in recent months. Apart from the seasonal slowdown caused by heavy rain and flooding in several parts of the country, international developments have also played a role.

The US decision to impose tariffs on imports from most countries redirected global supplies, creating a glut in other markets and depressing export prices.

Market intelligence firm BigMint's benchmark assessment for HRCs show prices fell by ₹200/tonne ($2/tonne) week-on-week to ₹49,500/tonne ($561/tonne) on September 2 against ₹49,700/tonne ($564/tonne) on August 26.

The cold rolled coil prices fell by a similar ₹200/tonne ($2/tonne) w-o-w to ₹56,800/tonne ($644/tonne) last week, as against ₹57,000/tonne ($646/tonne).

Naveen Jindal, Chairman, Jindal Steel

SAFEGUARD DUTY

While safeguard duty was expected to support domestic prices, it has not been the case.

Industry representation for safeguard duty imposition was in the range of 25 per cent-odd.

However, the Directorate General of Trade Remedies (DGTR) initially suggested a 12 per cent safeguard duty; and has post completion of the probe recommended a staggered implementation of duty at 12 per cent for the first year, 11.5 per cent for the second year and 11 per cent for the third year.

"That is sufficient," Jindal said, adding, "... and we will be able to manage."

"If required, we will seek a change and make appropriate representation again," Jindal said.

DOMESTIC FUNDAMENTALS

Domestically, however, fundamentals remain strong.

Demand growth so far this year has been around 7-8 per cent, and companies expect double-digit growth in the second half, which typically accounts for 55–60 per cent of annual consumption.

"October onwards, weather improves and construction activities pick up pace. Steel and cement move hand-in-hand, and we expect both sectors to perform strongly," Jindal noted.

India's steelmakers are also navigating challenges in raw material availability.

High premiums on iron ore mines have raised costs, compelling companies to seek policy clarity.

Jindal said the auctioning of a larger number of mines, along with timely environmental clearances, would ease the pressure.

For now, the industry believes that with per capita steel consumption at just 104 kg, far below the global average of 219 kg, domestic demand alone provides a solid cushion against volatility.

"With 1.5 billion people, India's structural need for steel in housing, infrastructure and consumer goods is enormous.

"We see the second half of this fiscal as decisively stronger, with prices and demand both improving," Jindal said.