

Steel mills mull another price hike

Abhishek Law

New Delhi

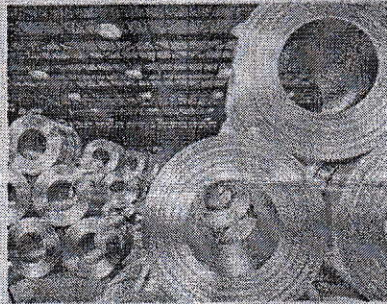
Steel mills are likely to effect an interim price hike of ₹1,500-₹3,000 per tonne across select offerings including benchmark hot rolled coils (HRCs), TMT bars and HR strips.

Prices are hovering at around ₹57,000/t for HRCs - the highest in three months since October. The hikes come on the back of better performance by end-user industries and a rise in coking coal costs.

This will be the second time this fiscal that mills implement an interim price rise, after April-May when high coal cost and strong export bookings initiated the move.

Mills raised their prices in January, after a prolonged eight-month lull because of poor export demand, sluggish domestic orders, rise in imports and imposition of export duty.

Larger steel players raised list prices of flat products by ₹1,500-2,000/t in the first week of January. The revised prices were in the ₹55,500-



56,500 range for HRCs and in ₹62,500-63,000 for cold rolled coils (CRCs).

SteelMint, a market research firm, in its weekly assessment report, said HRCs stood range-bound whereas CRCs rose by ₹600/t (\$7/t) as on January 11.

"Mid-month hikes are likely as end-user industries like auto reported a good set of sales numbers. Raw material prices - iron ore and Australian coking coal - are up too," a steel mill owner told *businessline*. The mill has already hiked rebar, TMT and HR strip prices.

END-USERS BUOYANT

Infrastructure and construction businesses are coming up with requirements lately, while demand from automobile, home appliances and

manufacturing sectors have also improved. Improved demand for automobiles and the easing of chip shortages boosted production. This resulted in better demand for HRCs and other value-added products.

"Trade-level prices may continue to rise in the coming weeks as traders are refraining from reducing their quotes. Furthermore, the end-consumer industries will be expediting their activities with the fiscal year inching closer to its end which is going to lend additional support to prices," SteelMint's report said.

SteelMint's weekly Odisha iron ore fines Fe 63 per cent index rose by about ₹1,400/t to ₹15,100/t as on January 7, up from the ₹4,750/t levels of December and ₹3,700/t in November.

EXPORT PRICES UP

Export price of HRCs are also up by \$30-\$50/t across markets like Europe and Vietnam.

Mills increased HRC export offers to the European market by about \$50/t to \$720-725/t following improved restocking activities.