



ICEX STEEL								
Market View		Moving Averages	SMA	EMA	SMA SIGNAL	EMA SIGNAL	Price Performance	
Open	29420.00	5 Days	28086	27920	BUY	BUY	Period	Performance
High	28680.00	10 Days	27669	27770	BUY	BUY	1 Week	3.35
Low	28420.00	20 Days	27267	27753	BUY	BUY	1 Month	1.99
Ltp*	28620.00	50 Days	28626	28781	SELL	SELL	3 Month	-17.92
Pr. Close	28500.00	100 Days	31115	30396	SELL	SELL	6 Month	-21.94
Value Change	120.00	200 Days	32717	32449	SELL	SELL	1 Year	-33.65
% Change	0.42							
52 Week High	29540	Technical Indicator				Daily Pivot Points Classic		
52 Week Low	25200	Name	Value	Name	Value	Resistance	Support	
Volume	386	RSI(14)	50.48	Williams%R	-36.07	28620	28250	
Value	11	CCI(14)	61.10	UltimateOsc	54.95	28750	28010	
Open Interest	764	ATR(14)	788.98	Stochastic		28990	27880	
Net Cng in OI	-7	MACD(12,26)	-164.34	%K	71.06	Pivot Point	28380	
% Cng in OI	-0.91	ADX(14)	22.66	%D	76.40			

India's steelmakers are trading at valuations lower than the previous two down cycles as U.S. President Donald Trump's protectionist tariffs and China's retaliation, waning demand in a slowing global economy and a stronger dollar pulled down metal prices. The Nifty Metal Index has tumbled nearly 30 percent so far in 2019, the most in four years. Fourteen of the 15 constituents of the gauge have fallen. ICEX Steel prices recovered in last 1 month period that about 2% but still prices has seen nearly 22% on erosion in last 6month period.

Iron ore turned costlier this time following disruption of supplies at Brazil's Vale SA, the world's largest producer of steelmaking raw material. Chinese steel price benchmark has fallen 8.50 percent this year while iron ore has jumped as much as 32 percent.

Business Environment

During the quarter, steel prices across geographies declined with weakening economic activities and uncertainty around the ongoing US-China trade conflict. This coincided with a sharp rise in iron ore prices due to supply disruptions and elevated coking coal costs. As a result, steel spreads dropped by around US\$ 80-100/ton in key markets.

In India, steel prices declined as subdued economic activity, seasonal slowdown and liquidity issues weighed on domestic consumption. Higher net imports further exacerbated the demand supply balance.

In Europe, the steel industry faces significant headwinds in terms of lower economic growth, uncertainty around Brexit and the trade conflict. This coupled with rising share of imports and elevated raw material prices has led to a sharp decline in steel spreads.

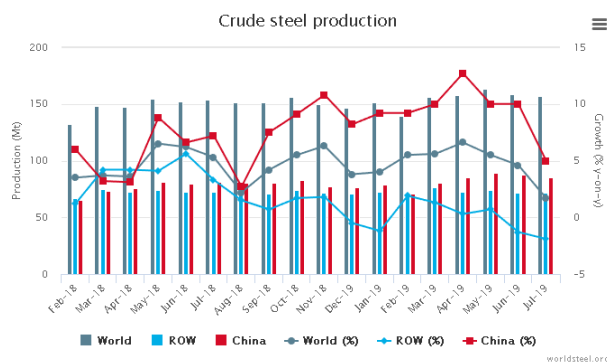


HIGHLIGHTS

- Steellong prices remained supported as supply worries on output cuts spurred downstream purchases.
- Cutbacks across EAF steel mills continue, Wu'an tightened its output cuts for September, and Tangshan put additional curbs on steel production for a certain period.
- Social inventories of long steel, including wire rods and rebar, in Guangzhou of Guangdong province, grew after six consecutive weeks of decline.
- Stocks increased 4.1% from a week ago to stand at 861,500 mt as of Wednesday September 4, compared to a drop of 1.3% in the week to August 28. The figure as of September 4 was some 36.92% higher than a year ago.
- Global crude steel production rose 1.7 percent to 157 million tonnes in July from the same month a year ago, figures from the World Steel Association showed.
- Crude steel output from China, the world's top producer and consumer of the alloy, rose to 85.2 million tonnes, up 5.0 percent from July 2018.

China's Import Market Share in Top Destinations

In 2018, the import market share for China's steel products decreased in all but one of China's top export destinations for which data are available. The share of South Korea's steel imports from China showed the largest decrease in 2018, down 9.6 percentage points from 2017, followed by import shares in India, the Philippines, and Pakistan down 8.5 percentage points, 3.2 percentage points, and 2.6 percentage points, respectively. The share of imports from China in Chile, Indonesia and Thailand also decreased in 2018. Among China's top export markets, South Korea, the Philippines, Pakistan and Chile received more than 50 percent of their total steel imports from China in 2018. Flat products accounted for the largest share of steel imports from China in all four countries. Flat products accounted for 57 percent (4.1 million metric tons) of imports in South Korea, 49 percent (2.1 million metric tons) of imports in the Philippines, 71 percent (1.3 million metric tons) of imports in Pakistan, and 78 percent (978 thousand metric tons) of imports in Chile.





World crude steel production for the 64 countries reporting to the World Steel Association (worldsteel) was 156.7 million tonnes (Mt) in July 2019, a 1.7% increase compared to July 2018.

China's crude steel production for July 2019 was 85.2 Mt, an increase of 5.0% compared to July 2018. India produced 9.2 Mt of crude steel in July 2019, an increase of 1.7% compared to July 2018. Japan produced 8.4 Mt of crude steel in July 2019, down 0.4% on July 2018. South Korea's crude steel production was 6.0 Mt in July 2019, a decrease of 2.1% on July 2018.

- The US produced 7.5 Mt of crude steel in July'19, an increase of 1.8% compared to July 2018.
- Brazil's crude steel production for July 2019 was 2.4 Mt, down by 20.7% on July 2018.
- Turkey's crude steel production for July 2019 was 2.9 Mt, down by 10.6% on July 2018.
- Crude steel production in Ukraine was 1.8 Mt this month, down 1.7% on July 2018.

Top 10 Export Markets	Share of Imports from China 2017	China's Rank in 2017	Share of Imports from China 2018	China's Rank in 2018	Change in Share
South Korea	58.2%	1	48.6%	1	↓
Vietnam*	N/A	N/A	N/A	N/A	N/A
Philippines	50.3%	1	47.1%	1	↓
Thailand	22.1%	2	21.9%	2	↓
Indonesia	26.7%	1	25.6%	1	↓
India	28.0%	2	19.5%	2	↓
Malaysia	24.1%	1	26.4%	1	↑
Pakistan	55.7%	1	53.1%	1	↓
Myanmar*	N/A	N/A	N/A	N/A	N/A
Chile	62.7%	1	61.2%	1	↓

Source: IHS Markit Global Trade Atlas, based on import data per reporting country

*Import data unavailable for Vietnam and Myanmar

China's biggest steelmaking city of Tangshan will carry out output restrictions

China's biggest steelmaking city of Tangshan will carry out output restrictions on industrial firms for September and early October, to further strengthen improvement of its air quality, state media reported. More than 30 steel mills in Tangshan have been asked to cut operations throughout the month. From Sept. 1 to 27, sintering operations at mills will be cut between 20% and 50% and blast furnaces by 30%, the state-backed China Metallurgical News cited a notice issued by Tangshan government. During the second phase of Sept. 28 to Oct. 4, near to the National Day holiday starting Oct. 1, mills will have to limit both their sintering and blast furnace output by 30% to 50%.

Eleven electric arc furnace (EAF) steelmakers will suspend production for five days

Eleven electric arc furnace (EAF) steelmakers in Sichuan, a landlocked province in Southwest China, will suspend production for five days each in the first half of September, according to a statement by their parent company, Sichuan Province Metallurgical Holdings Group Co., Ltd. released on its website on Monday September 2. This is expected to impact daily output by an average of 11,000 mt during September 1-15. The group also said that it will deepen the production curbs across its production bases in the second half of the month. Those steel mills stopped production for five days each in the month of August.



TECHNICALS



OUTLOOK

ICEX Steel after making low near 25000 to now trading near 28800 good bounce form lower levels of July 2019. Now prices are getting resistance levels at 28850-29000 levels for the short term.

Moreover, ICEX Steel price is sustaining below its major Exponential Moving Averages 200 on Daily time frame which suggests that not close above 29000 prices will under pressure for again downside 27500 & 26000. Buy any close above 29000 price momentum change for short term and any close above 200 DMA we can see upside from here and bullishness in this counter.

MACD on daily near to shift above Zero lines with positive crossover, which denotes that price may remain Bullish for the month ahead if price able to cross and sustain above 200 DMA 29000.

In additions, a momentum indicator RSI (14) trading above 55 levels, on Daily substructure which is suggested more Up momentum for coming days.

ICEX Steel Price is trading at uptrend and price has shifted above its middle “Bollinger Band” formation which designates the bullish Trend in the counter.

Overall, we hold our bullish view in ICEX STEEL for the coming months.

ICEX Steel trading near 28800, sustain above its major 200 DMA at 29000 we can see prices towards 30500-32000-33200 levels in the coming month. But till trading below 29000 prices will remain under pressure for the short term, downside support near 27200, 26400-25000.



STEEL PRICE MOVEMENT SINCE 2018													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Growth
2018								38150	36740	34960	33220	33340	-4810.00
									-3.70	-4.84	-4.98	0.36	-12.61
2019	33150	34290	33410	33380	30100	27790	28570	28650					-4690.00
	-0.57	3.44	-2.57	-0.09	-9.83	-7.67	2.81	0.28					-14.07
Average	-0.57	3.44	-2.57	-0.09	-9.83	-7.67	2.81	0.28	-3.70	-4.84	-4.98	0.36	Average

Important Economic Data this month

Date	Time	Zone	Data
3-Sep	7:30pm	USD	ISM Manufacturing PMI
5-Sep	5:45pm	USD	ADP Non-Farm Employment Change
6-Sep	6:00pm	USD	Average Hourly Earnings m/m
6-Sep	6:00pm	USD	Non-Farm Employment Change
6-Sep	6:00pm	USD	Unemployment Rate
6-Sep	10:00pm	USD	Fed Chair Powell Speaks
12-Sep	5:15pm	EUR	Main Refinancing Rate
12-Sep	5:15pm	EUR	Monetary Policy Statement
12-Sep	6:00pm	EUR	ECB Press Conference
12-Sep	6:00pm	USD	CPI m/m
12-Sep	6:00pm	USD	Core CPI m/m
13-Sep	6:00pm	USD	Core Retail Sales m/m
13-Sep	6:00pm	USD	Retail Sales m/m
18-Sep	11:30pm	USD	FOMC Economic Projections
18-Sep	11:30pm	USD	FOMC Statement
18-Sep	11:30pm	USD	Federal Funds Rate
19-Sep	12:00am	USD	FOMC Press Conference
19-Sep	6:00pm	USD	Philly Fed Manufacturing Index
23-Sep	12:45pm	EUR	French Flash Services PMI
23-Sep	1:00pm	EUR	German Flash Manufacturing PMI
23-Sep	1:00pm	EUR	German Flash Services PMI
24-Sep	7:30pm	USD	CB Consumer Confidence
26-Sep	6:00pm	USD	Final GDP q/q
27-Sep	6:00pm	USD	Core Durable Goods Orders m/m
27-Sep	6:00pm	USD	Personal Spending m/m
30-Sep	6:30am	CNY	Manufacturing PMI
30-Sep	7:15am	CNY	Caixin Manufacturing PMI



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Sudipto Datta, Compliance Officer



Stewart & Mackertich Wealth Management Ltd

5F, Vaibhav, 4 Lee Road, Kolkata – 700020, India

Contact No.: +91 33 4011 5414 /91 33 6634 5414

Email Id.: compliance@smifs.com / sudipta@smifs.com

Website: www.smifs.com