

Steel up on export query, domestic demand

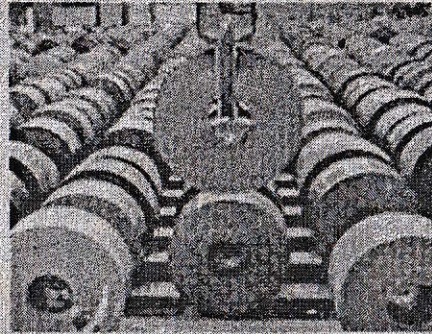
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Steel prices have witnessed a 5 per cent rise, sequentially, in the second week of February, with bench-mark hot rolled coils (HRCs) ranging around ₹59,700 per tonne. Prices have increased by ₹2,900 over the last one month.

The February price hikes follow two hikes in January after a pick up in export orders and queries across markets such as Europe, the UAE and Vietnam; strengthening domestic demand because of restocking; and higher raw material prices. Imported steel prices too have moved up making them unviable.

According to Jayant Acharya, Group Managing Dir-



ector, JSW Steel, things are looking up on the pricing side. "You are seeing the prices increase from January 1 in some of the products from maybe mid-January as well. You will see this probably play out in this quarter which is seasonally a better quarter," he said during the post earnings call.

RAW MATERIAL PRICE

Prices of steel-making raw materials like iron ore and coking coal have been showing an uptrend while NMDC hiked

iron ore prices by up to ₹500/tonne, lump ores were raised by ₹300 and fines by ₹500, effective January 28.

Weekly average prices of imported hard coking coal (premium HCC, Australian origin) stood at \$340/tonne for the January 23-28 week, as per a report by research firm, *SteelMint*.

"In the last few weeks, we have seen the international prices move up. On a dollar basis, I think China moved up by about \$100 (per tonne). We have seen European CFR also move up in the range of \$140-plus. And we see reflection of that in India," Acharya had said.

EXPORT DEMAND

Trade sources told *businessline* that export offers have seen an uptick too. In January, although India was a net im-

porter, the difference between exports and imports was the lowest so far. Exports in January improved 33 per cent over December to 0.59 million tonnes (mt).

According to a SteelMint report, Indian offers to Europe rose by \$20/tonne; while the HRC offers to Vietnam rose by \$25-30 to around \$680-685/tonnes CFR (cost and freight) against \$650-660 seen prior to the holidays.

Offers to the UAE were up by \$35-40 to \$720/tonne compared to the last quoted price of \$680-685.

According to TV Narendran, MD and CEO, Tata Steel, Indian steel prices are expected to move higher "based on improved expectations about the Chinese demand and the sustained government spending on infrastructure in India".