TELF AG Provides Sitrep on Ferro-Alloys Market Trends

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Lugano, Switzerland - August 23, 2023 - TELF AG, an international physical commodities trader with three decades of experience, has released a sitrep focusing on the recent trends and developments within the ferro-alloys sector. The report discusses the rise in chrome ore prices, driven by a surge in Chinese demand and supply constraints, and how these factors are influencing the broader market dynamics.

According to the recent article titled "TELF AG Ferro-Alloys Market Update – August 23, 2023," the ferro-alloys market is witnessing a notable uptick in prices of UG2 Cr ore. The increase is primarily attributed to the heightened demand from Chinese smelters, who are looking to replenish their stocks amidst constraints in port inventories. the analysis, based on data collected by Fastmarkets, indicates that chrome ore inventories in China remained stable, ranging from 1.98 million to 2.26 million tonnes during the past week. However, this inventory level is only sufficient to cover slightly over a month's ferrochrome (FeCr) production in China, a concern highlighted by industry experts.

TELF AG states that the price surge in chrome ore has had a ripple effect on the domestic Chinese market for ferrochrome. The increase in chrome ore costs, coupled with higher coke prices, has led to an upward movement in FeCr prices within the Chinese domestic market. This trend is mirrored by imported charge chrome prices, highlighting the interconnectedness of these markets.

As per the situation report, the impact of these market dynamics has been felt beyond China as well. Turkish lumpy chrome ore prices experienced a modest increase, reflecting a broader improvement in sentiment, particularly on the buy side. This underlines the interconnected nature of different market segments.

The insights also emphasize the crucial role played by China's robust stainless steel (STS) output in maintaining the stability and strength of both chrome ore and FeCr prices. The consistent demand for STS has provided essential support to the ferro-alloys market. Additionally, persistent logistical challenges in South Africa have further shaped market dynamics, creating an environment where supply constraints intersect with growing demand, influencing price movements.

TELF AG explores the meaning of the recent surge in ferrochrome (FeCr) prices, primarily in the stainless steel sector. However, the report acknowledges the potential for shifts in the broader demand landscape. With the ongoing escalation of feni prices, steel mills could face challenges sustaining support for ferrochrome producers due to rising acquisition costs. Amidst subdued demand, the supply side is also dealing with its complexities. The company suggests that these dual dynamics might eventually lead the market toward equilibrium in the near future.

In conclusion, the analysis of the recent fluctuations in the ferro-alloys market sheds light on the delicate balance between demand and supply. The efforts of Chinese smelters to replenish stocks, along with constrained port inventories and the interplay of various market variables, have triggered shifts in pricing across the ferro-alloys sector. As the industry continues to navigate these dynamics, TELF AG anticipates that the upcoming weeks will offer further insights into how these factors will continue to shape market trends and prices.

About TELF AG:

TELF AG is a full-service international physical commodities trader with over 30 years of experience in the industry. Headquartered in Lugano, Switzerland, the company operates globally, catering to customers and providing comprehensive solutions for commodities producers worldwide. TELF AG collaborates closely with producers to offer effective marketing, financing, and logistics solutions, enabling suppliers to concentrate on their core activities and access expansive markets across the globe.

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