

Steelmakers raise prices

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Calcutta: Indian steel producers have managed to hold on to the price hikes made at the beginning of the month despite a pushback by the buyers in the wake of the coronavirus pandemic.

Integrated producer Jindal Steel & Power Ltd (JSPL) said it had raised prices by Rs 500 a tonne, while JSW Steel hiked prices by Rs 500-800 a tonne, which are holding so far.

"The first 11 days of the month were outstanding for us. We sold more than we ever did during the period. I'm pretty sure this quarter will be a record. But we're not sure about April," Hervinder Singh, president of JSPL, said.

An official of JSW Steel also confirmed the hike of Rs 500-800 taken earlier this month was holding firm, making it four straight months of rise. But he cautioned about the outlook in April.

Singh was speaking at the sidelines of

LIMITED IMPACT

- Steel companies have raised prices in March
- Demand has not been hit despite coronavirus
- Analysts feared coronavirus could impact demand
- Industry unsure of April trend



a seminar organised by the Calcutta Chamber of Commerce on infrastructure and housing.

M.C. Agrawal, executive director (sales & ITD), Steel Authority of India Limited (SAIL), said the price increase in March was holding. "There is no let up in demand which is already recovering. Even though there is a fear factor because of coronavirus now, things will settle. At

best, the pick-up may be delayed by a month or two," he said.

Earlier this month, rating agency Icria came out with a report saying the rally in domestic prices could halt due to coronavirus. After touching a low of Rs 32,250 a tonne in the first week of November 2019, domestic hot-rolled coil (HRC) prices have been on the rise and are currently ruling at around Rs. 37,000 a tonne, implying an increase of 15 per cent in the last three months, the Icria note on March 5, said.

However, the virus scare has rapidly intensified, with the WHO declaring it a "pandemic". Consequently, Icria moderated the consumption growth forecast for the year 2020-21. "We estimate the domestic steel consumption growth to remain between 4 per cent and 5 per cent in 2020-21 against our November 2019 forecast of 6.5 per cent," Jayanta Roy, senior vice-president & group head, corporate sector ratings, Icria, said, in the note.