

Steel prices rise over cost, demand pick-up

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Steel prices in the domestic market have started increasing, signaling that prices may have bottomed out.

According to SteelMint data, the list price of hot rolled coil, a benchmark in flat steel, has been increased by major steel mills by ₹1,000-1,500 a tonne for October sales. Prices started firming up marginally from the second half of September. But the fall since the peak levels is much sharper.

The list price of HRC from major mills was ₹79,250-79,750 a tonne ex-Mumbai in April 2022 and stood at ₹56,000-57,100 a tonne in September, SteelMint data showed.

The correction in steel prices is to partly offset the increase in costs and contain further fall in margins, said Jayant Acharya, deputy man-

aging director, JSW Steel. "Prices have seen an upward correction in the international markets as well," he said, adding that the prices had certainly bottomed out.

Ranjan Dhar, chief marketing officer, ArcelorMittal Nippon Steel India, said, "Rupee depreciation elevated the cost of coking coal, gas, and the landed cost of steel imports has also surged."

In India, demand is good across segments, steelmakers said.

In H1 FY23, demand is up over 11 per cent year-on-year, but that could be on a lower base.

"We had projected a demand growth of 6-7 per cent and are sticking to it. But it will be fuelled by government capex, since the private sector capex is yet to gather momentum," Jayanta Roy, senior vice-president, ICRA, said.