



is a leading steel information service in Englewood Cliffs, N.J., USA

WSD's steel experience, steel database and availability of steel statistics are the principles for performing steel forecasts, studies and analysis for international clients. WSD seeks to understand how the "pricing power" of steel companies the world over will be impacted by changes in the steel industry's structure. The views and opinions expressed in this article are solely those of World Steel Dynamics and not necessarily those of AIST.



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The HRB Steel price rollercoaster: WSD sees a ride in the world market for the remainder of 2017

The steel cost rollercoaster: Sharp altitude swings in a deep fog

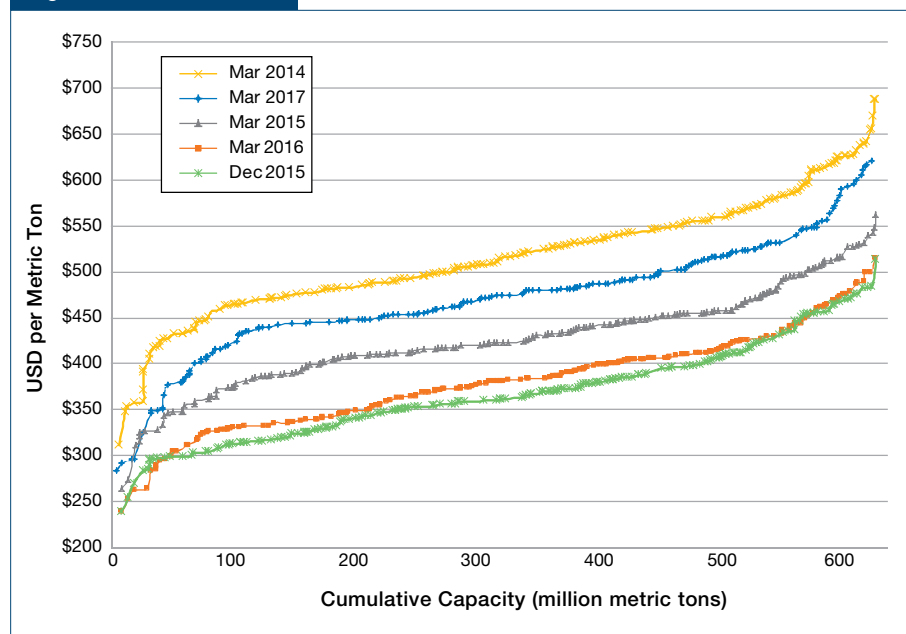
Cost swings in the steel industry since 2011, when WSD began its monthly World Cost Curve information system, have been sizable and frequent. For the median-cost Chinese and non-Chinese steelmaker, the operating cost to produce hot-rolled band (HRB), including plant overhead expense, have been as follows (Figs. 1 and 2):

- In December 2015, the figures for the Chinese median-cost mill were US\$354/metric ton for operating cost, US\$302 for marginal cost and a difference of US\$54/metric ton between the two. For the non-Chinese steel mill, the figures were US\$372/metric ton, US\$308/metric ton and US\$64/metric ton, respectively. Globally, the operating cost was US\$363/metric ton and

the marginal cost was US\$306/metric ton.

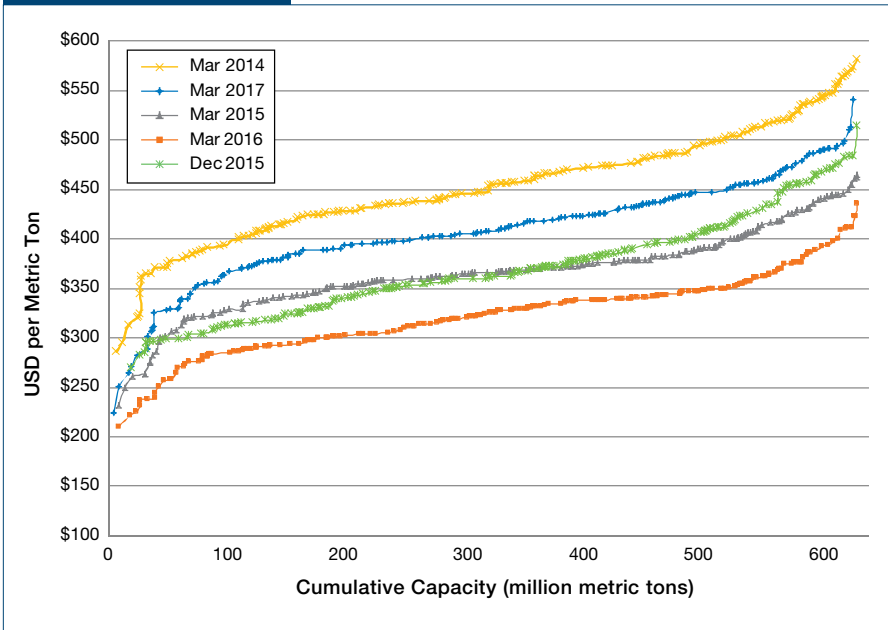
- In March 2017, WSD's World Cost Curve data estimates that the median-cost Chinese steel mill had a HRB operating cost of about US\$473/metric ton and a marginal cost of US\$414/metric ton. The figures for the non-Chinese median-cost mill were US\$472/metric ton, US\$403/metric ton and US\$69/metric ton, respectively. Globally, the operating cost was US\$473/metric ton, and the marginal cost was US\$406/metric ton.
- By October 2017, WSD expects that global steelmaking cost will decline versus March 2017 levels given decreases in prices for iron ore, coking coal and steel scrap. WSD estimates that

Figure 1



World Cost Curve for Hot-Rolled Band (USD per metric ton, including overhead).

Figure 2



World Cost Curve for Hot-Rolled Band (USD per metric ton, marginal cost).

median cost for Chinese steel-makers will be US\$286/metric ton and the median cost for non-Chinese mills will be US\$355/metric ton.

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