



Ferrosilicon DAILY EXPRESS

January 8 2020 Wednesday

Internal Daily. For members of Ferro-Alloys.com only.

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Ferrosilicon Spot Price

Ferrosilicon	Area	Price (RMB/MT)	Up/Down
Si75#	Inner Mongolia	5800-5900	--
	Gansu	5750-5850	--
	Ningxia	5750-5850	--
	Qinghai	5700-5800	--
	Shaanxi	5600-5700	--
Si72#	Inner Mongolia	5600-5700	--
	Gansu	5550-5650	--
	Ningxia	5550-5650	--
	Qinghai	5500-5600	--
	Shaanxi	5450-5550	--

Steel Mills Tender – January, 2020

Commodity	Steel Mills	Price (RMB/T)	Change vs. Last Month (RMB/T)	Volume & change vs. last month (Tons)
Ferrosilicon 72#	Shagang Group			3200
Ferrosilicon 72#	Fujian Sangang Group	6230	+132	3500
Ferrosilicon 72#	Valin LY Steel	6200	+140	2000
Ferrosilicon 72#	HBIS group	Inquiry price 6130	+80	1913 (-717)
Ferrosilicon 72#	Xin Steel	6220	+(40-120)	1600
Ferrosilicon 72#	Shao Steel	6100	+20	1200
Ferrosilicon 72#	KISC	6350/6340	+(250-219)	700
Ferrosilicon 72#	A certain steel mill in Tianjin	5770	-20	600
Ferrosilicon 72#	Xiangtan Iron & Steel	6180/6200	+(130-150)	600
Ferrosilicon 72#	CITIC	6140	+90	Constant

Supply

Sell>> Erdos Xijin Company supplies ferrosilicon (70#,72#,75#) & special ferrosilicon (low Al, low Ti, low C), Sales Manager, Mr. Ning, 15049433766/18147786766

Sell>> Wuhai Junzheng Group sells ferrosilicon, 72#, 75#, Mr. Zhou, 13327036330

Sell>> Tengda Northwest Ferroalloys Group supplies silicon, chrome and manganese products

Sell>> Baotou Oma company sell ferrosilicon, Mr. Fang 86-13901139228

Sell>> Sanyuan Zhongtai Company sell ferrosilicon, Mr.Di86-13739507897

Sell>> Inner Mongolia Sanwei company Mr. Zhang 86-13614820288

Sell>> Ningxia Juhe Silicon Company Mr. Chen 86-13909598844

Sell>> Zhongwei Maoye Metallurgy company sell ferrosilicon Mr. Huang 13629555885

Sell>> Zhongwei Dayou Metallurgy company Mr. He 86-18709559808

Sell>> Zhongwei Yuexin Steel supply ferrosilicon 72#、75#，size10-50、10-80、50-10mm，Ms. Xiao 86-18795356999

Sell>> Zhongwei Tianze Metallurgy supply ferrosilicon65#70#72#75#，low Al0.02.Zhang Yue 86-18995453096

Sell>> Ningxia Xinkangsheng supply ferrosilicon, carbon raiser etc Mr. Ma 86-18395094491

Sell>> Ningxia Ruitaixiang company supply ferrosilicon 60# 65# 66# 72# 75# Ms. Wang 86-15809631594

Sell>> Aerbadi (Ningxia) Smelting Co., Ltd supply ferrosilicon 72# 75#, natural block, Mr. Chen, 17395155168, Mr. Liu, 17391519151

Sell>> Qinghai Wutong Industry Mr. Lee 86-13997034020

Sell>> Qinghai Huesheng Ferroalloy Co., Ltd, Mr. Chen 86-18697160185

Sell>> Qinghai Fuxin Silicon Mr. Gan 86-18097239888

Sell>> Gansu Honest special ferrosilicon Mr. Dai86-13919058339

Sell>> Gansu Tianyikuangye company special ferrosilicon, normal ferrosilicon etc, Mr.Zhang 0931-2155553

Sell>> Lanzhou Hongye Company high purity ferrosilicon ($Si \geq 75\%$ Al<0.1% Ca<0.02%,C<0.02%,Ti<0.05% -0.01% etc.),supply all types of ferrosilicon and size under 0-3 mm, size(10-50mm, 3-10mm)Si 72#powder(0-3mm),Mr. Shi 86-13309408708

Demand

Buy>> Shanxi Shenmu Dongfeng Magnesium Co.Ltd., Chen Jiashuai, 13772375803

Buy>> Shandong Xiangcheng Metallurgical Furnace Charge Co. Ltd., Mr. Li, 13963341489

Buy>> Jiangsu Zhongzaixin Metallurgical Furnace Charge Co. Ltd., Mr. Song, 15861080167

Buy>> Henan Anyang Zhenhuan Metallurgical Refractories Co. Ltd., Mr. Li, 13949530398

Buy>> Boyu Metal Corporation, Ms. Tong, 15242409770

Buy>> Beijing LY Metals and Mining Co., Ltd, Mr. Zhao, 18513433578

Buy>> Shanxi Orient Henglv Investment Casting Co., Ltd, Mr. Mou, 18636705861

Buy>> Silicon 68-72, Barium 4-6, granularity 0.2-0.8, 5-15, 3-8 or natural block, Mr. Chen, 13909598844

Market Insight

- **India's steel prices may rise 10% on likely uptick in auto, infra**

Domestic prices of steel, of which India is among the three top global producers, are expected to climb 10-12 per cent this year, with the government's measures to revamp infrastructure and consumption likely reviving demand for the alloy from carmakers and construction companies.

In anticipation of a turnaround, steel shares have climbed 32-79 per cent from their October lows, in kilter with buoyant domestic and international prices of the commodity.

“The downward trend in steel prices should stop in 2020 and a gradual upward move has already started from the last week of December,” said Manoj Jain, head of commodities at IndiaNivesh Research. “Demand from the automobile and real estate sectors will also revive on the prospect of better domestic rabi crop production this year. We expect a 10-12 per cent upside move in steel prices in 2020.”

Measures to revive consumption should boost physical demand, while investors should expect decent returns due to attractive valuations. Leading producers expect a northward trend in output and demand.

“The December quarter and the next should be good, given the numbers reported by auto companies, IIP numbers or GST figures. It took six months for inventory de-stocking until September, when the inventory levels reached the lowest. Once this restocking is complete, demand needs to sustain,” said Seshagiri Rao, group CFO of JSW Steel.

- **JSW Steel expects to be a 50 million ton company by 2030: Seshagiri Rao**

If we compare the peak steel prices in India last year vis-à-vis the current prices after

three hikes, and compare it to landed cost of imports, there is a scope for further increase in price in the domestic market, says Seshagiri Rao, Joint MD & Group CFO, JSW Steel. Excerpts from an interview with ETNOW.

“It is a result of global as well local factors. For steel industry to be understood, one has to see what is happening globally because it is a globally traded commodity. Almost one-third of the steel is traded globally.”

“The steel consuming sectors -- construction, infrastructure, real estate, manufacturing, auto -- have seen slowdown globally and that has an impact. Global developments contributed to a bigger slowdown in India. The slowdown in government expenditure and credit flow to the industry together had a very serious impact in the overall fall in demand and also fall in prices. At the same time, raw material prices have not fallen in the same proportion.”

“All these together put pressure on margins and that is why the industry went through a severe pain in the first half of this financial year. Over and above what happened in the industry in India, the FTA countries like Japan, Korea and Asian countries continue to export steel into India because it has zero percent duty. It has gone up from around 58% last year to 77%. That also contributed to the fall in steel prices in India. The fall in steel prices in India is much steeper than what happened globally.”

“But we have seen a bit of recovery starting from October. So in this quarter which we ended, EPS is going to be better as we are hearing from other steel companies also. They have reduced inventories and their sales were better in the last quarter. This is the trend we are seeing which is expected to be better in the third quarter compared to the second quarter. We expect the second half would be better.”

“We are seeing consolidation through IBC. These companies are existing operating companies. The capacity utilisations in these companies are at reasonably higher levels. Even after change of control through IBC, I do not think a very big capacity or incremental production would come into the market. Considering the total capacity of the steel industry of 540 million ton in this year, we will be producing 110 million ton. So, the capacity utilisation is reasonably high in this industry. If we continue to grow even at a rate of 5% on a 100 million ton of steel consumption, every year we need 5 to 6 million ton of incremental steel demand. ”

“We are 15-16% of today’s installed capacity. Even if we assume that we maintain that kind of market share in the overall installed capacity, if 300 million ton is India’s capacity by 2030, we will be in the range of 45 to 50 million ton by 2030. Considering the pace of growth in India, if this 300 million ton is expected to be achieved even earlier than 2030, we will also grow at the same pace. We want to be 45-50 million ton player in the 300-million-ton total play in the steel industry in India in the next decade. ”

- **Hoa Phat's steel pipe export surges 22.3 pct in 11 months**

The Hoa Phat Group said its subsidiary - Hoa Phat Steel Pipe Co., Ltd - exported 17,000 tonnes of steel pipe in the first 11 months of 2019, a year-on-year increase of 22.3 percent.

The group said Hoa Phat's products are sold in North America, Southeast Asia, India, Australia and Latin America.

In November alone, 72,500 tonnes of Hoa Phat steel pipe were sold out, up 27.6 percent from the same period last year, making it become the biggest steel pipe supplier in Vietnam with over 31 percent of the market share.

The firm set to sell 750,000 tonnes of steel pipe in domestic and foreign markets in 2019, towards realising its sale growth target of 10 percent in 2020, Vice Director of the Hoa Phat Steel Pipe Co., Ltd, Nguyen Thai Son said.

According Son, big-size steel pipe products of the firm will be officially introduced in late December, serving the country's major construction projects.

- **Indian Steel Mills Step Up Iron Ore Buying**

Business Standard reported that Indian steel manufacturers have accelerated iron ore buying as they dread marked disruption in supplies after the end of lease tenure of merchant mines by March 31, 2020. BS reported. Almost all leading integrated steel makers and secondary producers have intensified iron ore sourcing to avert raw material crunch and ensure uninterrupted plant operations. They are looking to build up stocks for three to six months. Steel companies are weighing options to stash the ore in stockyards by availing land on lease. The Odisha government has previously allowed storage permits for both end user industries and merchant ore producers whose validity runs till March 2022. The grant of storage licenses for the merchant miners was warranted by the huge inventory of minerals within lease area. The disposal and sale of this stockpile was needed to facilitate smooth transition of ownership of mines and also to avert any obstruction in their production after take over by the new bidders following auctions.

A leading merchant miner said "We are now witnessing brisk buying from steel players and secondary steel producers. Merchant miners have not gone for any significant hike in prices of lumpy ore or fines of late as we need to liquidate the piled up ore. An uptick in domestic steel demand and the impending expiry of lease tenure has spurred intense buying of iron ore."

Industry sources have estimated the accumulated ore at mine lease heads of merchant

mines in Odisha at around 70 million tonnes. However, a bulk of the inventory is made up by baser grade fines which hardly have any uptake in the domestic market.

Steel manufacturers opt for lifting higher grade ore as inferior material escalates their costs of operations.

Daily Market

Brief Market Analysis

The spot market of ferrosilicon showed stable and the main steel mills are purchasing.

Ferrosilicon futures 2005 contract

1. Futures warehouse: The number of warehouse receipts was 5701 (28505 tons), and 2572 (12860 tons) were valid for the number of warehouse orders.
2. The 2005 ferrosilicon contract price on ZCE closed at 5824 yuan per tonne on January 7.
3. The main position: the top 20 positions increased and decreased varied, the purchase volume is less than the holding position.

Below are ferrosilicon futures main contract 2005 daily specific performances:

Date	Opening price	Highest price	Lowest price	Closing price	Range	Settlement Price	Trading volume	Positions
1.2	5870	5870	5828	5834	-0.17%	5842	13589	43510
1.3	5820	5866	5820	5858	0.27%	5850	16905	44734
1.6	5852	5866	5806	5812	-0.65%	5826	30035	43623
1.7	5812	5832	5812	5824	0.14%	5822	12566	42869

Currency Exchange Rate

Currency exchange RMB&USD

Intermediate exchange rate of RMB exchange rate in the inter-bank foreign exchange market: RMB: USD 6.9450.

International Data

- **China exported 20410.62 tons of ferrosilicon (>55%) in November**

According to the data released by China Customs, for the month of November, 2019, China exported a total of 20410.62 tons of ferrosilicon (>55%), up by 3.34% vs. October, 2019 and down by 52.21% vs. the same period in 2018.

In November, China exported 7765.124 tons of ferrosilicon (>55%) to Japan, which accounts for around 38.04% of the total exports in November of China, and exported 5819 tons to Korea, which accounts for around 28.51%.

- **China exported 329311.461 tons of ferrosilicon (>55%) from January to November, 2019**

According to the data released by China Customs, China exported a total of 329311.461 tons of ferrosilicon (>55%) from January to November, 2019, down by 39.12% vs. the same period in 2018.

Through the eleven months, China exported 106941.781 tons of ferrosilicon (>55%) to Japan, which accounts for 32.47% of the total exports in the first eleven months in 2019, and exported 84484.1 tons to Korea, which accounts for around 25.65%.

- **China exported 2654.15 tons of ferrosilicon (≤55%) in November**

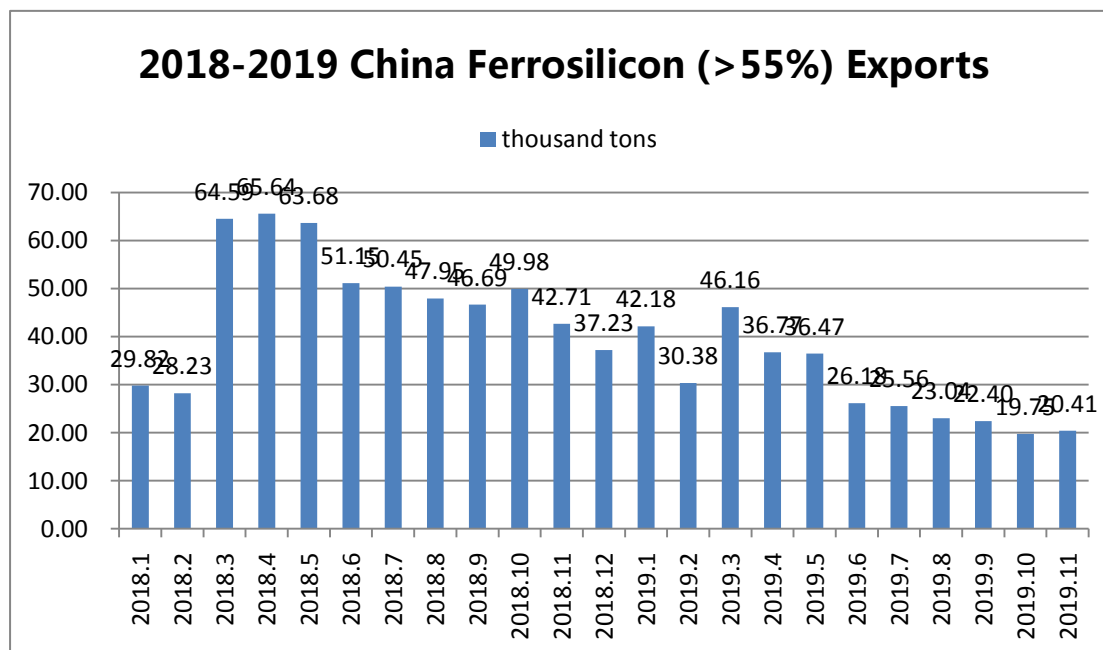
According to the data released by China Customs, for the month of November, 2019, China exported a total of 2654.15 tons of ferrosilicon (≤55%), up by 25.67% vs. October, 2019 and down by 5.92% vs. the same period in 2018.

In November, China exported 1043.05 tons of ferrosilicon (≤55%) to Korea, which accounts for around 39.299% of the total exports in November of China, and exported 410.1 tons to Japan, which accounts for around 15.45%.

- **China exported 28681.161 tons of ferrosilicon (≤55%) from January to November, 2019**

China exported a total of 28681.161 tons of ferrosilicon (≤55%) from January to November, 2019, down by 6.55% vs. the same period in 2018.

Through the eleven months, China exported 9610.1 tons of ferrosilicon (>55%) to Korea, which accounts for 33.51% of the total exports in the first eleven months in 2019, and exported 6397.875 tons to Japan, which accounts for around 22.31%.



- **Korea imported 18858 tons of ferrosilicon (>55%) in November**

According to data of Korea Customs Service, for the month of November, Korea imported 18858 tons of ferrosilicon (>55%), up by 30.04% vs. the same period in 2018.

In November, Korea imported 10743 tons of ferrosilicon (>55%) from China, up by 4.81% vs. the same period in 2018.

- **Japan imported 30157.42 tons of ferrosilicon (>55%) in November**

For the month of November, Japan imported 30157.42 tons of ferrosilicon (>55%), including 11717.398 tons from China, which accounts for around 38.85%.

From January to November, Japan imported 395792.067 tons of ferrosilicon (>55%), including 119419.575 tons from China, which accounts for around 30.17%.

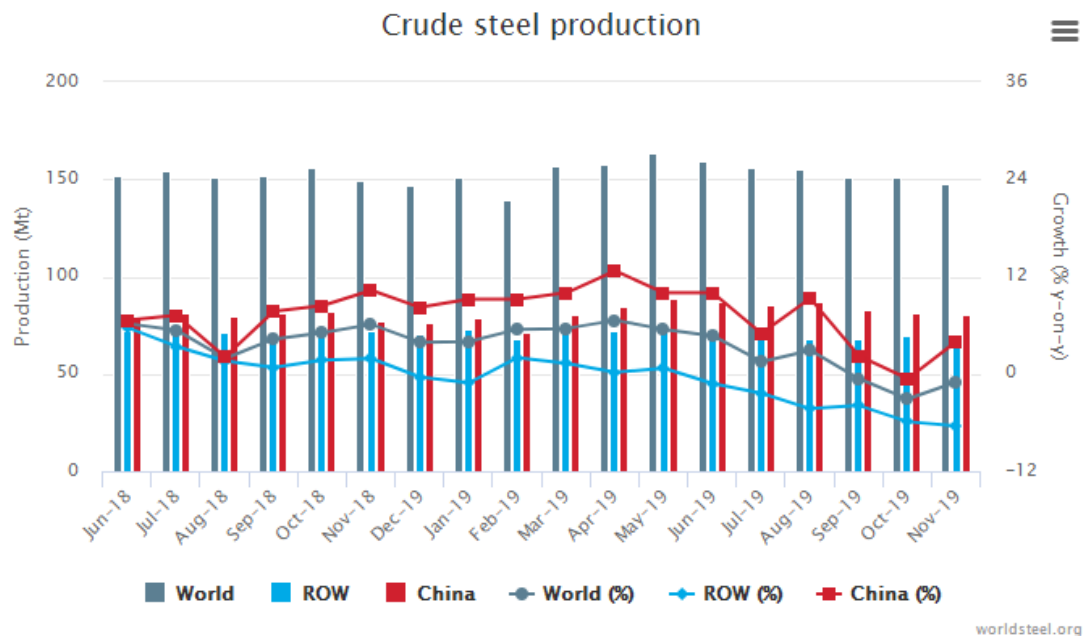
- **Japan imported 2627.85 tons of ferrosilicon (\leq 55%) in November**

For the month of November, Japan imported 2627.85 tons of ferrosilicon (\leq 55%), including 405.1 tons from China, which accounts for around 15.42%.

From January to November, Japan imported 18251.476 tons of ferrosilicon (\leq 55%), including 6825.958 tons from China, which accounts for around 37.4%.

- **World Steel Association: November 2019 crude steel production**

World crude steel production for the 64 countries reporting to the World Steel Association (worldsteel) was 147.8 million tonnes (Mt) in November 2019, a 1.0% decrease compared to November 2018.



China’s crude steel production for November 2019 was 80.3 Mt, an increase of 4.0% compared to November 2018. India produced 8.9 Mt of crude steel in November 2019, down 2.8% on November 2018. Japan produced 7.7 Mt of crude steel in November 2019, down 10.6% on November 2018. South Korea’s crude steel production was 5.9 Mt in November 2019, a decrease of 0.5% on November 2018.

In the EU, Italy produced 2.0 Mt of crude steel in November 2019, down by 9.8% on November 2018. France produced 1.1 Mt of crude steel in November 2019, an 18.2% decrease compared to November 2018. Spain produced 1.1 Mt of crude steel in November 2019, down by 10.9% on November 2018.

The US produced 7.2 Mt of crude steel in November 2019, a decrease of 2.2% compared to November 2018.

Brazil’s crude steel production for November 2019 was 2.6 Mt, down by 10.5% on November 2018.

Turkey’s crude steel production for November 2019 was 2.9 Mt, down by 8.1% on November 2018.

Crude steel production in Ukraine was 1.3 Mt this month, down 20.1% on November 2018. (worldsteel)

Coming Events



The 17th China *Ferro-Alloys*
第17届中国铁合金国际会议 *International*

May 27th–30th, 2020, Chongqing, China
2020年5月27日–30日 重庆·中国

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