



# **Ferrosilicon DAILY EXPRESS**

**August 5<sup>th</sup>, 2019 Monday**

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

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## Price Information--Ferrosilicon Spot Price

Ferrosilicon	Price (RMB/MT)	Up/Down	Area
Si75#	6600-6700	--	Ningxia
	6600-6700	--	Inner Mongolia
	6500-6600	--	Gansu
	6400-6600	--	Qinghai
Si72#	6500-6600	--	Ningxia
	6500-6600	--	Inner Mongolia
	6400-6500	--	Gansu
	6300-6500	--	Qinghai

## Steel Mills Tender Price – August

Commodity	Steel Mills	Price (RMB/T)	Change vs. Last Month (RMB/T)	Volume (Tons)	Change vs. Last Month (Tons)
Ferrosilicon 75#	Fujian Sanming Steel	6540	↑102	3500	——
Ferrosilicon 75#	Liuzhou Iron and Steel	6700	↑120	3000	No change
Ferrosilicon 75#	Nanjing Iron and Steel	6500	↑100	2200	↑200
Ferrosilicon 75#	ZENITH	6550	↑150	1600	No change
Ferrosilicon 75#	Valin LY Steel	6580	↑180	1000	↑200
Ferrosilicon 75#	Anhui Changjiang Steel	6520	↑300	500	↑100
Ferrosilicon 75#	Hengyang Valin Steel Tube	6750	↑280	180	↑60
Ferrosilicon 75#	Weihai Baolong	——	——	120	——

## 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>> 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

## Rio Tinto 2019 half year results -- Iron Ore

"We benefited from robust demand for our high-quality products driven by strong demand from China and constrained seaborne supply. However, our first half production and shipments were affected by significant disruptions from weather events, a fire at one of our ports and mine operational challenges.

Underlying EBITDA of \$7.6 billion was 33% higher than 2018 first half, reflecting higher prices which were partially offset by higher unit costs. The Platts index for 62% iron fines (CFR) was 31% higher on average compared with 2018 first half, which increased our EBITDA by \$2.7 billion relative to 2018 first half.

2019 first half Pilbara unit cash costs were \$14.6 per tonne (2018 first half: \$13.4 per tonne). The fire and weather-related events reduced first half shipments by 14 million tonnes (100% basis), increasing unit costs by around \$1.2 per tonne. Higher salaries, rising fuel prices and cyclical maintenance compared with 2018 were mostly offset by a weaker Australian dollar.

We have continued investing in productivity and automation, and expect 50% of our truck fleet to be fully autonomous by the end of 2019. Deployments are complete at seven of our sites, with Hope Downs 1 and Marandoo in transition. AutoHaul is now fully operational.

Our Pilbara operations delivered an underlying EBITDA margin of 72%, compared with 67% in 2018 first half.

We priced approximately 77% of our sales with reference to the current month average index; 16% with reference to the prior quarter's average index lagged by one month; 5% with reference to the current quarter average; and 2% on the spot market. Approximately 33% of our sales were made on an FOB basis with the remainder sold including freight.

We achieved an average iron ore price of \$78.5 per wet metric tonne on an FOB basis (2018 first half: \$57.9 per wet metric tonne). This equates to \$85.3 per dry metric tonne (2018 first half: \$63.0 per dry metric tonne).

Pilbara Blend sales included an additional 3.9 million tonnes of alternate products in 2019 first half.

Gross sales revenue for our Pilbara operations included freight revenue of \$0.6 billion (2018 first half: \$0.8 billion).

Net cash generated from operating activities of \$5.3 billion was 23% higher than 2018 first half, driven by the same trends as underlying EBITDA.

Free cash flow for our Pilbara operations of \$4.6 billion, 21% higher than 2018 first half, reflected the strong realised pricing partly offset by royalties, taxes and higher capital spend. This was largely sustaining capital, but also included Koodaideri early works. "

## **U.S. Steel's Q2 Earnings: What Should You Expect?**

### U.S. Steel's Q2 earnings release

U.S. Steel's Q2 earnings are scheduled to be released Thursday. Although the stock fell to its 52-week low in May, it has bounced back. U.S. Steel's year-to-date losses have fallen to 13.4%. So far, the earnings season has been mixed for steel investors. Nucor (NUE) and Steel Dynamics (STLD) missed the consensus earnings estimates. AK Steel (AK) posted better-than-expected earnings. However, the company's top line was lower compared to analysts' expectations.

### Earnings estimates

U.S. Steel will likely post revenues of \$3.45 billion in the second quarter. In comparison, the company posted revenues of \$3.49 billion in the first quarter and \$3.61 in the second quarter of 2018. The shipments and average selling prices drive U.S. Steel's revenues. According to the first-quarter earnings call, U.S. Steel expects its second-quarter US flat-rolled shipments to rise on a sequential basis. The flat-rolled segment is U.S. Steel's biggest segment. The company also alluded to weaker shipments in Europe—its second-biggest segment.

### Shipments might fall

Last month, while releasing its second-quarter earnings guidance, U.S. Steel said that flat-rolled "second quarter shipments are lower than we expected due to flooding in the southern United States, which has limited the availability of barges and our ability to ship finished product to customers over the past few weeks." In light of the guidance and the sharp fall in steel prices, U.S. Steel's second-quarter revenue estimates look aggressive. AK Steel also missed its second-quarter revenue estimates.

### Average selling prices

Average selling prices could drag U.S. Steel's Q2 earnings. US spot steel prices fell sharply in the second quarter. Lower spot steel prices also took a toll on Nucor and Steel Dynamics' second-quarter average selling prices. However, AK Steel dodged the

bullet due to its high exposure to contract sales. Lower average selling prices would also have a negative impact on U.S. Steel's second-quarter profitability.

### U.S. Steel's Q2 earnings guidance

Last month, U.S. Steel provided its second-quarter earnings guidance. The company expects to post an adjusted EBITDA of \$250 million in the second quarter. U.S. Steel's second-quarter earnings guidance was lower than analysts' projections. Nucor and Steel Dynamics also had weaker-than-expected second-quarter guidance. U.S. Steel posted an adjusted EBITDA of \$285 million in the first quarter and \$451 million in the second quarter. The analysts polled by Thomson Reuters expect U.S. Steel to post an adjusted EBITDA of \$263 million in the second quarter.

### Expectations from U.S. Steel's Q2 earnings call

U.S. Steel's Q2 earnings call is scheduled for Friday. During U.S. Steel's second-quarter earnings call, markets will listen for comments on US and Europe steel markets. US steel prices bounced back last month. Prices fell to multi-month lows in June. Falling steel prices prompted U.S. Steel to close two US blast furnaces. The company also announced the closure of one of its Europe blast furnaces. During U.S. Steel's second-quarter earnings call, management might throw some light on the financial impact. U.S. Steel might face questions about its automotive sales. Nucor and AK Steel are gaining market shares. The gains might impact their peers.

### **What to Know about AK Steel's Q2 Earnings Beat**

AK Steel (AKS) posted its second-quarter results yesterday after markets closed, beating analysts' expectation for a second straight quarter. However, it missed their top-line estimate and lowered its 2019 guidance due to US spot steel prices' sharp decline. AK Steel earned revenue of \$1.68 billion in the second quarter, compared with \$1.69 billion in the first quarter and \$1.75 billion in the second quarter of 2018. Analysts expected AK Steel to post revenue of \$1.74 billion in Q2. However, the company's revenue estimates looked aggressive given the automotive market's weakness.

### Key drivers of AK Steel's Q2 earnings beat

AK Steel managed to beat its bottom-line estimates. The company reported adjusted EBITDA of \$151 million in the quarter, compared with \$161 million in the first quarter and \$148 million in the second quarter of 2018. Iron ore derivative contracts were the key driver of AK Steel's Q2 earnings beat. The company said, "Adjusted EBITDA in the recent second quarter included mark-to-market gains of \$35.4 million from iron ore derivatives."

In the second quarter, AK Steel's EPS rose 18% YoY (year-over-year) to \$0.21, beating expectations by a wide margin. However, its earnings estimates were quite conservative in the first place. Nucor (NUE) and Steel Dynamics (STLD) posted worse-than-expected earnings earlier this month, but both companies have an optimistic outlook for US steel prices.

#### Drilling deeper into earnings

In the second quarter, AK Steel's flat-rolled steel shipments were flat sequentially but fell 3.3% YoY to 1.39 million tons. Its shipment profile continues to disappoint—the company's Q2 average flat-rolled steel realized price was \$1,102 per ton, down 0.89% sequentially. Nucor's and Steel Dynamics' average realized prices fell sharply in the second quarter. Since AK Steel has a much lower spot exposure, its average selling prices haven't fallen in tandem with spot steel prices. However, the company's 2020 contract pricing could be impacted by US steel prices' deterioration.

#### Guidance lowered

AK Steel has lowered its 2019 guidance, reducing it to adjusted EBITDA expectation to \$470 million–\$490 million from \$505 million–\$525 million. The company lowered its EBITDA guidance during its first-quarter earnings call as well. Its 2019 guidance does not include the \$77.4 million charge associated with the Ashland Works closure announced earlier this year. It has been idled since 2015. U.S. Steel Corporation (X) has also announced the idling of two US blast furnaces and one blast furnace in Europe. U.S. Steel is set to release its Q2 results on Thursday.

## Daily Market

### Brief Market Analysis

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

### Ferrosilicon futures 1909 contract

1. Futures warehouse: The number of warehouse receipts was 4043, and the warehouse receipts were 20215 tons, of which 840 was valid for the number of warehouse orders.
2. The futures main force 1909: closing price was around 5910.
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 1909 daily specific performances:

Date	Opening price	Closing price	Range %	Settlement Price	Trading volume
------	---------------	---------------	---------	------------------	----------------

August 1 <sup>st</sup>	5970	5972	↓ 0.37	5984	73740
August 2 <sup>nd</sup>	5942	5910	↓ 1.24	5940	83314

## Currency exchange rate

Currency exchange RMB&USD

Intermediate exchange rate of RMB exchange rate in the inter-bank foreign exchange market: RMB: USD 6.9225.

## International Data

### China's ferrosilicon(>55%) exports decline in June

China's ferrosilicon(>55%) exports declined about 48.7 percent year-on-year to 26240.282 tons in June, according to China Customs. The data of May, 2019 was 36470.087 tons and data of the same period of 2018 was 51152.133 tons.

Japan and Korea were top export countries of China's ferrosilicon(>55%), total volume of the two countries was 16391.72 tons, 62.47 percent of China's ferrosilicon(>55%) export volume in June, including 9038.72 tons to Japan(down about 46.3 percent from May, 2019) and 7353 tons to Korea(down about 22.96 percent from May, 2019).

Top 10 countries/areas imported ferrosilicon(>55%) from China in June				
Code	Commodity	Countries/areas	Tons	\$
72022100	Ferrosilicon(>55%)	Japan	9038.72	10,828,085
72022100	Ferrosilicon(>55%)	Korea	7353	8,456,821
72022100	Ferrosilicon(>55%)	Indonesia	1698	1,947,729
72022100	Ferrosilicon(>55%)	Vietnam	1426	1,492,107
72022100	Ferrosilicon(>55%)	India	1297.5	1,223,715
72022100	Ferrosilicon(>55%)	Taiwan Penghu Kinmen and Matsu	1107.302	1,317,520
72022100	Ferrosilicon(>55%)	Thailand	1065	1,229,058
72022100	Ferrosilicon(>55%)	Malaysia	790	877,964
72022100	Ferrosilicon(>55%)	Mexico	676.2	773,464
72022100	Ferrosilicon(>55%)	Turkey	373	309,537

### China's ferrosilicon(>55%) exports decline in H1



China's ferrosilicon(>55%) exports declined about 28 percent year-on-year to 218202.51 tons in the first half of 2019, according to China Customs. The data of the same period of 2018 was 303112.249 tons.

Japan imported 71829.407 tons of ferrosilicon(>55%) from China in the first half of 2019, 32.9 percent of total export volume of China's ferrosilicon(>55%) from January to June.

Korea imported 47418.1 tons of ferrosilicon(>55%) from China in the first half of 2019, 21.7 percent of total export volume of China's ferrosilicon(>55%) from January to June.

Top 10 countries/areas imported ferrosilicon(>55%) from China in H1				
Code	Commodity	Countries/areas	Tons	\$
72022100	Ferrosilicon(>55%)	Japan	71829.407	85,000,999
72022100	Ferrosilicon(>55%)	Korea	47418.1	54,745,031
72022100	Ferrosilicon(>55%)	Indonesia	20898.472	24,442,142
72022100	Ferrosilicon(>55%)	India	20437.501	17,860,587
72022100	Ferrosilicon(>55%)	Taiwan Penghu Kinmen and Matsu	18292.85	21,865,002
72022100	Ferrosilicon(>55%)	Vietnam	7720.2	8,413,979
72022100	Ferrosilicon(>55%)	Thailand	5940.175	7,123,287
72022100	Ferrosilicon(>55%)	Mexico	5402.2	6,391,485
72022100	Ferrosilicon(>55%)	Chile	4262	5,066,143
72022100	Ferrosilicon(>55%)	Malaysia	2698.16	3,102,760

### China's ferrosilicon(≤55%) exports decline in June

China's ferrosilicon(≤55%) exports declined about 58.28 percent year-on-year to 2250.6 tons in June, according to China Customs. The data of May, 2019 was 2629.85 tons and data of the same period of 2018 was 5394.73 tons.

Japan and Korea were top export countries of China's ferrosilicon(≤55%), total volume of the two countries was 1415.1 tons, 62.88 percent of China's ferrosilicon(≤55%) export volume in June, including 1089.05 tons to Japan(220.05 tons more than May, 2019) and 326.05 tons to Korea(557.8 tons less than May, 2019).

Top 10 countries/areas imported ferrosilicon(≤55%) from China in June				
Code	Commodity	Countries/areas	Tons	\$
72022900	Ferrosilicon(≤55%)	Korea	1089.05	1,501,188

72022900	Ferrosilicon(≤55%)	Japan	326.05	491,991
72022900	Ferrosilicon(≤55%)	Indonesia	253	331,403
72022900	Ferrosilicon(≤55%)	India	151.9	106,345
72022900	Ferrosilicon(≤55%)	Thailand	86.9	73,175
72022900	Ferrosilicon(≤55%)	Taiwan Penghu Kinmen and Matsu	83.2	130,271
72022900	Ferrosilicon(≤55%)	巴林	72.5	93,735
72022900	Ferrosilicon(≤55%)	Vietnam	66	94,290
72022900	Ferrosilicon(≤55%)	Malaysia	48	88,610
72022900	Ferrosilicon(≤55%)	Iran	25	27,374

### **China's ferrosilicon(≤55%) exports are flat with last year**

China's ferrosilicon(≤55%) export volume was 16839.111 tons, was almost flat with last year(16834.497 tons) were almost flat with last year and the data of the same period of 2018 was 16834.497 tons.

Korea imported 5726.05 tons of ferrosilicon(≤55%) from China in the first half of 2019, about 34 percent of China's total export volume in H1.

Japan imported 3625.15 tons of ferrosilicon(≤55%) from China in the first half of 2019, about 21.53 percent of China's total export volume in H1.

<b>Top 10 countries/areas imported ferrosilicon(≤55%) from China in H1</b>				
<b>Code</b>	<b>Commodity</b>	<b>Countries/areas</b>	<b>Tons</b>	<b>\$</b>
72022900	Ferrosilicon(≤55%)	Korea	5726.05	7929551
72022900	Ferrosilicon(≤55%)	Japan	3625.15	5326015
72022900	Ferrosilicon(≤55%)	India	2468.02	1037471
72022900	Ferrosilicon(≤55%)	Indonesia	789.125	983307
72022900	Ferrosilicon(≤55%)	Mexico	721	802577
72022900	Ferrosilicon(≤55%)	Taiwan Penghu Kinmen and Matsu	653.8	899220
72022900	Ferrosilicon(≤55%)	Malaysia	583	817304
72022900	Ferrosilicon(≤55%)	Thailand	532.9	711055
72022900	Ferrosilicon(≤55%)	Vietnam	365.5	509801
72022900	Ferrosilicon(≤55%)	Turkey	270	349715

### Japan ferrosilicon (>55%) import 35396 tons in June

Japan imported a total of 35396 tons of ferrosilicon (>55%) in June, including 10218.8 tons from China (about 28.87 pct of its total imports). Japan imported the largest volume from Russia in June, which was about 14394.5 tons and 40.67 pct of the total imports of Japan in June.

In the first half of 2019, Japan imported ferrosilicon (>55%) about 222831 tons in total, including 36851 tons from China, about 16.53 pct.

COMMODITY	COUNTRY NAME	CURRENT MONTH QUANTITY (TONS)	CURRENT MONTH VALUE (1000YEN)	CUMULATIVE YEAR TO DATE QUANTITY (TONS)	CUMULATIVE YEAR TO DATE VALUE (1000YEN)
7202. 21-000	R KOREA	-	-	160. 66	20671
7202. 21-000	TAIWAN	-	-	80281. 439	28593
7202. 21-000	TURKEY	-	-	206. 98	12762
7202. 21-000	RUSSIA	14394. 521	1835613	45. 025	8522620
7202. 21-000	CHINA	10218. 8	1368857	36850. 936	10943827
7202. 21-000	BRAZIL	4523	1024598	57	6567294
7202. 21-000	MALYSIA	3875. 36	490500	8315. 4	4842085
7202. 21-000	ICELAND	1444. 7	307557	3051. 545	1732722
7202. 21-000	NORWAY	729. 27	146875	106. 97	670047
7202. 21-000	BELGIUM	106. 97	13110	1348. 84	13110
7202. 21-000	FRANCE	80	12470	64581. 582	279653
7202. 21-000	THAILND	11	2337	99. 39	9988
7202. 21-000	INDIA	8	1504	16. 597	10703
7202. 21-000	SLOVENI	4. 56	1160	27709	4392
TOTAL		35396. 181	5204581	222831. 364	33658467

### Japan imported 9799 tons of ferrosilicon (≤55%) in H1

Japan imported about 842 tons of ferrosilicon (≤55%) in June, including 320 tons from China, about 38 pct.

In the first half of 2019, Japan ferrosilicon (≤55%) imports totaled about 9799 tons, and imported 3825 tons of ferrosilicon (≤55%) from China, about 39 pct of its total ferrosilicon (≤55%) imports in June.

COMMODITY	COUNTRY NAME	CURRENT MONTH QUANTITY (TONS)	CURRENT MONTH VALUE (1000YEN)	CUMULATIVE YEAR TO DATE QUANTITY (TONS)	CUMULATIVE YEAR TO DATE VALUE (1000YEN)
7202.29-000	BRAZIL	-	-	361	39660
7202.29-000	S AFRCA	-	-	80.125	12394
7202.29-000	THAILND	327.16	73497	1395.67	311046
7202.29-000	CHINA	320.328	61539	3825.358	722037
7202.29-000	NORWAY	93.45	17687	396.95	76630
7202.29-000	RUSSIA	69	8316	3614.189	439441
7202.29-000	SLOVENI	14.249	4168	22.946	6843
7202.29-000	FRANCE	6	2419	26	8989
7202.29-000	R KOREA	10	2253	55	11335
7202.29-000	USA	1.814	1447	21.714	5529
TOTAL		842.001	171326	9798.952	1633904

### **Korea ferrosilicon(>55%) imports down around 37.44 pct imports**

Korea imported 13464.3 tons of ferrosilicon(>55%) in June, 2019, down around 37.44 pct vs. the same period in 2018. In June, Korea imported the largest volume of ferrosilicon(>55%) from China (11743.15 tons, around 87.2 pct of its total imports in June and down 34.7 pct vs. the same period in 2018).

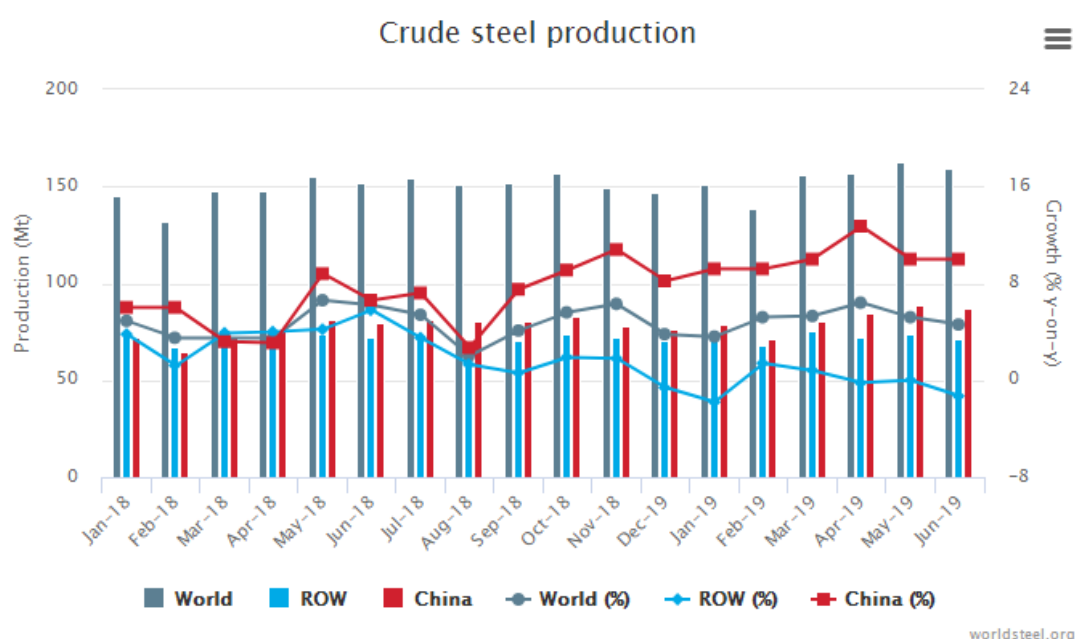
COUNTRY	June, 2019		June, 2018		Annual Percentagy Change
	USD	weight	USD	weight	weight
China	13289.00	11743.15	26112.00	17982.67	-34.70%
Russian Federation	1060.00	940.00	1139.00	860.00	9.30%
Malaysia	446.00	385.12	3850.00	2423.64	-84.11%
Taiwan Province of China	204.00	200.00	0.00	0.00	-
India	87.00	60.00	156.00	96.00	-37.50%
Norway	93.00	40.00	98.00	40.00	0.00%
Germany	125.00	34.02	74.00	20.60	65.11%
Japan	41.00	22.01	43.00	18.00	22.28%
South Africa	38.00	20.00	0.00	0.00	-
France	39.00	17.00	110.00	40.00	-57.50%
Thailand	4.00	3.00	46.00	23.00	-86.96%

Bhutan	0.00	0.00	30.00	19.00	-100.00%
Total	15426.00	13464.30	31658.00	21522.91	-37.44%

## June 2019 crude steel production

World crude steel production for the 64 countries reporting to the World Steel Association (worldsteel) was 159.0 million tonnes (Mt) in June 2019, a 4.6% increase compared to June 2018.

World crude steel production was 925.1 Mt in the first six months of 2019, up by 4.9% compared to the same period in 2018. Asia produced 660.2 Mt of crude steel, an increase of 7.4% over the first half of 2018. The EU produced 84.7 Mt of crude steel in the first half of 2019, down by 2.5% compared to the same period of 2018. North America's crude steel production in the first six months of 2019 was 60.1 Mt, an increase of 1.4% compared to the first half of 2018. The C.I.S. produced 50.5 Mt of crude steel in the first six months of 2019, the same as in the first six months of 2018.



China's crude steel production for June 2019 was 87.5 Mt, an increase of 10.0% compared to June 2018. India produced 9.3 Mt of crude steel in June 2019, an increase of 4.0% compared to June 2018. Japan produced 8.8 Mt of crude steel in June 2019, down 0.4% on June 2018. South Korea's crude steel production was 6.0 Mt in June 2019, a decrease of 2.6% on June 2018.

In the EU, Germany produced 3.4 Mt of crude steel, down by 5.8% on June 2018. Italy produced 2.1 Mt of crude steel, down by 2.5% on June 2018. France produced 1.3 Mt of crude steel, an increase of 3.4% compared to June 2018. Spain produced 1.2 Mt of crude steel, up by 2.3% on June 2018.

The US produced 7.3 Mt of crude steel in June 2019, an increase of 3.1% compared to June 2018.

Brazil's crude steel production for June 2019 was 2.8 Mt, down by 3.1% on June 2018.

Turkey's crude steel production for June 2019 was 2.7 Mt, down by 11.0% on June 2018.

Crude steel production in Ukraine was 1.7 Mt this month, down 3.0% on June 2018.(AISI)

### **China's industrial profits shrink in H1**

Profits of China's major industrial firms fell 2.4 percent year on year in the first half of 2019, data from the National Bureau of Statistics (NBS) showed Saturday.

In H1, profits in the steel sectors slumped 21.8 percent.

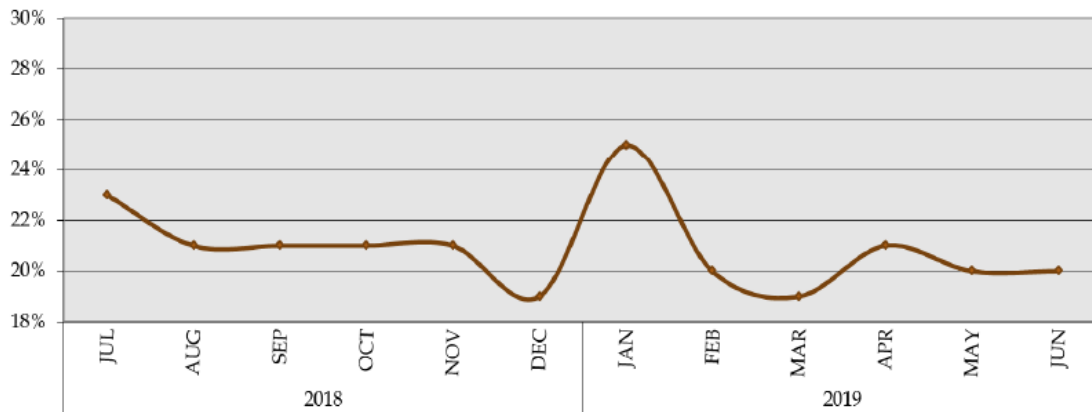
### **US Steel imports down 13% year-to-date**

Based on final Census Bureau data, the American Iron and Steel Institute (AISI) reported today that the U.S. imported a total of 2,023,000 net tons (NT) of steel in June 2019, including 1,711,000 net tons (NT) of finished steel (down 2.5% and 8.3%, respectively, vs. May final data). Through the first six months of 2019, total and finished steel imports are 15,620,000 and 11,676,000 net tons (NT), down 12.7% and 16.7%, respectively, vs. the same period in 2018. Annualized total and finished steel imports in 2019 would be 31.2 and 23.4 million NT, down 7.4% and 9.1%, respectively, vs. 2018. Finished steel import market share was an estimated 20% in June and is estimated at 21% over the first six months of 2019.

Key finished steel products with a significant import increase in June compared to May were tin plate (up 70%), mechanical tubing (up 14%) and wire rods (up 12%).

In June the largest volumes of finished steel imports from offshore were from South Korea (163,000 NT, down 44% from May final), Japan (112,000 NT, down 9%), Germany (100,000 NT, up 56%), Taiwan (86,000 NT, up 7%) and Vietnam (59,000 NT, down 3%). For the first six months of 2019, the largest offshore suppliers were South Korea (1,450,000 NT, down 17% vs. the same period in 2018), Japan (723,000 NT, down 2%), Germany (617,000 NT, down 7%), Taiwan (522,000 NT, down 7%) and Vietnam (427,000 NT, down 16%). (AISI)

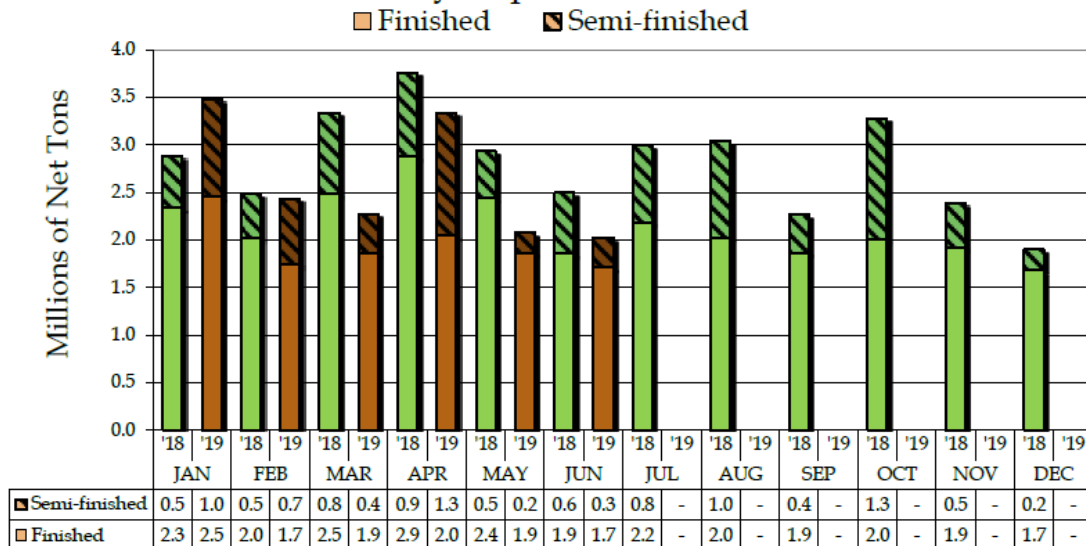
Estimated Finished Steel Import Market Share for the Past 12 Months



U.S. IMPORTS OF FINISHED STEEL MILL PRODUCTS  
BY COUNTRY OF ORIGIN  
(thousands of net tons)

COUNTRY	June 2019 Prelim.	May 2019 Final	% incr. June vs. May	YTD 2019 (6 mo.)	YTD 2018 (6 mo.)	% incr. '19 vs. '18	2019 Ann.	2018 12 mo.	% incr. 2019 vs. '18
South Korea	163	290	-43.9%	1,450	1,742	-16.8%	2,899	2,764	4.9%
Japan	112	124	-9.2%	723	741	-2.4%	1,447	1,383	4.6%
Germany	100	64	56.3%	617	660	-6.6%	1,233	1,339	-7.9%
Taiwan	86	81	6.8%	522	560	-6.7%	1,045	1,069	-2.2%
Vietnam	59	61	-3.4%	427	509	-16.0%	855	1,110	-23.0%
China	56	47	19.0%	347	381	-9.0%	693	696	-0.4%
Brazil	15	43	-64.4%	317	418	-24.2%	633	479	32.1%
Italy	31	46	-32.6%	314	252	25.0%	629	605	3.9%
All Other	1,089	1,111	-1.9%	6,959	8,749	-20.5%	13,917	16,249	-14.4%
Total	1,711	1,865	-8.3%	11,676	14,011	-16.7%	23,351	25,694	-9.1%

Monthly Imports 2019 vs. 2018



% change finished imports June 2019 vs. June 2018 -7.8%

## Coming Events



The banner features a desert landscape with sand dunes and a caravan of camels in the foreground. The background is a bright blue sky with soft clouds and bokeh light effects. In the top left corner, there are four logos: '中国铁合金网 Ferro-Alloys.com', 'THAN HUAN MANG NE', '金开锰业 JIN KAI MANG NE', and '景合津 JING HE JIN'. The year '2019' is displayed in large, light blue digits in the top right corner.

**2019**

**第七届电解锰国际会议**  
*The 7<sup>th</sup> Electrolytic Manganese International Conference*

**2019年8月21-23日 宁夏银川**  
**August 21-23, 2019 Yinchuan, Ningxia**