



MONTHLY UPDATE – MAY 2024

# STEEL





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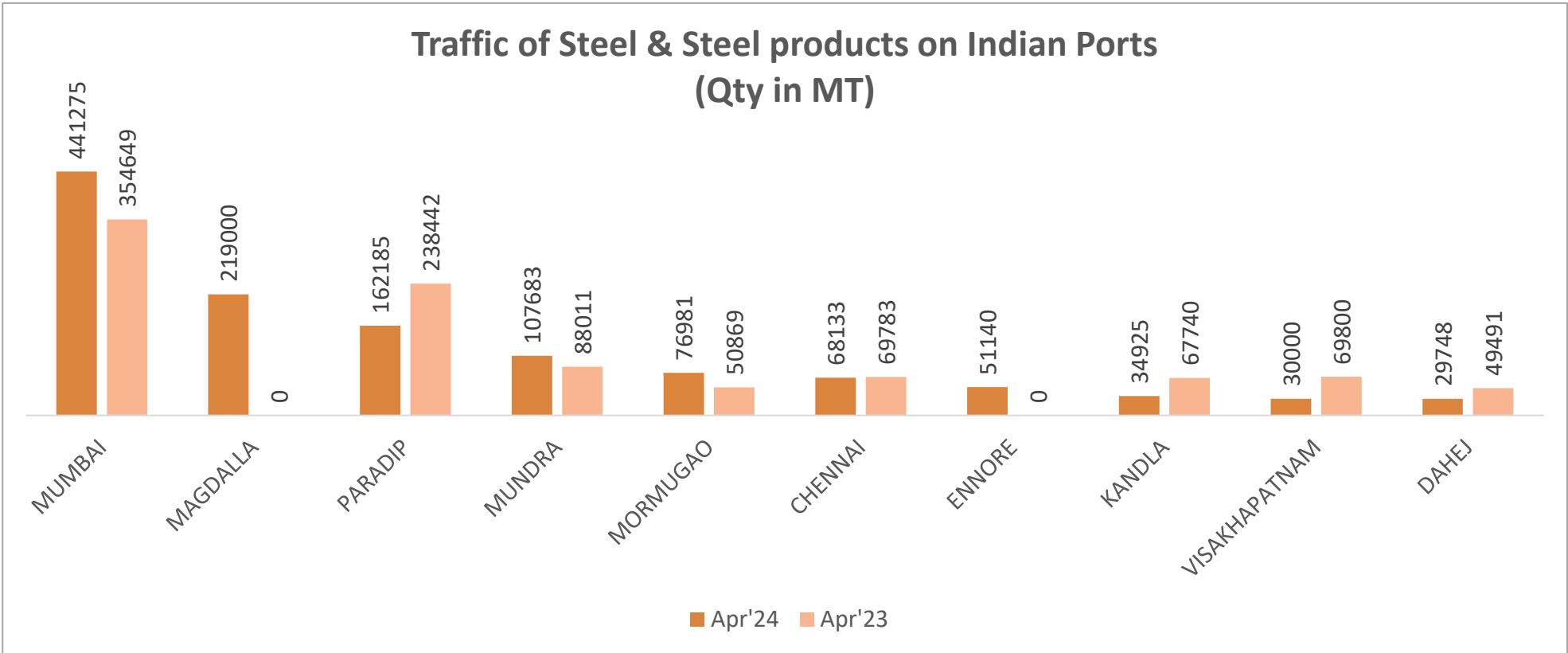
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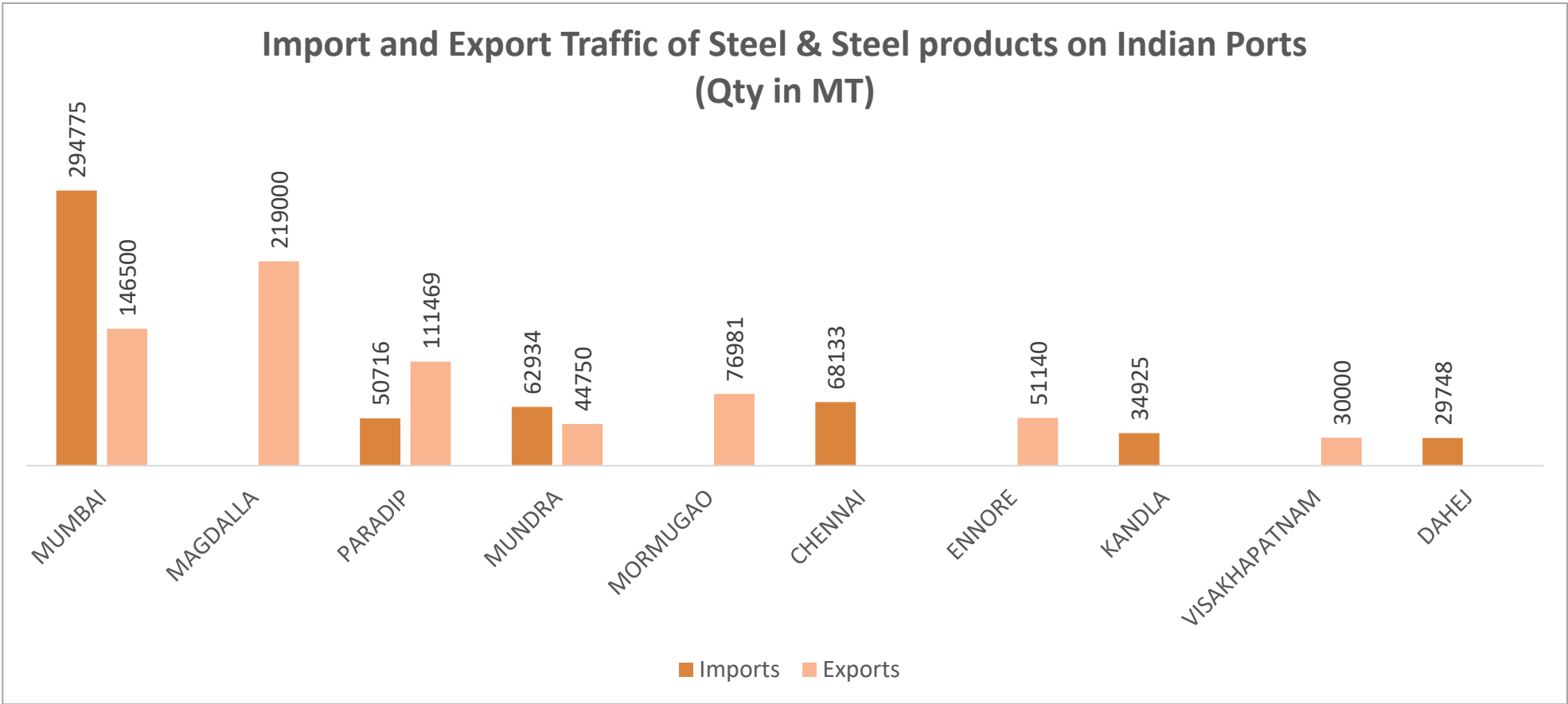
# PORT ANALYSIS

## STEEL TRAFFIC AT INDIAN PORTS (Quantity in MT)

- Steel & Steel Products traffic at Indian ports during Apr'24 was down by 11.04% at 1291617 MT as compared to 1451894 MT recorded for same period of previous year. Mumbai & Magdalla ports handled 441275 MT and 219000 MT respectively of steel traffic during Apr'24.



- India's Exports of steel & steel products decreased by 27.03% at 679840 MT in Apr'24 as compared to the same period in the previous fiscal. Mumbai port saw the highest Export traffic at 146500 MT.
- India's Imports increased by 14.97% at 611777 MT in Apr'24. Mumbai Port saw the highest Import traffic at 294775 MT.

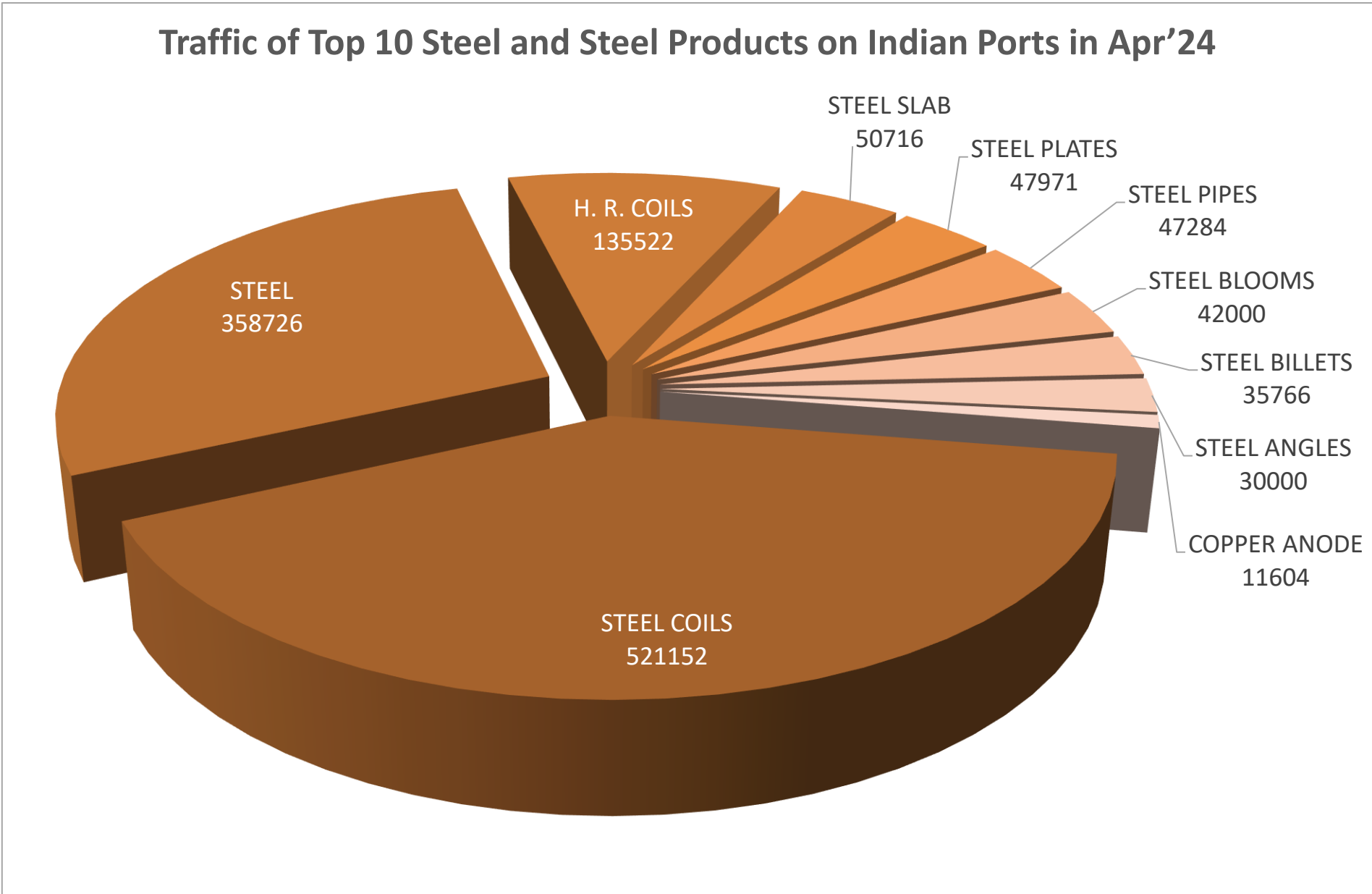






STEEL TRAFFIC AT INDIAN PORTS (Quantity in MT)

- The highest Imported product was Steel at 242226 MT in Apr’24.
- The highest Exported product was Steel coils at 335121 MT in Apr’24.
- Indian ports saw the highest port traffic of steel coils at 521152 MT in Apr’24.
- Steel coils, H.R.C., Steel, steel slab and steel plates had the highest traffic on Indian Ports.

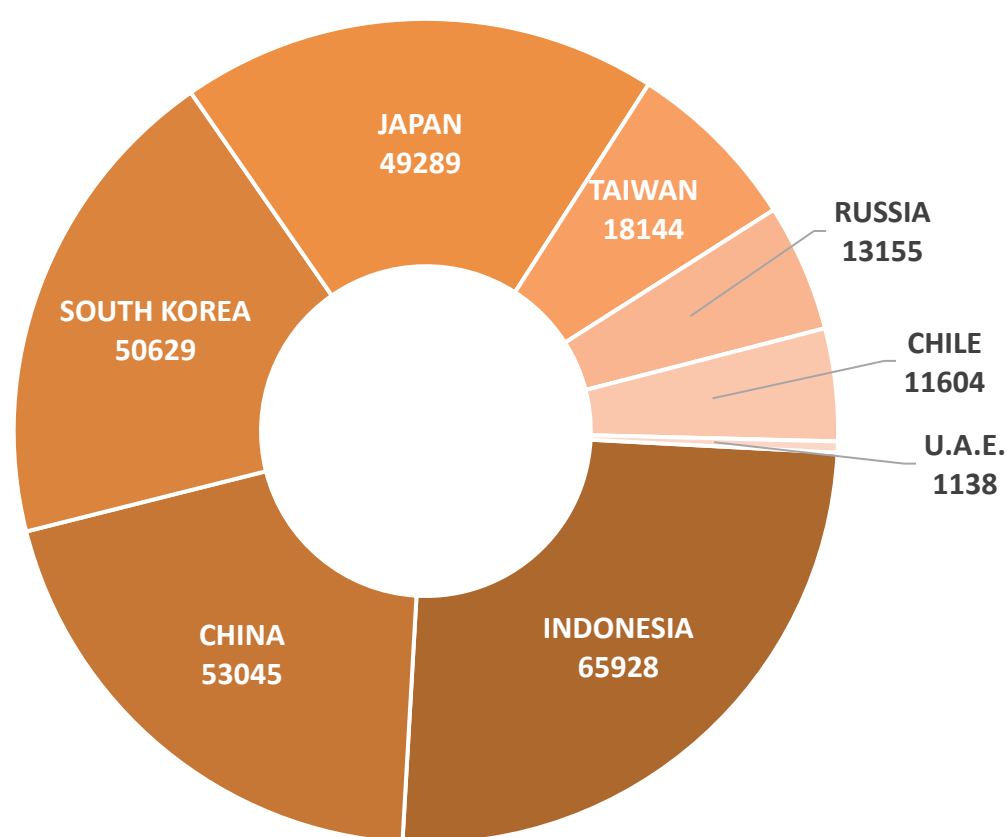




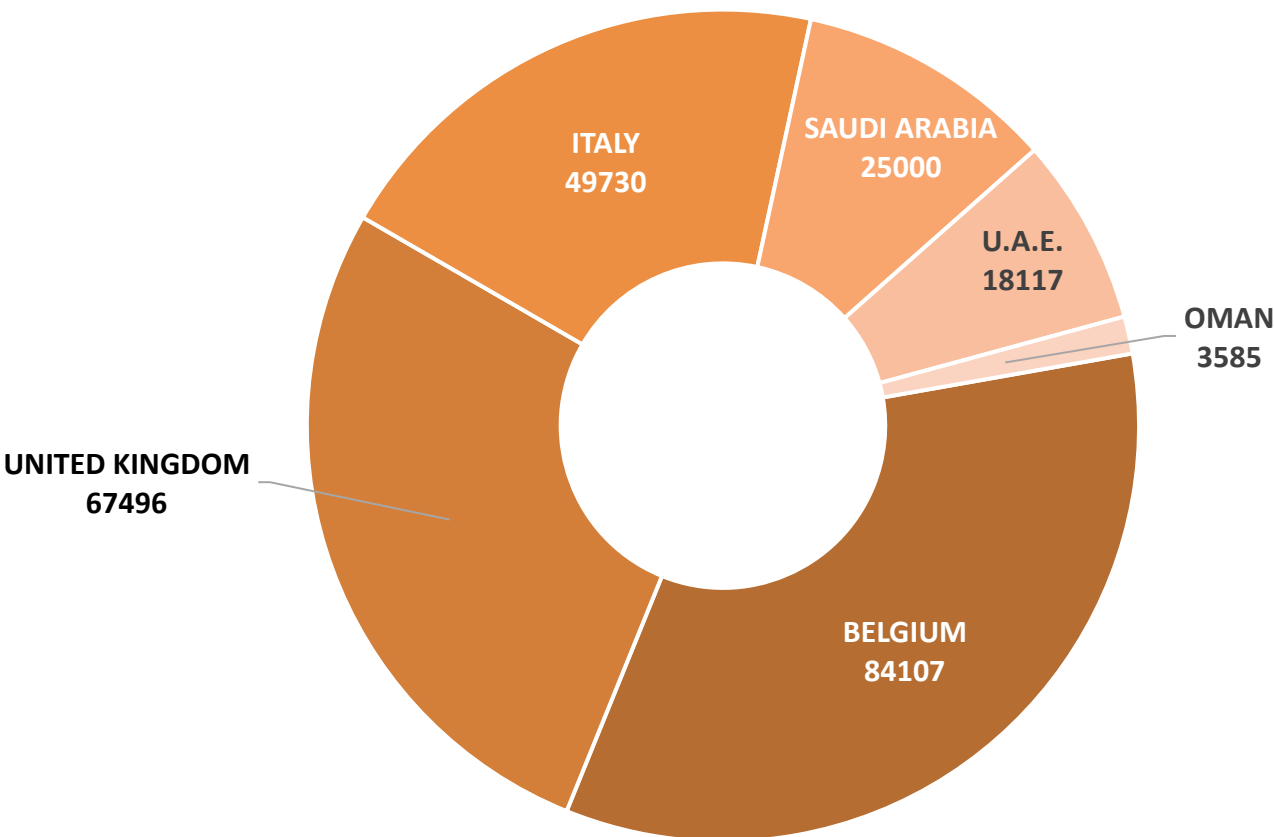
# PORT ANALYSIS

## STEEL TRAFFIC (Quantity in MT)

Top Countries Of Steel Imports (Apr'24)



Top Countries Of Steel Exports during Apr'24





## KEY HIGHLIGHTS

- **8-10% growth in steel demand in India likely in FY25.**
- **Jindal Stainless eyes 20% volume growth in FY25, to spend over Rs 5,000 crore on capex.**
- **Indian steel mills fear surge in Chinese imports after US tariffs**





# MARKET OVERVIEW

## 8-10% growth in steel demand in India likely in FY25

Global steel prices, including in India, will continue to be determined by China's production (including cuts) and exports. While steel demand in India is expected to grow by at least 8-10 per cent for FY25, a few notches higher than the GDP, TV Narendran, Managing Director, Tata Steel told businessline. According to him, India turning net importer of steel, looks to be a temporary phenomenon, and "it would be a pity" if this continues in the long-run. However, Indian consumption story continues to be strong. Consumption is primarily infrastructure-led. "I would expect an 8 – 10 per cent growth (for FY25) in steel demand," he said on the sidelines of All Indian Management Association's (AIMA) National Leadership Conclave.

### Steel imports

Narendran pointed out, steel coming into the country (as imports) is "commodity grade"; and not speciality or high quality. "Some 95 per cent of the steel coming in, can be made in India," he said adding as long as it is unfair imports, the government needs to deal with it. India was a net importer – by less than 1 mt – for FY24. Imports was at 8.3 mt, against exports that stood at 7.5 mt. "For one – or – two months, here and there, it is ok (to be net importer). But I think in the long run, it would be a pity if India was to remain a net importer of steel given all the iron ore we have and the production capacities that are coming up," he said. India's steel consumption in FY24 to 136 mt up 14 per cent y-o-y, against a global demand growth of less than 2 per cent. Production of finished steel was up 12.4 per cent to 138.5 mt.

### The China Factor

Speaking on price movements, Narendran said: "A lot (price of steel) depends on what's happening in China. China has been exporting a lot of steel and that is going to be an issue. We (steel industry) are watching, whether it would get any better or not..... And Indian prices will reflect Chinese prices; but let us wait and watch." The production cuts, that are expected in China during the year, could help stabilise prices globally as well as in India. China, the world's biggest producer and exporter of steel, is witnessing a protracted real estate crisis that is yet to bottom out; and infrastructure demand growth is slowing with 12 debtor regions being ordered to halt projects. This is expected to see a 2 per cent-odd demand decline there. The country exported 10 million tonnes (mt) of steel in March 2024, up by 2.8 mt m-o-m. Total steel exports in January - March were 25.8 mt, up 30.7 per cent y-o-y. In comparison, Indian steel exports for March was 0.8 mt declined 19 per cent m-o-m. Total exports for Q4FY24 was 2.72 mt, up 35 per cent y-o-y. On the other hand, Chinese export prices (for steel coming into India) was \$559 per tonne (benchmark HRC) for early-April deliveries, as against \$609 per tonne in January, indicating the continued price pressure on Indian offerings. India's domestic steel prices crept up to \$640.80 per tonne in April, from \$630 per tonne levels a month-back. However, prices are yet to reach January highs of \$646.84 per tonne.

**Source: The Hindu Business Line**





# MARKET OVERVIEW

## **Jindal Stainless eyes 20% volume growth in FY25, to spend over Rs 5,000 crore on capex**

- The country's largest producer of stainless steel sold 2.17 million tonne of stainless steel in 2023-24 (Apr-Mar), a growth of 23%, surpassing the company's guidance of 20% for the year.
- The company had announced capacity expansion at its downstream unit, the buyout of majority stake in a steel company, and a joint venture for a steel melting shop in Indonesia, for which it will be spending Rs 5,400 crore over a period of three years.
- In FY25, the company plans to spend Rs 4,700 crore on capex, of which Rs 800 crore is a spillover from the previous year. The company will also spend an additional Rs 500 crore on sustenance and maintenance capex.
- Cos, Exports are seen in the range of 10-15% for the year, as against 13% earlier, they are seeing a recovery in certain segments of Europe and US, While these two regions are the largest export markets for the company, they are also exporting to South America, Mexico and the Middle East.

***SOURCE: Economic Times***





# MARKET OVERVIEW

## Indian steel mills fear surge in Chinese imports after US tariffs

- India's steel industry, already reeling from cheaper imports, is worried about a surge in shipments from China after the United States imposed tariffs on Chinese steel, industry executives and analysts said.
- U.S. President Joe Biden on Tuesday unveiled steep tariff increases on an array of Chinese imports including steel and aluminium. "India is already under grave threat of import because all major steel consuming economies are shutting their doors on these steel producing countries," said Alok Sahay, secretary general at Indian Steel Association (ISA).
- "We are highly vulnerable to surging and predatory import," Sahay said. ISA counts the country's top steelmakers, such as JSW Steel Ltd and Tata Steel Ltd, among its members. Spooked by cheaper Chinese steel coming into India over the past two years, Indian steel producers have often complained about unbridled imports from Beijing. Weak steel demand at home has encouraged China, the world's biggest producer of the alloy, to offload its surplus stocks by offering competitive rates to Indian buyers, hurting Indian producers.
- Steelmakers have lobbied India's government to intervene to curb supplies from Beijing. The government has resisted calls for curbs on imports, citing strong local steel demand, stoked by a spurt in economic activity. India's steel consumption rose 13.4% to 136 million metric tons during the fiscal year to March 2024.
- India turned a net importer of finished steel during the 2023/24 fiscal year. In 2023/24, China was the top steel exporter to India and its shipments reached 2.7 million metric tons, nearly double from a year earlier, according to provisional government data. "Safeguards are essential, but nothing can happen till the new government is in place," said a senior executive at a major steel firm. He didn't wish to be named in line with his company's policy. India began voting on April 19 in a seven-phase election, with ballots set to be counted on June 4. "If domestic prices and margins drop sharply due to an import surge, we expect the government to introduce tariff-related measures," said Akash Gupta, a director at Fitch Ratings.

Source: Money Control





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Research Cell:

**J. M. BAXI. & CO.**

Godrej Coliseum, Office No. 801, 8th floor, "C" wing,  
Off. Somaiya Road, Sion. Mumbai - 400022 INDIA.

T: 022 61077100 Ext 161/145  
M: 091-7506004224 / 7045659111

E: [shwetalk@jmbaxi.com](mailto:shwetalk@jmbaxi.com) | W: [www.jmbaxico.com](http://www.jmbaxico.com)