



MARKET REVIEW: GLOBAL

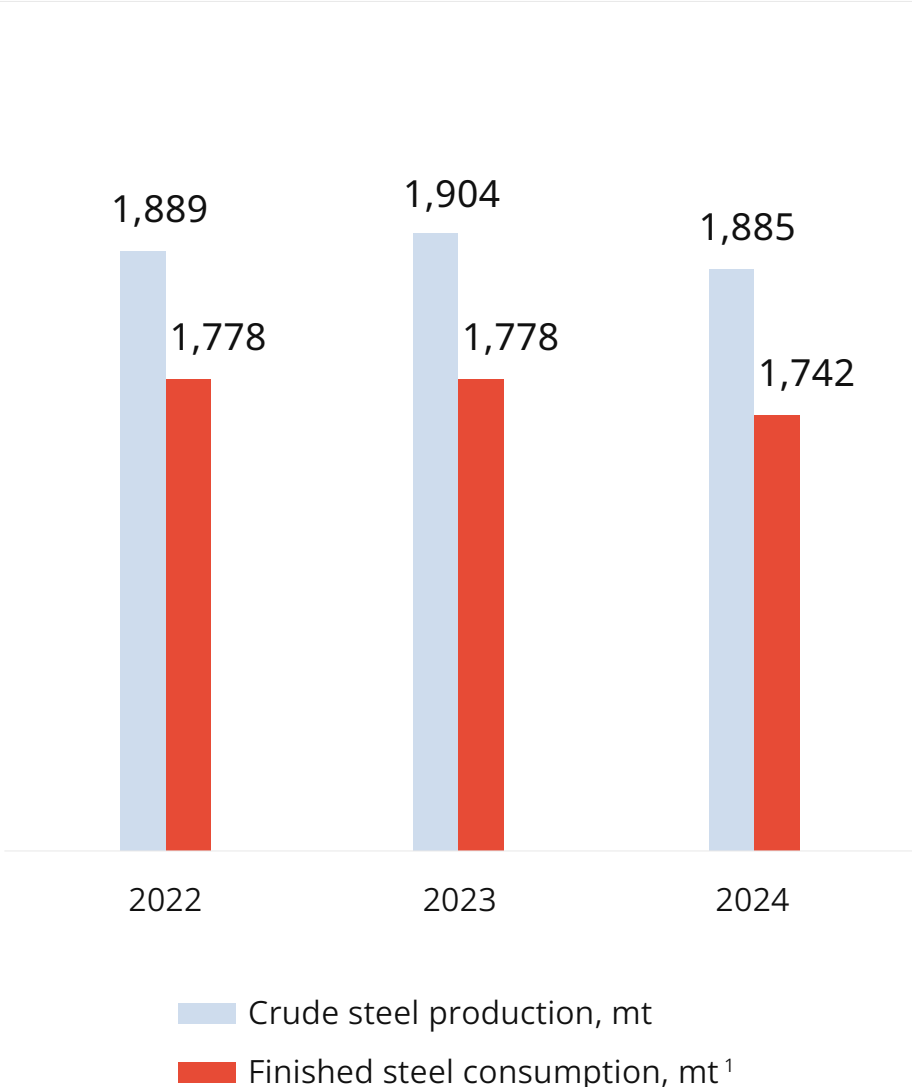
SHIFTING DYNAMICS

In 2024, the global steel and raw materials markets experienced subdued demand and downward price pressures amid broader economic uncertainty. Consumption showed multidirectional dynamics in different regions, while persistent supply and competitive trade flows weighed on benchmark prices.

GLOBAL STEEL MARKET

In 2024, the global steel market encountered muted demand and profitability constraints. Ongoing macroeconomic uncertainties, including elevated interest rates and potential trade tensions, shaped the trajectory of steel consumption worldwide. Trade flows continued to evolve, influenced by competitive pricing dynamics and China’s increased export activity because of ongoing domestic oversupply. At the same time, steel supply on international markets showed a limited response to weaker demand.

GLOBAL STEEL INDUSTRY



Source: WSA

Overall, global apparent consumption of finished steel products dropped by 2.0% year-on-year to 1,742 million tonnes during the reporting period, while global crude steel production fell by 1.0% year-on-year to 1,885 million tonnes.

China continued to account for roughly half of steel demand and supply worldwide. Domestic steel demand continued to decline due to an ongoing housing market crisis: apparent consumption of finished steel products dropped by 5.4% year-on-year to 857 million tonnes.

STEEL PRICE AND EXPORTS FROM CHINA



Source: Bloomberg, General Administration of Customs of the People's Republic of China, Metal Expert

At the same time, the country’s crude steel production fell at a slower pace: by 2.3% year-on-year to 1,005 million tonnes. This prompted local producers to significantly increase exports to an all-time record of 117 million tonnes, up 25% year-on-year, which put downward pressure on global steel prices.

Excluding China, in the rest of the world, crude steel production increased by 0.5% year-on-year to 879 million tonnes, while apparent consumption of finished steel products rose by 1.5% year-on-year to 886 million tonnes. Among divergent regional performances, India led in absolute growth in steel production and demand, driven by an influx of public investment in infrastructure. The country’s steel production totalled 149 million tonnes, up 6.2% year-on-year, while consumption was 148 million tonnes, up 11.4% year-on-year. In the EU, despite pressure from a crisis in the auto industry, high energy prices and import competition, steel production rose by 2.7% year-on-year to 130 million tonnes and consumption inched up by 0.2% year-on-year to 130 million tonnes. Türkiye delivered strong growth in steel production due to increased exports, up 9.4% year-on-year to 37 million tonnes, while demand rose 0.8% year-on-year to 38 million tonnes.

The global steel market also continued to be shaped by the ongoing war in Ukraine and the EU’s sanctions on Russian steel imports. The EU implemented quotas on Russian pig iron and HBI, limiting imports further in 2024 with an additional reduction slated for 2025 before a complete ban comes into effect. Despite these measures, semi-finished steel products from the sanctioned country remained present in the EU market, with imports of several million tonnes during the reporting period. Ukraine’s steel industry showed resilience, increasing production in the year, aided by the reopening of Black Sea navigation in the second half of 2023.

Global steel prices continued to fall for both flat and long rolled products. The annual average HRC CFR Italy benchmark was US\$637 per tonne in 2024, down 9% year-on-year. The monthly average peaked at US\$719 per tonne in January and bottomed at US\$588 per tonne in November, ending the year at US\$596 per tonne in December.

¹ Apparent consumption of finished steel products.



GLOBAL RAW MATERIALS MARKET

In 2024, the global iron ore market entered a more bearish cycle. A period of stable or slightly rising export supplies coincided with waning market appetite from key importing regions. These factors led to heightened price pressures.

China dominated seaborne iron ore imports but faced weaker steel output amid a protracted slump in its construction sector and a shift towards increased scrap usage. Meanwhile, European steelmakers saw a cautious recovery tempered by broader economic headwinds.

Iron ore imports to China totalled 1,238 million tonnes, up 4.9% year-on-year. This made up 75.2% of global imports, according to World Steel Association (WSA) data. Globally, iron ore exports came primarily from Australia and Brazil, which accounted for 76.8% of the market. Seaborne deliveries from the former rose by 0.4% year-on-year to 902 million tonnes, while shipments from the latter climbed by 1.8% year-on-year to 389 million tonnes, according to the WSA.

Global iron ore prices remained under pressure from slightly rising supply, restrained demand (particularly in China) and ongoing market caution over broader economic stimulus and trade policies. The 62% Fe iron ore fines CFR China benchmark monthly average price peaked at US\$136 per dry metric tonne (dmt) in January 2024, bottomed at US\$93 per dmt in September and closed out the year at US\$102 per dmt in December. The annual average 62% Fe iron ore fines CFR China benchmark price decreased by 10% year-on-year to US\$109 per dmt.

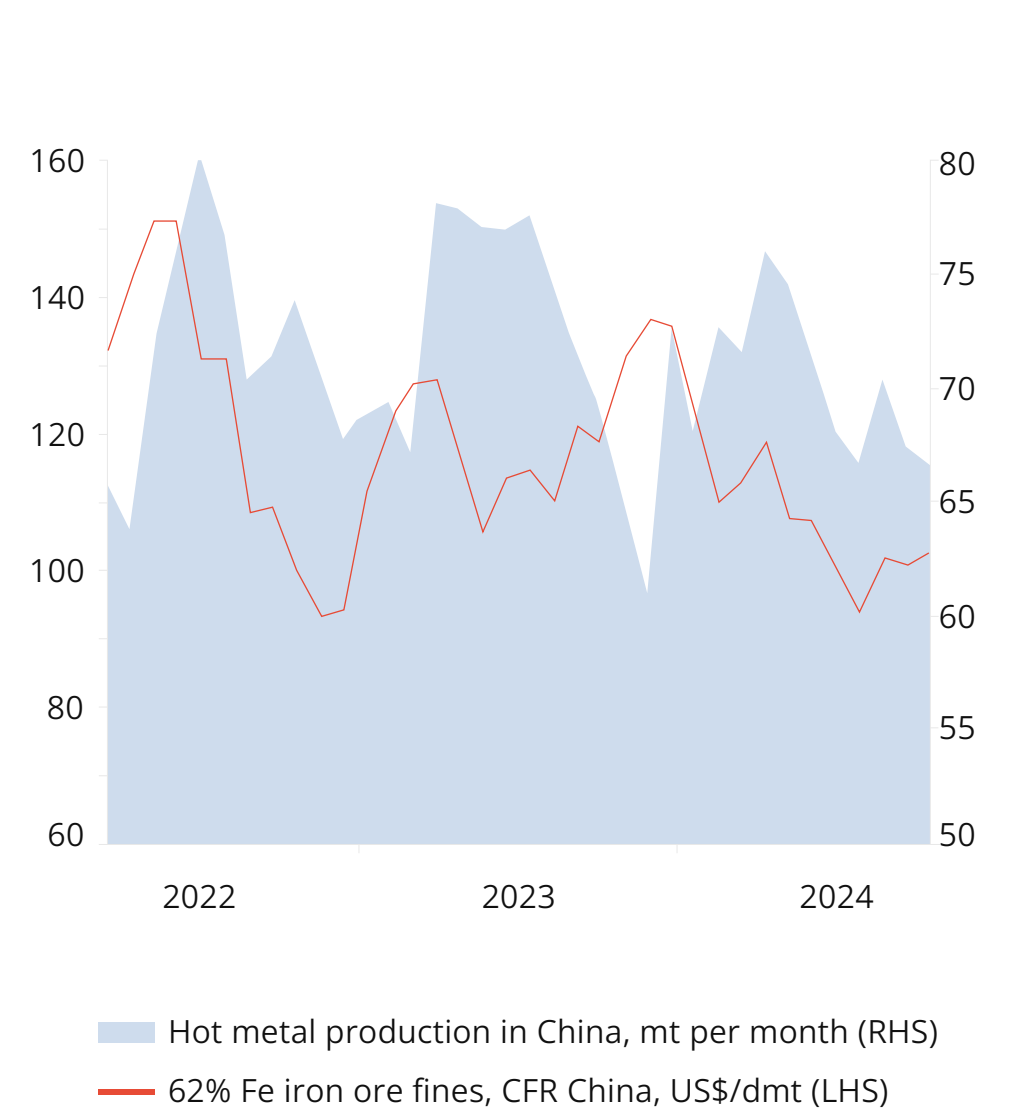
Pellet premiums fell year-on-year as a consequence of limited demand and continued margin pressures for steelmakers in both Europe and China. The premium in Europe decreased by 10% year-on-year to US\$40 per tonne, while in China it fell by 20% year-on-year to US\$15 per tonne.

The drivers of the global coking coal trade were marked by a rise in imports to China to record highs, reflecting the trade with Australia that resumed in 2023 following a three-year hiatus and accelerated in 2024. Conversely, volumes to India declined for the first time in three years. Meanwhile, supply remained steady overall. Structural shifts occurred as diversified mining companies divested coal assets, consolidating industry capacity into fewer, specialised players.

Global coking coal prices experienced a significant drop due to lower market demand for steel and intense price competition driven by high Chinese steel exports. Prices stabilised later in the year, supported by supply constraints from Australia and Canada.

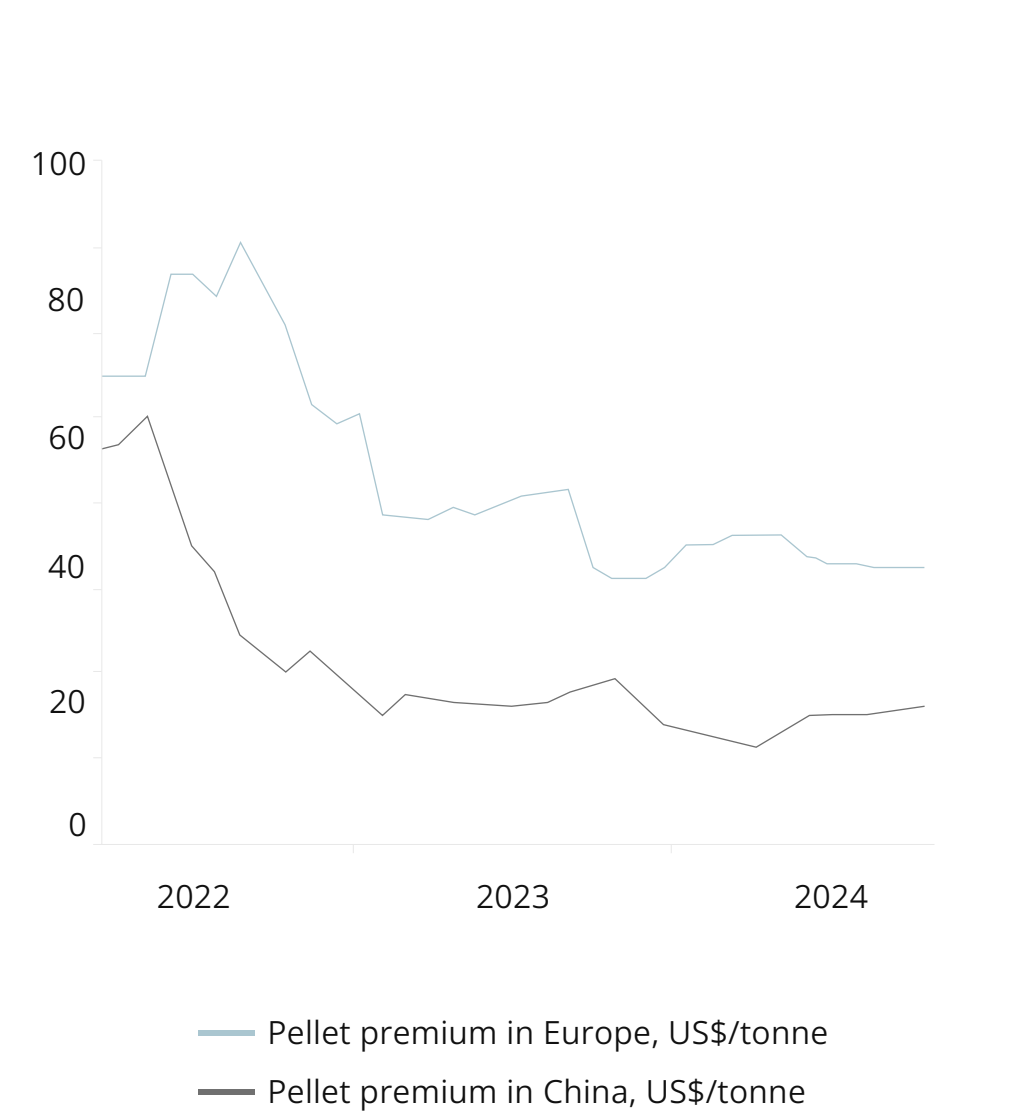
The average hard coking coal spot price index (premium LV, FOB Australia) fell by 19% to US\$241 per tonne. It peaked at US\$332 per tonne in January 2024, while the year's low was US\$187 per tonne in September. The average annual HCC LV FOB USEC benchmark price decreased by 16% year-on-year to US\$217 per tonne. It peaked at US\$264 per tonne in February and hit a bottom of US\$188 per tonne in December.

IRON ORE PRICE



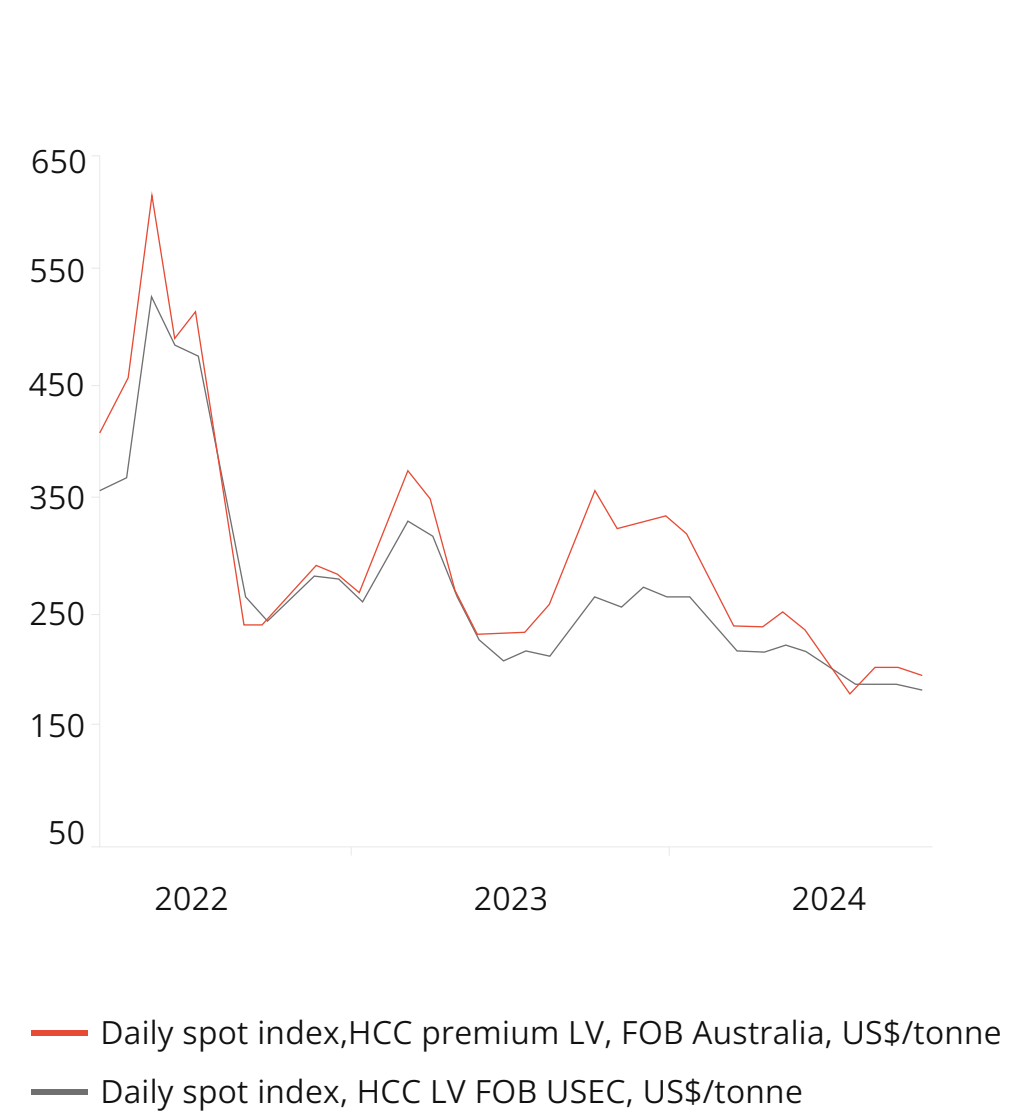
Source: Bloomberg, WSA

IRON ORE PELLET PREMIUMS



Source: Platts

HARD COKING COAL PRICES



Source: Platts