



Since 1916



MONTHLY UPDATE – FEBRUARY 2024

# STEEL



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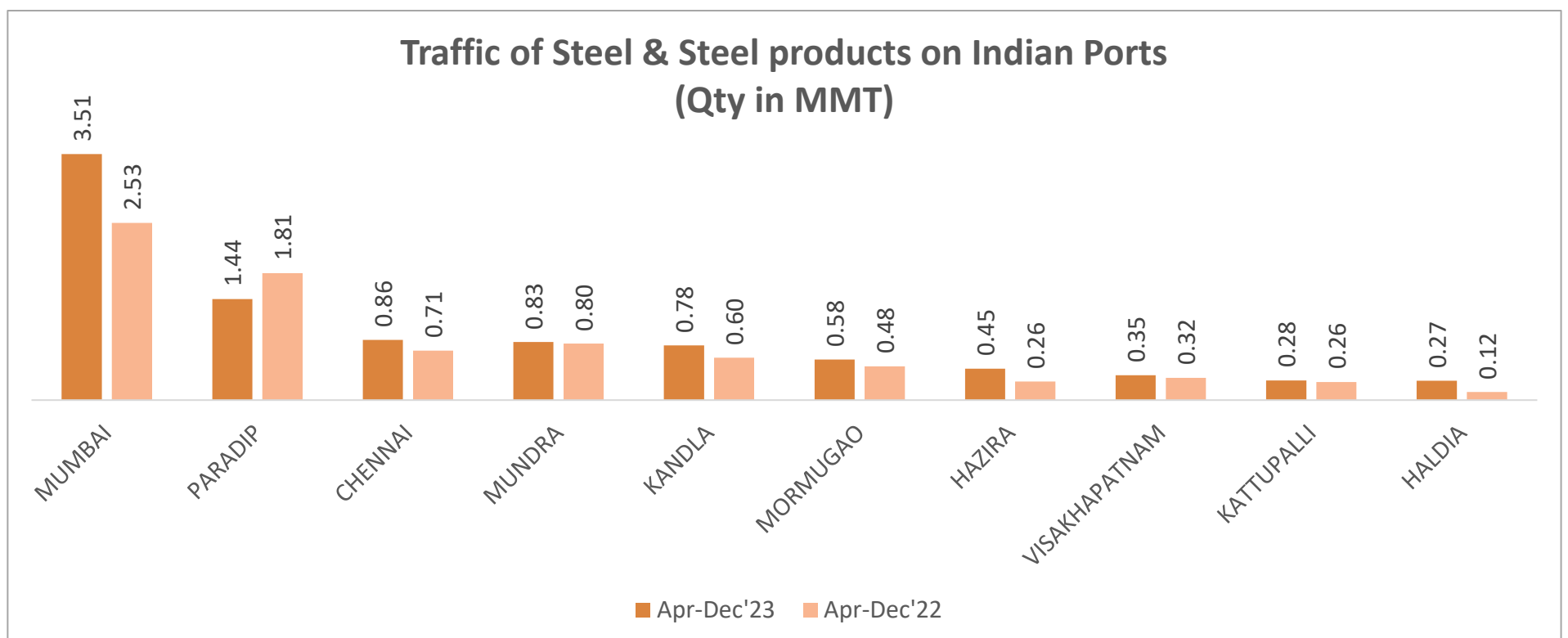
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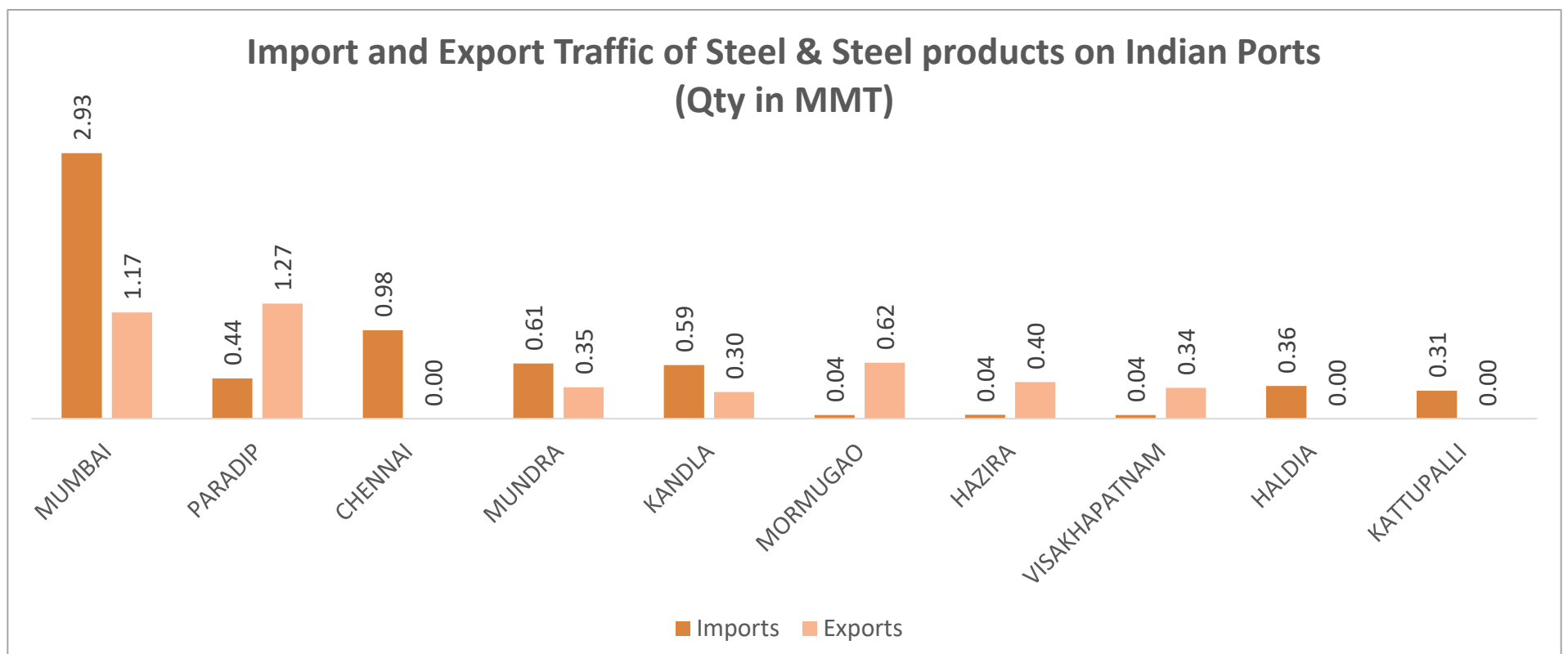
# PORT ANALYSIS

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

- Steel & Steel Products traffic at Indian ports during Apr'23-Jan'24 was up by 13.37% at 10.44 MMT as compared to 9.05 MMT recorded for same period of previous year. Mumbai & Paradip ports handled 3.51 MMT and 1.44 MMT respectively of steel traffic during Apr'23-Jan'24.
- Steel & Steel Products traffic at Indian ports during Jan'24 was up by 27% at 1.61 MMT from 1.17 MMT recorded for same period of previous year. Mumbai port recorded the highest traffic at 0.39 MMT followed with Paradip port at 0.17 MMT in Jan'24.



- India's Exports of steel & steel products increased by 2.21% at 5.08 MMT in Apr'23-Jan'24 as compared to the same period in the previous fiscal. Paradip port saw the highest Export traffic at 1.27 MMT.
- India's Imports increased by 25.50% at 7.05 MMT in Apr'23-Jan'24. Mumbai Port saw the highest Import traffic at 2.93 MMT.

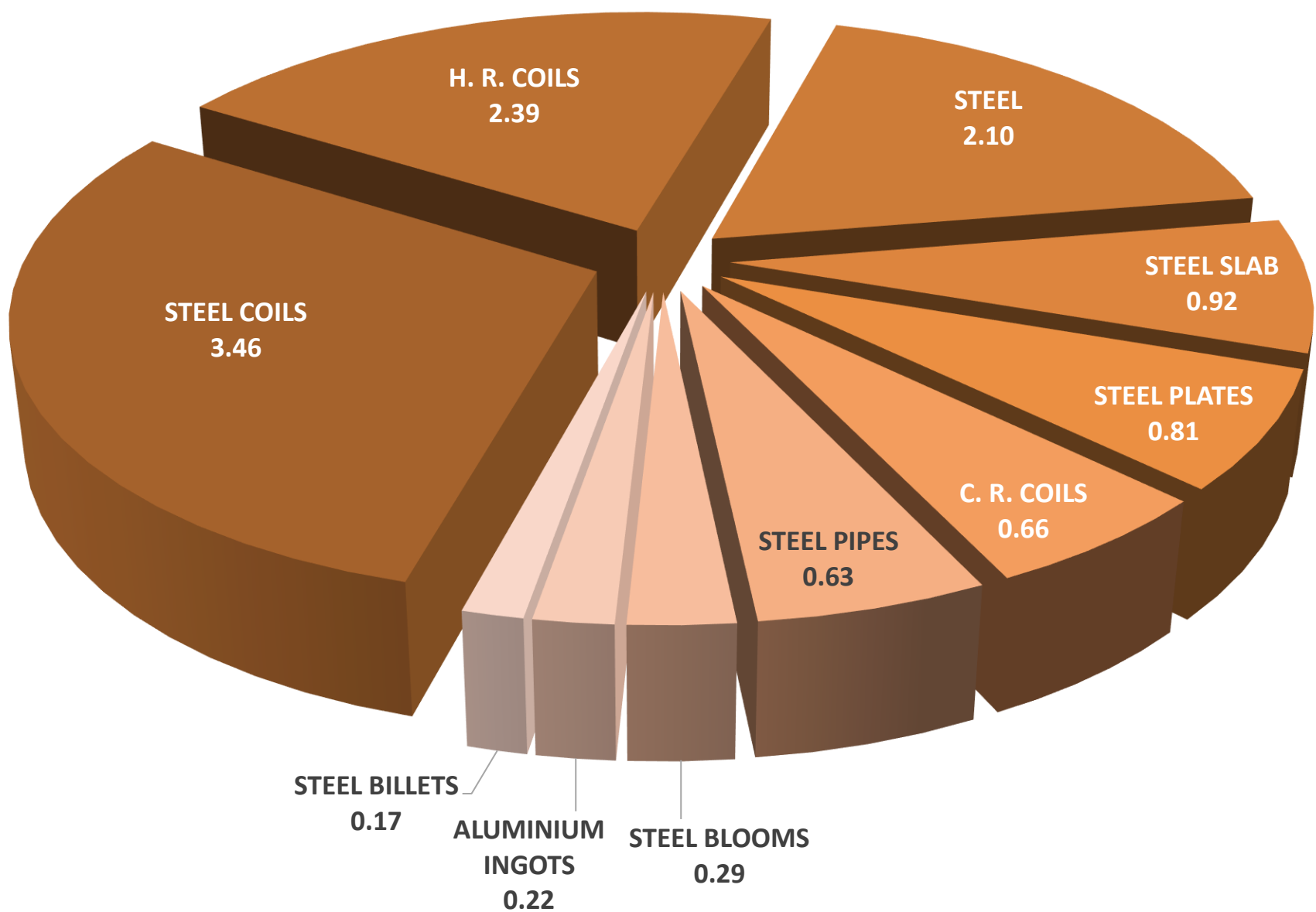


# PORT ANALYSIS

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

- The highest Imported product was Steel coils at 2.06 MMT in Apr'23-Jan'24. .
- Steel coils, H.R.C., Steel, steel slab and steel plates had the highest traffic on Indian Ports.

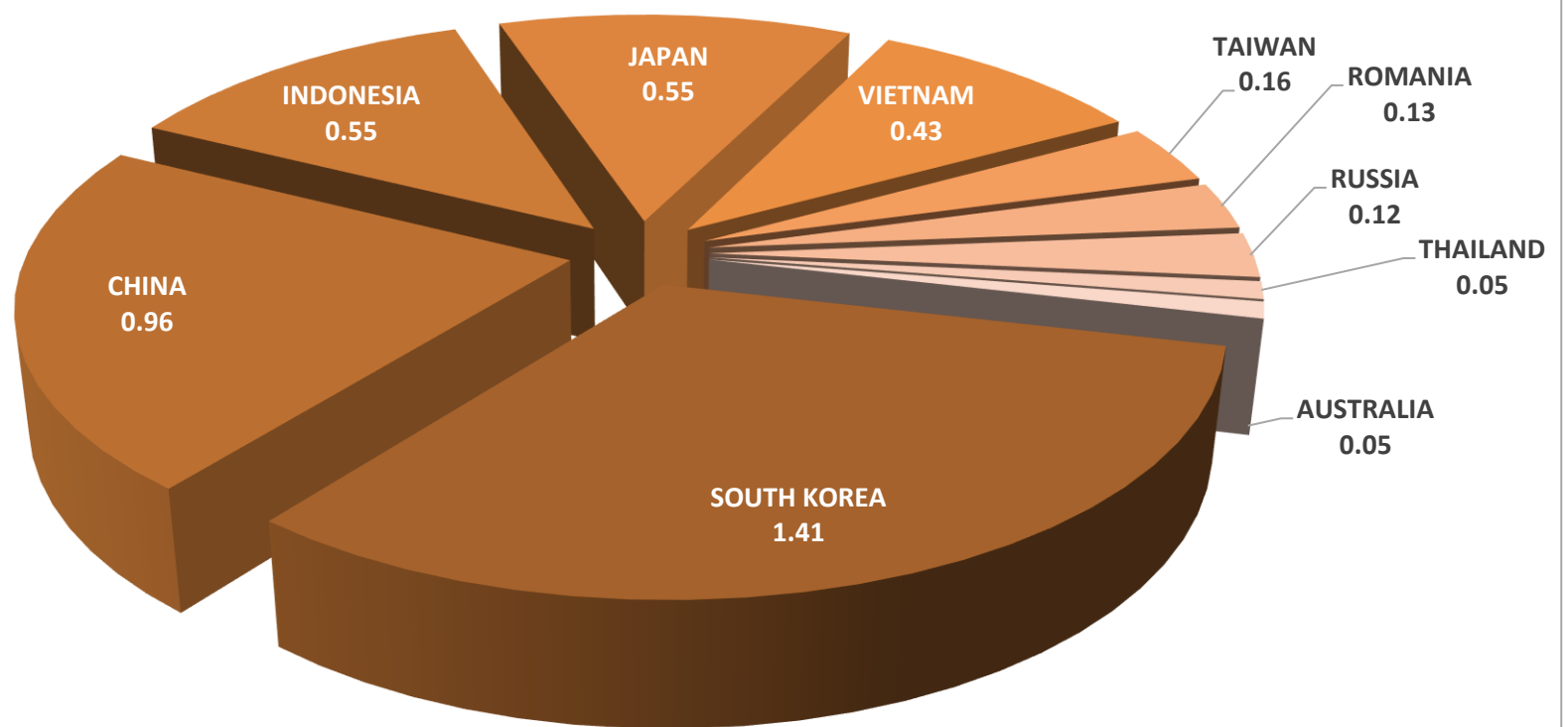
Traffic of Top 10 Steel and Steel Products on Indian Ports in Apr'23-Jan'24



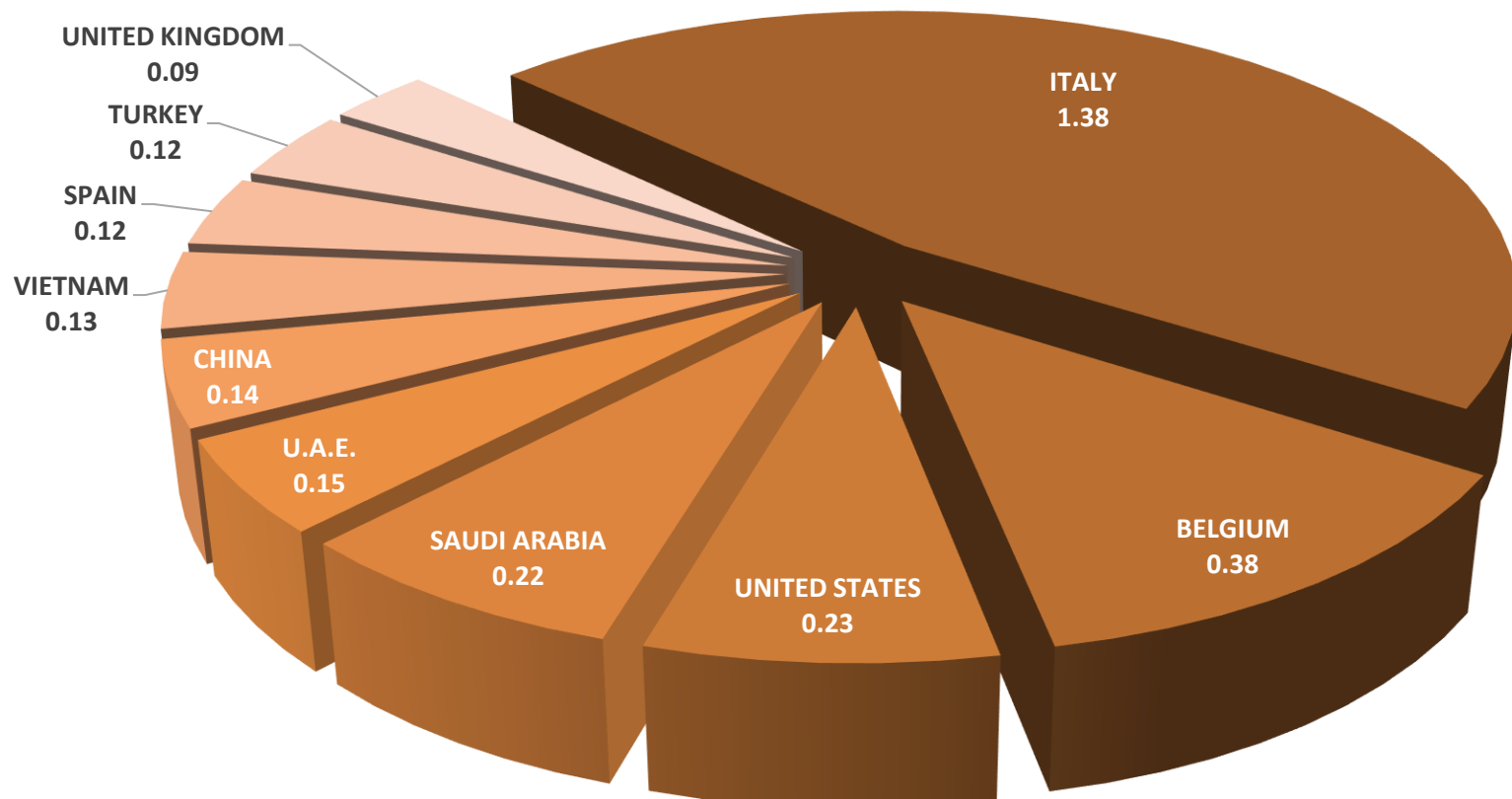
# PORT ANALYSIS

## STEEL TRAFFIC (Quantity in MMT)

Top 10 Countries Of Steel Imports (Apr'23-jan'24)



Top 10 countries of steel exports (Apr'23-Jan'24)





# INDIAN STEEL SCENARIO

While a robust economic growth will increase the demand for steel in 2024, industry players remain concerned about rising imports and high raw material prices amid geopolitical uncertainties.

The government is working on Production Linked Incentive (PLI) scheme 2.0 as well as looking at ways to ensure adequate raw material supply for the steel sector in 2024, and focus will also be on promoting the use of scrap. Further, efforts will be made to push for the use of artificial intelligence and new age technologies among the industry players to boost steel output while also look at reducing carbon emissions,

With a consumption growth rate of around 15% y-o-y (year-on-year) in the first 10 months of the FY23-24, the overall Indian steel industry has experienced a demand surge that aligns directly with the overall GDP growth. Steel demand registered a growth of about 10% during FY23, when consumption touched 120 MT. Under the budget for FY24, capital investment outlay for infrastructure was increased by 33% to ₹10 trillion, therefore Indian steel demand is expected to retain its growth momentum. Investments in infrastructure and real estate, strong consumer sentiments, and government focus on turning India into a global production hub will continue to drive the domestic steel demand in India

India imported 5.6 million metric tons of finished steel between April and December, up 26.4% from a year earlier. India's steel mills have called for government interventions and safeguard measures against surging imports. But, the federal Ministry of Steel has resisted calls for curbs, citing strong local demand. India's finished steel exports were 4.7 million metric tons between April and December, the lowest in at least six years, reflecting subdued overseas demand. Crude steel output stood at 106.1 million metric tons, up 13.9% from a year earlier.

India has set a target of having an installed steel manufacturing capacity of 300 MT by 2030. At present, the country has a capacity of around 161 MT.



## KEY HIGHLIGHTS

- **JSW Steel signs JV with Japan-based JFE Steel, to invest Rs 5,500 cr in K'taka plant**
- **SAIL's IISCO steel plant may infuse Rs 20,000-24,000 crore in Bengal**
- **India's April-December steel imports hit five-year high as demand soars**
- **Steel exports up 30 per cent month-on-month, 43 per cent YoY in January**
- **Vibhor Steel Tubes sets up unit in Odisha to scale up capacity to 3.41 lakh tonne.**



# MARKET OVERVIEW

## JSW Steel signs JV with Japan-based JFE Steel, to invest Rs 5,500 cr in K'taka plant

- JSW Steel is partnering with Japan's JFE Steel Corporation to form a 50:50 joint venture, JSW JFE Electrical Steel Private Limited. The new company will invest Rs 5,500 crore (\$734 million) to set up a plant in Bellary, Karnataka, producing grain-oriented electrical steel. Production is expected to start in FY27, with potential for capacity expansion to meet growing demand in India.
- The new company will be named JSW JFE Electrical Steel Private Limited and will have its manufacturing base in Bellary, Karnataka. Production is likely to commence in FY27, the company said. It may further expand the capacity to meet growing demand for grain-oriented electrical steel in India.
- JSW Steel serves as the main business entity within the diversified JSW Group, which boasts a total valuation of USD 23 billion. The conglomerate is involved in various sectors, including energy, infrastructure, cement, paints, sports, and venture capital.
- The strong performance was driven by capacity utilization rising to 94 per cent during the quarter vs 89 per cent in Q2 FY24 at the Indian operations.
- JSW Steel serves as the main business entity within the diversified JSW Group, which boasts a total valuation of USD 23 billion. The conglomerate is involved in various sectors, including energy, infrastructure, cement, paints, sports, and venture capital.

**Source: Economic Times**

## SAIL's IISCO steel plant may infuse Rs 20,000-24,000 crore in Bengal

- The plant currently operates a 2.6 million-tonne crude steel plant and converts 85-90 per cent into finished products like TMT bars, wire rods, and heavy structurals. They expects the plant to achieve an ending revenue of Rs 11,500- Rs 12,000 crore for the current fiscal year due to higher production despite sluggish market prices.
- SAIL has finally decided to undertake the flat steel expansion project independently, likely relying on imported technology. The project is expected to be completed within the next 3-4 years.

**Source: Economic Times**





# MARKET OVERVIEW

## India's April-December steel imports hit five-year high as demand soars

- India's steel imports reached a five-year high, turning the country into a net importer of finished steel. Steel demand slowed down in Europe and the United States. Indian steel mills have asked for government interventions against surging imports, but the Ministry of Steel resisted curbs.
- India imported 5.6 million metric tons of finished steel between April and December, up 26.4% from a year earlier. Steel consumption in India, the world's second-biggest crude steel producer, jumped 14.8% to a six-year high of 100 million metric tons during the period, reflecting buoyant demand for the alloy in one of the world's fastest growing economies.
- South Korea was the top exporter of finished steel to India between April and December, shipping 1.77 million metric tons of the alloy, up 4.4% from the same period a year earlier to hit a four-year high. That was just above China, the world's top steel producer, whose shipments of finished steel to India reached a six-year high of 1.75 million metric tons.
- India's finished steel exports were 4.7 million metric tons between April and December, the lowest in at least six years, reflecting subdued overseas demand. Crude steel output stood at 106.1 million metric tons, up 13.9% from a year earlier.

**Source: *Economic Times***

## Steel exports up 30 per cent month-on-month, 43 per cent YoY in January

- The country remained net importer in the first 10 months of the fiscal (April – Jan) India's steel exports grew over 30 per cent month-on-month and 43 per cent YoY to 0.9 million tonnes (mt) in January. Moderation in imports and a corresponding uptick in outbound shipments notwithstanding, the country remained a net importer for the first 10 months of the fiscal (April – Jan).
- Imports at 6.8 mt, up 38 per cent YoY, exceeded exports, which stood at 5.5 mt, by 1.3 mt or 3.6 per cent, for the 10-month period. Imports stood at 5 mt and exports at 5.4 mt in the year-ago-period. JSW Steel, in a recent investor call said following the recent rise in global steel prices, domestic prices are now close to parity, which, according to him, will have a limiting impact on imports in the January–March period (Q4 FY24).
- For the 10-month period (Apr – Jan) non-alloyed steel imports increased 69 per cent YoY to 5 mt, whereas the non-alloyed and stainless-steel segment dipped 14 per cent to 1.8 mt. For the 10-month period, exports stood at 5 mt, up 51 per cent YoY for non-alloyed steel, and at 0.4 mt for non-alloyed and stainless steel, down 71 per cent.

**Source: *The Hindu Business Line***



# MARKET OVERVIEW

## Vibhor Steel Tubes sets up unit in Odisha to scale up capacity to 3.41 lakh tonne.

- Vibhor Steel Tubes Ltd (VSTL) is setting up a new unit at Sundargarh in Odisha to scale up its total manufacturing capacity to 3.41 lakh tonne. The Hisar-based steel maker presently has two plants -- one in Mahabubnagar, Telangana and one in Raigad, Maharashtra -- having a total installed capacity of 2.21 lakh tonne.
- "With the commissioning of the third project in Odisha, there capacity will increase by 1,20,000 MT to 3,41,000 MT. Company aim is to make the plant operational by the first quarter of financial year 2024-25.
- VSTL manufactures steel products such as electric resistance welded pipes, hot-dipped galvanized pipes and hollow section pipes. The new plant will manufacture value-added products such as crash barriers and monopoles which will improve margins.
- They are also exploring tapping the export markets once the new production facility goes on stream. Proximity to raw material supply will be an added advantage for the company to cut its freight cost once the current expansion plan is completed.
- The company has renewed its agreement with Jindal Pipes, with effect from April 1, 2023, to manufacture and supply the finished goods under the brand name Jindal Star to Jindal Pipes. The tenure of this agreement is for six years.

**Source: Economic Times**



## OTHER REPORTS FOR FEBRUARY 2024

- J. M. BAXI & CO. Monthly Agri Products Update
- J. M. BAXI & CO. Monthly Automotive Industry Update
- J. M. BAXI & CO. Monthly Cement Update
- J. M. BAXI & CO. Monthly Coal Update
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- J. M. BAXI & CO. Monthly Steel Update

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