



# **Ferrosilicon DAILY EXPRESS**

**September 9<sup>th</sup>, 2019 Monday**

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

## **Catalog**

**Ferrosilicon Spot Price**

**Steel Tender Price**

**Supply & Demand**

**Market Insight**

**Daily Market**

**Currency Exchange Rate**

**International Data**

**Coming Events**

Tel: 010-87760688/811

Email: [kangmingfei@ferro-alloys.com](mailto:kangmingfei@ferro-alloys.com)



## Price Information--Ferrosilicon Spot Price

Ferrosilicon	Price (RMB/MT)	Up/Down	Area
Si75#	6000-6100	--	Ningxia
	6000-6100	--	Inner Mongolia
	5900-6000	--	Gansu
	5800-6000	--	Qinghai
	5800-5900	--	Shaanxi
Si72#	5900-6000	--	Ningxia
	5900-6000	--	Inner Mongolia
	5800-5900	--	Gansu
	5700-5900	--	Qinghai
	5500-5600	--	Shaanxi

## Steel Mills Tender Price – September

Commodity	Steel Mills	Price (RMB/T)	Change vs. Last Month (RMB/T)	Volume (Tonnes)	Change vs. Last Month (Tonnes)
Ferrosilicon 75#	HBIS group	6150	↓300	4050	↑1620
Ferrosilicon 75#	Shagang Group	6200	↓350	3000	
Ferrosilicon 75#	Nanjing Iron and Steel	6200	↓300	2600	↑400
Ferrosilicon 75#	ZENITH	6200	↓350	2500	↑900
Ferrosilicon 75#	Xiangtan Iron & Steel	6200	↓350	1500	↓300
Ferrosilicon 75#	Rizhao Steel			1250	
Ferrosilicon 75#	Fujian Sanming Steel	6190	↓350	3500	
Ferrosilicon 75#	Chongqing Iron & Steel	6050		800	
Ferrosilicon 75#	Hengyang Valin Steel Tube			420	
Ferrosilicon 75#	Xinjiang Bagang			400	
Ferrosilicon 75#	Jiangsu Changqiang Steel			400	
Ferrosilicon 75#	Sichuan Dazhou Iron & Steel	6350		120	
Ferrosilicon 75#	Shandong Luli Steel			60	

Ferrosilicon 75#	Bao Steel	6250	↓350	Constant	
Ferrosilicon 75#	CITIC Pacific Special Steel	6130	↓370	Constant	
Ferrosilicon 75#	Xin Steel	6330		Constant	
Ferrosilicon $\geq 72\%$	Hebei Puyang Iron and Steel			500	

## 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 ( $\text{Si} \geq 75\%$   $\text{Al} < 0.1\%$   $\text{Ca} < 0.02\%$ ,  $\text{C} < 0.02\%$ ,  $\text{Ti} < 0.05\%$  -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

- **Steel demand set for slowest growth in 3 years in India**

Demand for steel in India could grow at the slowest pace in three years as an economic slowdown in the global industry's bright spot deepens.

Steel consumption in India is likely to increase by less than 6% this fiscal year, according to ICRA Ltd, the local arm of Moody's Investors Service. That would make it the slowest pace since a 3.1% increase in the year ended March 2017.

Fresh capital expenditure from the government is critical for demand growth as private spending on projects is low, and construction and infrastructure remain the most important drivers of India's steel consumption, Jayanta Roy, a senior vice president at ICRA said.

"The industry is now focusing on the second half of the financial year to see whether large projects of railways, pipelines, electricity transmission, urban infrastructure or roads gain momentum or not," Roy said by phone. "If they do, there could be some respite. If they don't then the concerns would be higher."

- **Tata Steel, JSW Steel's profitability to decline: Moody's**

Indian steel-companies' like Tata Steel and JSW Steel will see a decline in profitability mainly due to slowing demand growth from the auto sector and higher

raw material costs, Moody's has said in its latest report.

Tata Steel's earning before interest taxes depreciation and amortization (EBITDA) per tonne in its Indian operations will likely decrease in the 12 months to June 2020. However, at more than \$200 per tonne, its profitability will continue to be the highest among rated Asian steel producers.

JSW Steel's EBITDA per tonne will decline by around 13% and remain lower than Tata Steel's Indian operations, largely because of elevated raw material prices and the company's relatively limited backward integration, the report said.

"Nonetheless, the two Indian steel companies will benefit from rising steel production on the back of continued demand growth," it added.

India will remain the world's second-largest steel producer behind China after having overtaken Japan in 2018. New capacity additions in India will be limited over the next 12 months but domestic production will increase to meet demand growth. Consolidation in the Indian steel sector that began in 2018 will continue in 2019, with five stressed steel companies accounting for 20% of the country's steel-producing capacity operating under new ownership.

"This will lead to an improvement in India's capacity utilization to 85% over the next two years from less than 78% in the 12 months to June 2019," Moody's pointed out. Slowing but still healthy domestic demand and limited capacity additions will help keep steel prices largely stable over the next 12-18 months, it added.

### ● **Slowdown in auto industry has impacted steel sector: Tata Steel CEO**

The prolonged slump in the Indian domestic automobile industry has impacted the steel sector, Tata Steel CEO and MD T V Narendran said on Thursday.

The demand for steel in India has to pick up and that depends a lot on construction and automobile sectors, he added.

"I think steel touches all parts of the economy...It is 20 per cent of the steel that gets consumed in auto and that has an impact. That is certainly something that has played out over the last three months," said Narendran.

While auto industry has its own challenges, the government can do a lot in construction and infrastructure segments, but the rest depends on private capital and residential demand, he added.

"They (automobile industry) had a separate sitting with the (finance) minister yesterday (Wednesday)... So as far as international market is concerned, things are bit

soft. The problem is less about international steel flows and more about domestic demand," Narendran said.

### ● **JSW Steel plans \$350 million offshore loans**

JSW Steel is planning to raise about \$350 million (Rs 2,520 crore) from overseas loans, which should help it reduce borrowing costs as it navigates a profit margin squeeze due to a fall in steel prices and integrates recent acquisitions such as of Monnet Ispat.

The purpose of the proposed fundraising is refinancing its existing high-cost debt, which could bring down its overall borrowing costs, said two people familiar with the matter. A part of the proceeds would also be used for general business purposes.

The company has reached out to about half a dozen investment bankers including Citi, Standard Chartered, JP Morgan, Deutsche Bank and MUFG, the people said. The banks could not be reached immediately for comment.

JSW Steel is in the process of increasing its steelmaking and downstream capacities by 6 million tonnes per annum and 3.95 mtpa respectively by the end of FY2021.

Ongoing capital expenditure also includes various cost-saving projects, including setting up of pipe conveyors (already commissioned), a pellet plant, a captive power plant and a coke oven plant, which are likely to improve JSW Steel's cost efficiencies further, ICRA said in a note.

Two months ago, JSW Steel announced a mega fundraising plan to garner about Rs 17,000 crore in debt securities, including up to \$1 billion in fixed-rate bonds in the overseas markets, mainly to retire short-term loans and meet capital expenditure.

### ● **Hoa Phat exports 165,000 tonnes in eight months**

Vietnam's leading steelmaker Hoa Phat shipped abroad 165,000 tonnes of construction steel in the first eight months of this year, up 38 percent year-on-year, according to the group.

During the period, it churned out a total of 1.77 million tonnes of construction steel, an increase of more than 20 percent against the corresponding time last year.

In August alone, Hoa Phat produced 193,000 tonnes of construction steel, a year-on-year rise of 7.6 percent, and exported nearly 18,000 tonnes, almost doubling the amount recorded in the same period last year, earning 9.4 million USD.

With these achievements, the group has maintained its leading position in the

domestic steel industry with a market share of 25 percent.

Between January and August, Hoa Phat sold 252,883 tonnes of steel to the domestic market, up 2.15 times as compared with the same period of 2018.

Hoa Phat plans to produce some 4 million tonnes of construction steel in 2019.

Last year, it shipped 240,000 tonnes of steel abroad, up 50.97 percent against the previous year.

## Daily Market

### Brief Market Analysis

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

### Ferrosilicon futures 2001 contract

1. Futures warehouse: The number of warehouse receipts was 5774, and the warehouse receipts were 28870 tons, of which 3443 was valid for the number of warehouse orders.
2. The 2001 ferrosilicon contract price on ZCE closed at 5860 yuan per tonne on September 6.
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 2001 daily specific performances:

Date	Opening price	Closing price	Range %	Settlement Price	Trading volume
September 2 <sup>nd</sup>	5850	5854	↑ 1.18	5860	98504
September 3 <sup>rd</sup>	5860	5832	↓ 0.48	5856	45310
September 4 <sup>th</sup>	5846	5846	↓ 0.17	5842	52204
September 5 <sup>th</sup>	5880	5810	↓ 0.55	5838	67280
September 6 <sup>th</sup>	5812	5860	↑ 0.38	5850	57742

## Currency exchange rate

Currency exchange RMB&USD

Intermediate exchange rate of RMB exchange rate in the inter-bank foreign exchange market: RMB: USD 7.0851.

## International Data

- **Ferrosilicon (>55%) exports down 49.33% year-on-year in July**

China exported a total of 25564.814 tons of ferrosilicon (>55%) in July, 2019, down 2.57% vs. June, and down 49.33% vs. the same period in 2018.

In July, China exported 9452 tons of ferrosilicon (>55%) to Japan, about 36.97% of the total export volume of July, and exported 7929 tons of ferrosilicon (>55%) to Korea, about 31.02% of the total export volume of July.

Top 10 countries/areas imported ferrosilicon( > 55%) from China in July		
Country/Area	Volume (Tons)	Value (\$)
Japan	9452	10,846,074
Korea	7929	8,551,473
India	1835	1,601,144
Taiwan Penghu Kinmen and Matsu,China	1225	1,155,237
Thailand	1194.67	1,324,109
Vietnam	1144	1,190,358
Indonesia	755	868,243
Chile	400	442,766
Malaysia	320	373,019
Mexico	319	350,972

- **Ferrosilicon (>55%) exports down 31.05% year-to-date through July**

China exported a total of 243767.324 tons of ferrosilicon (>55%) from January to July, 2019, down 31.05% vs. the same period in 2018.

From January to July, China exported 81281.407 tons of ferrosilicon (>55%) to Japan, about 33.34% of the total export volume from January to July, and exported 55347.1 tons of ferrosilicon (>55%) to Korea, about 22.7% of the total export volume from January to July.

Top 10 countries/areas imported ferrosilicon( > 55%) from China from January to July		
Country/Area	Volume (Tons)	Value (\$)

Japan	81281.407	95,847,073
Korea	55347.1	63,296,504
India	22272.501	19,461,731
Indonesia	21653.472	25,310,385
Taiwan Penghu Kinmen and Matsu, China	19517.85	23,020,239
Vietnam	8864.2	9,604,337
Thailand	7134.845	8,447,396
Mexico	5721.2	6,742,457
Chile	4662	5,508,909
Malaysia	3018.16	3,475,779

● **Ferrosilicon ( $\leq 55\%$ ) exports down 19.10% year-on-year in July**

China exported a total of 1887.725 tons of ferrosilicon ( $\leq 55\%$ ) in July, 2019, down 16.12% vs. June, and down 19.10% vs. the same period in 2018.

In July, China exported 663 tons of ferrosilicon ( $\leq 55\%$ ) to Korea, about 35.12% of the total export volume of July, and exported 487.025 tons of ferrosilicon ( $\leq 55\%$ ) to Japan, about 25.8% of the total export volume of July.

Top 10 countries/areas imported ferrosilicon( $\leq 55\%$ ) from China in July		
Country/Area	Volume (Tons)	Value (\$)
Korea	663	926946
Japan	487.025	670964
India	148	105660
Taiwan Penghu Kinmen and Matsu, China	143	196613
Indonesia	107	142240
Thailand	79	121484
Turkey	41.2	50023
Morocco	41	59632
Mexico	40	42000
Malaysia	39	57159

● **Ferrosilicon ( $\leq 55\%$ ) exports down 2.3% year-to-date through July**

China exported a total of 18726.836 tons of ferrosilicon ( $\leq 55\%$ ) in July, 2019, down 2.3% vs. the same period in 2018.

In July, China exported 6389.05 tons of ferrosilicon ( $\leq 55\%$ ) to Korea, about 34.18% of the total export volume of July, and exported 4112.175 tons of ferrosilicon ( $\leq 55\%$ ) to Japan, about 21.96% of the total export volume of July.

<b>Top 10 countries/areas imported ferrosilicon(<math>\leq 55\%</math>) from China from January to July</b>		
<b>Country/Area</b>	<b>Volume (Tons)</b>	<b>Value (\$)</b>
Korea	6389.05	8,856,497
Japan	4112.175	5,996,979
India	2616.02	1,143,131
Indonesia	896.125	1,125,547
Taiwan Penghu Kinmen and Matsu, China	796.8	1,095,833
Mexico	761	844,577
Malaysia	622	874,463
Thailand	611.9	832,539
Vietnam	398.5	557,269
Turkey	311.2	399,738

### ● **Korea Ferrosilicon ( $>55\%$ ) Imports Up 60.93 Percent Year-on-year in July**

In July, 2019, Korea imported a total of 25,348 tons of ferrosilicon ( $>55\%$ ), up about 88.26% from June and up around 60.93% from the same period in 2018.

In July, Korea imported 15,113 tons of ferrosilicon ( $>55\%$ ) from China, about 59.62% of its total imports of ferrosilicon ( $>55\%$ ) in July, up around 28.7% from June and up about 34.67% from the same period in 2018.

<b>COUNTRY</b>	<b>Jul-19</b>		<b>Jul-18</b>		<b>Annual Percentagy Change</b>
	<b>USD</b>	<b>weight (tons)</b>	<b>USD</b>	<b>weight (tons)</b>	
China	14,867	15,113	13,364	11,222	34.67%
Russian Federation	5,281	4,854	2,530	1,860	160.97%
Malaysia	5,198	4,783	3,091	2,374	101.44%

Turkey	392	400	0	0	—
South Africa	110	60	0	0	—
India	76	54	193	112	–51.83%
Norway	98	39	185	79	–50.60%
Germany	81	20	123	42	–51.95%
Iceland	27	20	0	0	—
Japan	9	5	46	20	–75.08%
France	0	0	112	40	–100.00%
Thailand	0	0	3	2	–100.00%
Total	26,139	25,348	19,647	15,751	60.93%

### ● Japan Ferrosilicon (>55%) Imports Up 25 Percent Year-on-year in July

In July, 2019, Japan imported a total of 41259.326 tons of ferrosilicon (>55%), up about 16.56% from June and up around 25% from the same period in 2018.

In July, Japan imported 12529.58 tons of ferrosilicon (>55%) from China, up around 22.61% from June and up about 6.45% from the same period in 2018.

Through the first seven months of 2019, Japan's ferrosilicon (>55%) imports are 264090.69 tons, down about 17.5% vs. the same period in 2018.

Through the first seven months of 2019, Japan imported 92811.019 tons of ferrosilicon (>55%) imports from China, down about 19.96% vs. the same period in 2018.

COUNTRY NAME	CURRENT MONTH QUANTITY (TON)	CURRENT MONTH VALUE (1000YEN)	CUMULATIVE YEAR TO DATE QUANTITY (TON)	CUMULATIVE YEAR TO DATE VALUE (1000YEN)
R KOREA	—	—	160. 66	20671
TAIWAN	—	—	206. 98	28593
THAILND	—	—	45. 025	9988
BELGIUM	—	—	106. 97	13110
TURKEY	—	—	99. 39	12762
SLOVENI	—	—	16. 597	4392
CHINA	12529. 58	1587931	92811. 019	12531758
RUSSIA	11386. 553	1417380	75968. 135	9940000

MALYSIA	9746. 573	1158715	46597. 509	6000800
BRAZIL	5916. 8	1298408	33625. 8	7865702
ICELAND	1104. 7	212131	9420. 1	1944853
FRANCE	494. 12	99838	1842. 96	379491
NORWAY	60	15537	3111. 545	685584
INDIA	21	2438	78	13141
TOTAL	41259. 326	5792378	264090. 69	39450845

● **Japan Ferrosilicon ( $\leq 55\%$ ) Imports Up 71.7 Percent Year-on-year in July**

In July, 2019, Japan imported a total of 908.26 tons of ferrosilicon ( $\leq 55\%$ ), up about 7.87% from June and up around 71.7% from the same period in 2018.

In July, Japan imported 551 tons of ferrosilicon ( $\leq 55\%$ ) from China, up around 72% from June and up about 96% from the same period in 2018.

Through the first seven months of 2019, Japan's ferrosilicon ( $\leq 55\%$ ) imports are 10707.212 tons, up about 9.85% vs. the same period in 2018.

Through the first seven months of 2019, Japan imported 4376.358 tons of ferrosilicon ( $\leq 55\%$ ) imports from China, down about 17% vs. the same period in 2018.

COUNTRY NAME	CURRENT MONTH QUANTITY (TONS)	CURRENT MONTH VALUE (1000YEN)	CUMULATIVE YEAR TO DATE QUANTITY (TONS)	CUMULATIVE YEAR TO DATE VALUE (1000YEN)
R KOREA	—	—	55	11335
SLOVENI	—	—	22. 946	6843
USA	—	—	21. 714	5529
BRAZIL	—	—	361	39660
S AFRCA	—	—	80. 125	12394
CHINA	551	99312	4376. 358	821349
THAILND	240. 16	53502	1635. 83	364548
RUSSIA	69	7901	3683. 189	447342
NORWAY	42	7696	438. 95	84326
FRANCE	6	2796	32	11785
MEXICO	0. 1	284	0. 1	284
TOTAL	908. 26	171491	10707. 21	1805395

## ● World Steel Association: July 2019 crude steel production

World crude steel production for the 64 countries reporting to the World Steel Association (worldsteel) was 156.7 million tonnes (Mt) in July 2019, a 1.7% increase compared to July 2018.

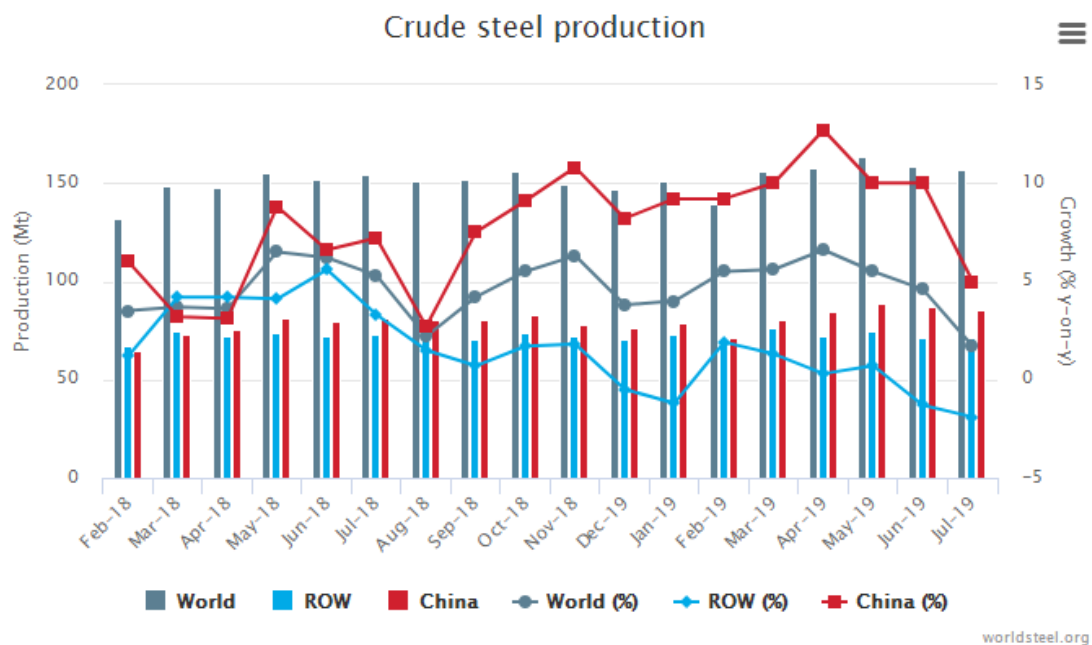
China's crude steel production for July 2019 was 85.2 Mt, an increase of 5.0% compared to July 2018. India produced 9.2 Mt of crude steel in July 2019, an increase of 1.7% compared to July 2018. Japan produced 8.4 Mt of crude steel in July 2019, down 0.4% on July 2018. South Korea's crude steel production was 6.0 Mt in July 2019, a decrease of 2.1% on July 2018.

The US produced 7.5 Mt of crude steel in July 2019, an increase of 1.8% compared to July 2018.

Brazil's crude steel production for July 2019 was 2.4 Mt, down by 20.7% on July 2018.

Turkey's crude steel production for July 2019 was 2.9 Mt, down by 10.6% on July 2018.

Crude steel production in Ukraine was 1.8 Mt this month, down 1.7% on July 2018.



## Coming Events

“一帶一路” 走進越南 Belt & Road to Vietnam

# The 8<sup>th</sup> Asia Pacific Steel & Ferro-Alloys International Conference

## 第八屆亞太鋼鐵和鐵合金國際會議

Venue (地點) 越南下龍灣 (Ha Long Bay, Vietnam)

Date (時間) September 25–28, 2019 (9月25–28日)

Hosts:  
主辦方



**ChinMetal**  
Information Trade Co., Ltd.



中國鐵合金網  
Ferro-Alloys.com

Co-organizer:  
協辦方



越南陽星鐵業有限公司  
Vietnam Thung Hoa Iron and Steel Co., Ltd.