

# TELF AG has released an article providing an update on the current state of the ferrochrome and alloy market

*TELF AG Ferrochrome Market Update  
Highlights Pricing Challenges Amid Weak Demand*

LUGANO, TICINO, SWITZERLAND, July 8, 2023 /EINPresswire.com/ -- [TELF AG](#), a full-service international physical commodities trader, has released an [article](#) providing an update on the current state of the [ferrochrome](#) and alloy market. The report reveals significant industry price fluctuations and challenges due to weakening demand and evolving market conditions.



An industry analyst at TELF AG, commented, "The ferrochrome and alloy market is currently grappling with pricing challenges across multiple regions. Factors such as poor downstream demand, the summer lull, and cost considerations among steel mills have led to a downward price trend."

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*An industry analyst at TELF AG*

The article focuses on key developments in Europe, China, and the United States that have contributed to these pricing challenges. It highlights the impact of poor downstream demand and cost considerations among steel mills in driving declining prices. The availability of cheaper Indian-origin material, meeting higher grade specifications, has also contributed to dampened spot prices.

FeCr Market Update:

The European charge and high-carbon ferrochrome benchmark for Q3 2023 settled at \$1.51 per lb, a 12.2% decrease from the previous quarter. This drop reflects weakening spot market

conditions and declining prices since mid-May. Sellers have responded by reducing their offers to maintain liquidity, while buyers have expressed affordability concerns after facing consistently high prices between March and May. The availability of Indian-origin material meeting higher grade specifications has further added downward pressure on spot prices.

#### China's FeCr Market:

Tsingshan, a leading stainless steel mill in China, reduced its tender price for July-delivery high-carbon ferrochrome by 200 yuan per tonne to 8,795 yuan (\$1,217). Although market participants anticipated a larger drop, they expressed satisfaction with the reduction. This price level allows ferrochrome smelters to achieve a slim profit margin or break-even point, ensuring a stable alloy supply for stainless steel mills. Domestic FeCr prices in China remained stable, while imported charge chrome prices slightly aligned with domestically produced material.



#### US FeCr Market and SiMn Outlook:

The US high-carbon ferrochrome market experienced minimal price changes, primarily due to reduced activity in the spot market during late June. As summer progresses, mills have decreased their engagement with the spot market. Suppliers remain concerned about the threat of lower-priced imported material, which could further soften prices. Meanwhile, all grades of low-carbon ferrochrome in the US witnessed continued decline, with aggressive offers observed in the market, particularly for Indian materials.

Chinese spot prices declined in the silicon manganese (SiMn) market as the market outlook weakened ahead of mills' July tenders. Smelters are hesitant to reduce prices before the tenders further, while mills and traders are adopting a wait-and-see approach, expecting prices to continue declining in the upcoming round of tenders.

#### FeSi Market Update:



China's ferrosilicon (FeSi) market has been significantly impacted by persistently weak demand and low raw material prices. Despite major smelters reducing production in recent months, prices have continued to decline. In June, China's FeSi production totaled 413,000 tonnes, with an average operating rate of around 53%. Exporters reported a bearish export market, driven by lower bids and the strength of the US dollar against the Chinese renminbi (RMB).

In conclusion, the global ferrochrome and alloy market faces pricing challenges as demand weakens and market conditions evolve. Industry participants must closely monitor market conditions and adapt their strategies to navigate these challenging dynamics.

Please refer to the full update published on TELF AG's website for more detailed information and analysis: <https://telf.ch/telf-ag-2023-market-roundup-week-27/>

Follow this link to access the full update: <https://telf.ch/telf-ag-ferrochrome-market-update-july-8-2023/>

#### About Telf AG:

TELF AG is a full-service international physical commodities trader with 30 years of experience in the industry. Headquartered in Lugano, Switzerland, the company operates globally, serving customers and providing solutions for commodities producers worldwide. TELF AG works in close partnership with producers to provide effective marketing, as well as financing and logistics solutions, which enable suppliers to focus on their core activities and to access far-reaching markets wherever they may be.

Its flexible, customer-focused approach allows TELF AG to create tailor-made solutions for each producer, thereby facilitating long-term partnerships. Additionally, consumers widely recognize them for their operational excellence and reliability.



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