

Steel

November steel production updates

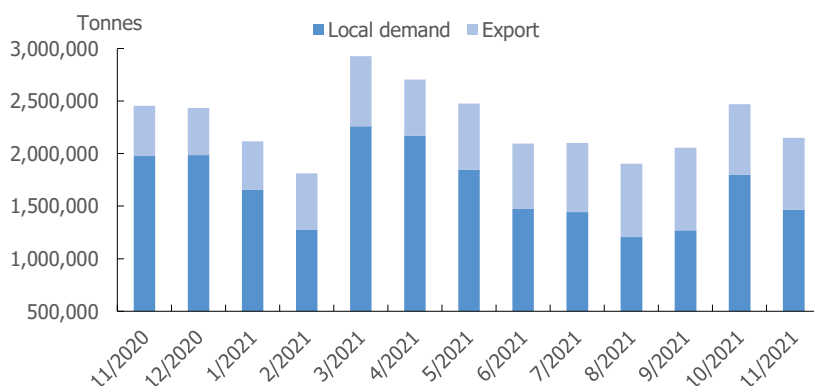
Domestic-demand revival pulled back

- On December 16, Vietnam Steel Association (VSA) publicized the slightly increasing Nov steel production volume of 2.68mn tonnes, +1.1% mom, +9.3% yoy. The construction steel increased to 923,935 tonnes, +3.2% mom, +5.5% yoy while pipe steel decreased 6.5% mom to 178,070 tonnes, -28.9% yoy.
- The consumption volume was down 13% mom to 2.15mn tonnes, -12.5% yoy amid the revival expectation in the construction season.
- Breaking down to domestic sale volume (1.46mn tonnes, -18.4% mom, -25.9% yoy), we witnessed the pause in demand revival when construction and pipe steel volume both significantly plunged 44% yoy.
- The export-driven volume was still at a stable level of 2H21 – 685,167 tonnes, +1.6% mom, +43.2 yoy.
- Steel inventory as of end-Nov was 1.29mn tonnes, surging by 38.2% yoy, 12.2% mom.
- The movements of raw material input prices were mixed in the last 30 days: as of Dec 15, iron ore was around USD98/mt (+10USD/mt), China hot roll coil (HRC) increased to USD754/mt (-26USD/mt); Aust hard coking coal was around USD328/mt (-3USD/mt) amid the easing policy for the property sector in China.
- Based on quoted prices of Hoa Phat steel bar in Nov, the local prices of steel products were down to VND15.82mn/tonne.

11M21 landscape brisk

- Overall, Vietnam produced 28.3mn tonnes in the first 11M21 (+21.4% yoy). The total sale volume was also encouraging (24.8mn tonnes, +35.6% yoy).
- In detail, the local consumption volume was 17.8mn tonnes, +25.9% yoy while the export volume skyrocketed to 6.9mn tonnes, +69% yoy.

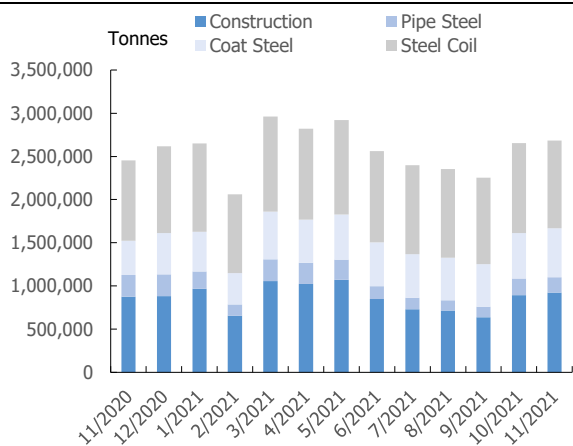
Figure 1. Domestic Demand & Export



Source: VSA, Fiiipro

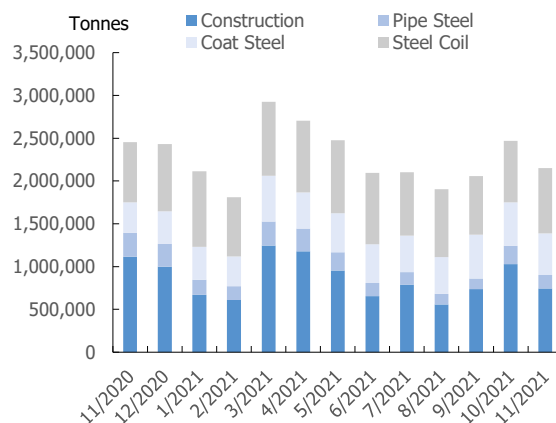
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Figure 2. Steel production stable in November



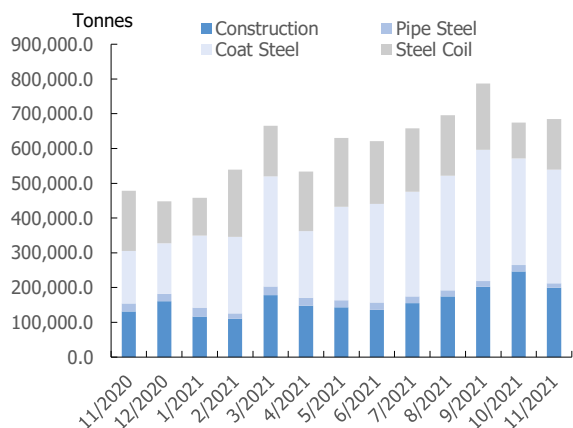
Source: VSA, Fiipro

Figure 3. Total steel consumption revival paused in November



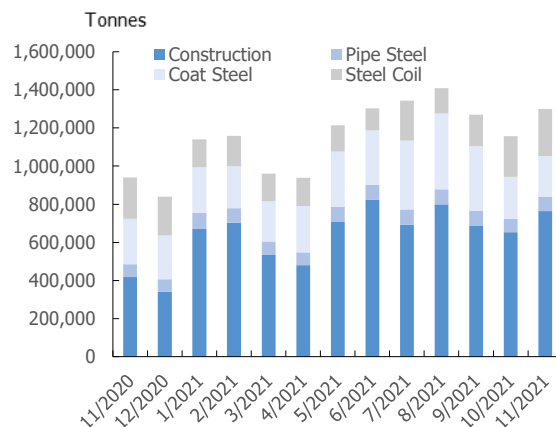
Source: VSA, Fiipro

Figure 4. Export volume still solid



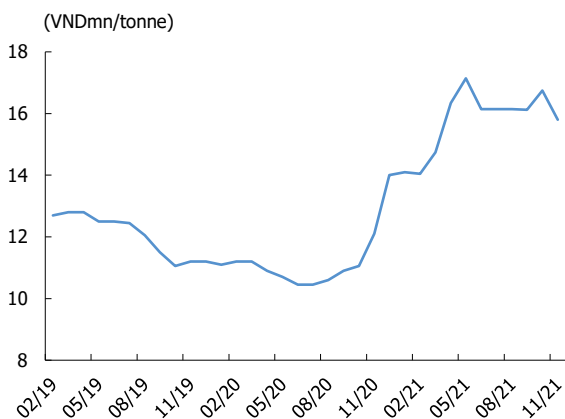
Source: VSA, Fiipro

Figure 5. Inventory volume still healthy



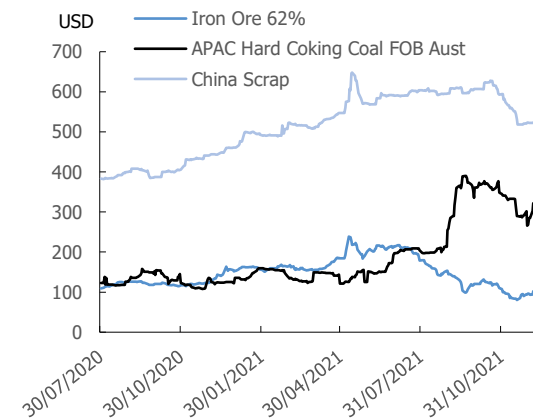
Source: VSA, Fiipro

Figure 8. Selling price of steel bar was down in Nov despite peak construction season.



Source: Fiin, Hoa Phat

Figure 9. Material input prices mixed in the last 30 days



Source: Bloomberg

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