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# BAIINFO EAF STEEL Market Brief

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## China Steel Market Brief

### ◆ Market Analysis

This week (Jun. 30-Jul. 6), domestic steel market price edged higher. Macro-policy end still generated support. Affected by production curbs in partial regions, rebar futures prices fluctuated up. Steel billet and iron ore prices slightly ramped up, with stronger support to steel price. Overall inventory was at a low level for merchants. In addition, steel mills adopted strong firming-up approaches. Therefore, steel price edged up this week. However, the impact of slack season remains. Heavy rains and high-temperature weather may still be seen later. Therefore, insiders hold bearish outlook on steel market. Besides, demand end still registers weakness. In next week, steel price may go down slightly.

**On feedstock end,** coke market sustained stability amid watching mood. In coking sector, parts of coking plants under cost burden reduced production. And in downstream steel sector, some steelmakers conducting maintenance (turnaround) in the early stage resumed production and production was relatively steady as a whole. On the whole, coke supply-demand pattern was in balance. Downstream steel prices saw ups and downs in line with speculative demand. Yet, terminal market remained weak. In this case, spot deals were numbered overall, failing to bolster coke market. Coke market is predicted to keep steady next week.

Domestic and imported iron ore market was mixed. Imported iron ore market slid down and the average market price was at RMB 859/T, down RMB 7/T or 0.81% WoW. Traders held low willingness in making offers and offers mainly fluctuated in line with market conditions. Steel mills purchased cargoes on demand amid low inventory. Demand side supported the market, but downstream merchants might resist high prices.

### ◆ Price Assessment

As of Jul. 6, 2023, billet price averaged RMB 3,709/T, up 34/T (or 0.93%) WoW; rebar price averaged RMB 3,859/T, up RMB 15/T (or 0.39%) WoW; wire price averaged RMB 4,143/T, up RMB 16/T (or 0.39%) WoW; medium plate averaged RMB 4,156/T, up RMB 5/T (or 0.12%) WoW.

### ◆ Average Prices of Major Steel Products (Unit: RMB/T)

Product	6-Jul	WoW	MoM	Growth in Past 3 Months
Billet	3,709	0.93%	6.73%	-9.49%
Rebar	3,859	0.39%	3.74%	-10.40%
Wire	4,143	0.39%	4.49%	-9.42%
Medium plate	4,156	0.12%	1.09%	-9.85%

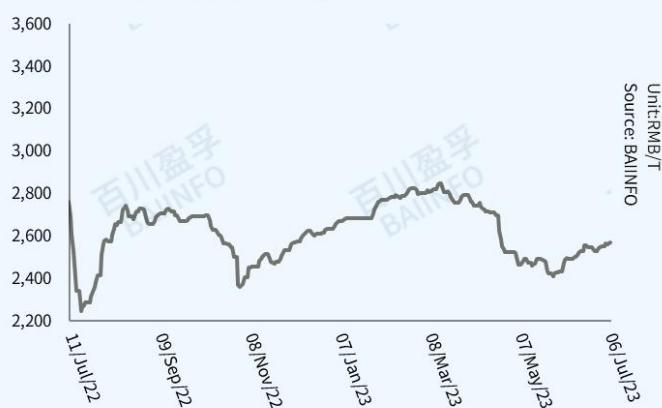
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## EAF Steel Raw Materials

### ◆ Steel Scrap

Domestic steel scrap market fluctuated in a strong condition. Steel scrap market prices averaged RMB 2,570/T, up RMB 21/T WoW. As ferrous metal futures prices kept floating up and finished steel product prices rebounded, purchasing prices of steel mills for steel scrap fluctuated up. Steel mills with low inventories still raised prices to attract resources, while some others completed stockpiling activities. However, given that the profit was limited and steel scrap was less cost-effective than molten iron, steel mills' buying interest failed to improve greatly. In the coming week, steel scrap market is expected to correct itself, with prices estimated at RMB 2,460-2,540/T.

China Steel Scrap Average Price



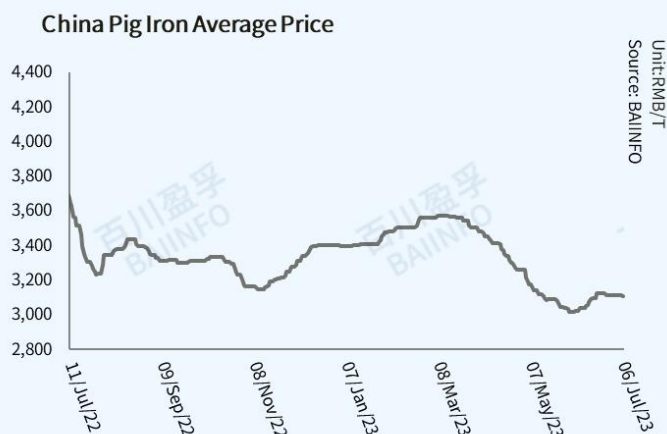
◆ **Buying Prices of Steel Scrap (Unit: RMB/T)**

City	Specification	6-Jul	29-Jun	Change
Anyang	>8mm	2,550	2,500	50
Baotou	>4mm	3,122	3,122	-
Beijing	>10mm	2,880	2,860	20
Changzhou	>6mm	2,550	2,520	30
Chengdu	>6mm	2,490	2,470	20
Dalian	4-6mm	2,410	2,410	-
Foshan	>6mm	2,540	2,520	20
Guangzhou	≥6mm	2,800	2,780	20
Jiangyin	4-6mm	2,500	2,500	-
Nanchang	>6mm	2,480	2,480	-
Nanjing	>6mm	2,590	2,590	-
Qingdao	6-10mm	2,495	2,475	20
Shanghai	>6mm	2,490	2,480	10
Shijiazhuang	>6mm	2,873	2,828	45
Taiyuan	4-6mm	2,820	2,750	70
Tianjin	>6mm	2,600	2,600	-
Wuhan	>6mm	2,770	2,730	40
Chongqing	>6mm	1,830	1,830	-

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◆ **Pig Iron**

Domestic pig iron market ran weak and transactions performed ordinarily. The black futures market consolidated, steel market edged up, coke prices kept stable and iron ore market saw fluctuations. Combined, cost side kept largely stable. Some iron plants resumed production and market supply increased accordingly. However, the majority of iron plants committed to previous orders and the inventory kept at a low level. Overall supply was acceptable. Downstream demand declined and trading market was inactive. However, iron plants held low willingness to adjust offers on back of low inventory. The market is predicted to consolidate amid stability in short term.



◆ **Prices of Pig Iron (Unit: RMB/T)**

Market	6-Jul	29-Jun	Change
Ma'anshan (L8-10)	3,220	3,250	-30
Zibo (L8-10)	3,160	3,180	-20
Linyi (L8-10)	3,160	3,180	-20
Wu'an (L8-10)	3,080	3,080	-
Tangshan (L8-10)	3,050	3,050	-
Xiangfen (L8-10)	3,180	3,180	-
Yicheng (L8-10)	3,180	3,180	-
Anyang (L8-10)	3,160	3,160	-
Longyan (L8-10)	2,950	2,950	-
Guiyang (L8-10)	3,000	3,000	-
Harbin (L8-10)	3,070	3,070	-
Kunming (L8-10)	3,000	3,000	-
Average (L8-10)	3,102	3,107	-5

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◆ **Graphite Electrode**

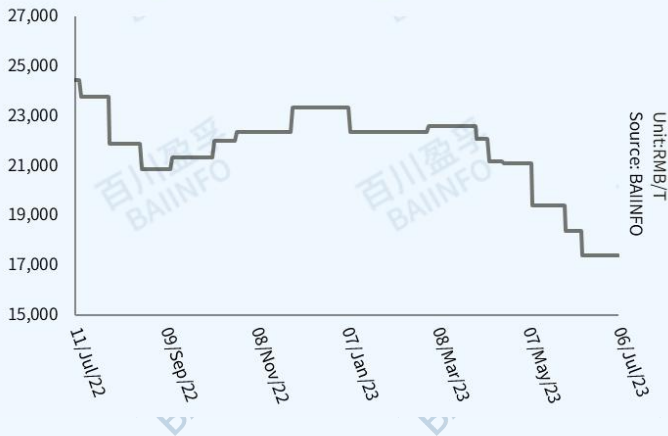
For the assessment period (Jun. 30-Jul. 6), RP 500 mm graphite electrode price was RMB 16,500-17,000/T; HP 500mm price was RMB 16,500-17,500/T; UHP 450mm and 600mm price was RMB 17,000-17,500/T and RMB 19,500-20,500/T, respectively.

Graphite electrode market price averaged RMB 17,398/T, the same level WoW. (To better reflect market situation, the average price calculation sample has changed from RP 400-500mm, HP 450-600mm, UHP 450-700mm to RP 300-600mm, HP 300-600mm, UHP 300-700mm)

China graphite electrode market was settled. Demand was limited. Despite inquiries, deals were numbered. Prices of small and medium-sized UHP graphite electrode were mixed, and many were at low levels. Cost support was insufficient. Graphite electrode market was still oversupplied.

As terminal steel market meets with slack season, steel inventories are difficult to consume. In a short term, steel production may not increase, still bringing bearish effects. But good news is that graphite electrode supply decreases and inventory pressure is moderate. In a near term, graphite electrode price may be weakly stable.

China Graphite Electrode Average Price



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◆ **Ferrous Alloy**

China Ferrotungsten Average Price



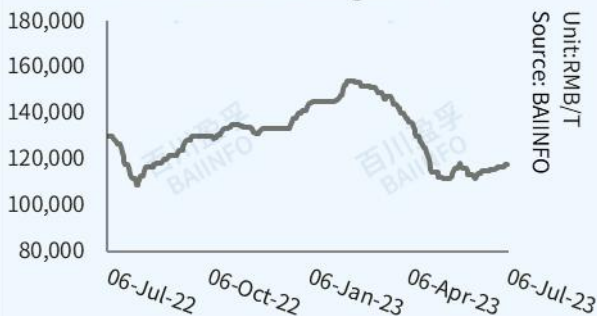
Ferrotungsten average price kept at RMB 181,000/T.

China Ferromolybdenum Average Price

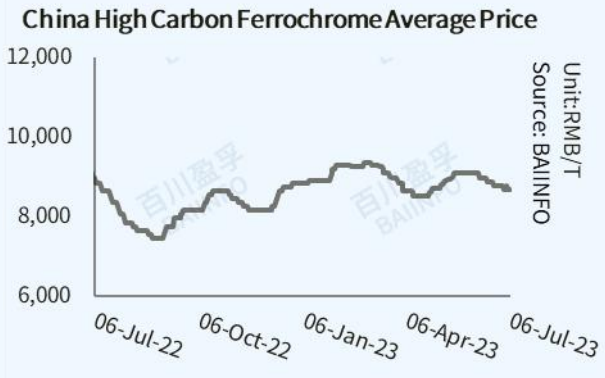


Average price of ferromolybdenum increased to RMB 254,000/T, up RMB 1,500/T WoW.

China Ferrovandium Average Price



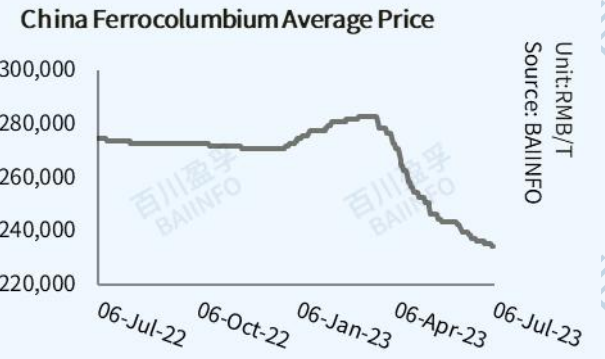
Ferrovandium price moved to RMB 118,000/T, up RMB 1,500/T WoW.



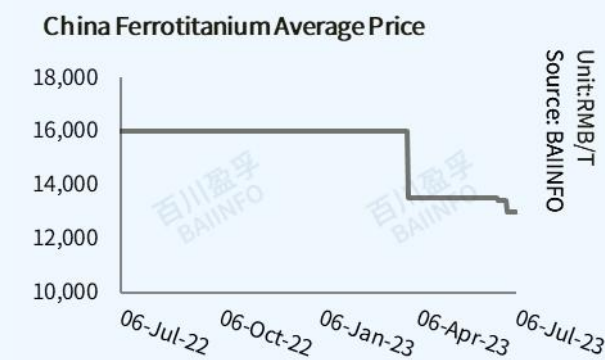
High carbon ferrochrome price fell to RMB 8,680/T, down RMB 100/T WoW.



Ferromanganese price changed to RMB 6,650/T on average, down RMB 50/T WoW.



Average price of ferrocolumbium declined to RMB 234,500/T, down RMB 1,000/T WoW.



Ferrotitanium average price remained at RMB 13,000/T.

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