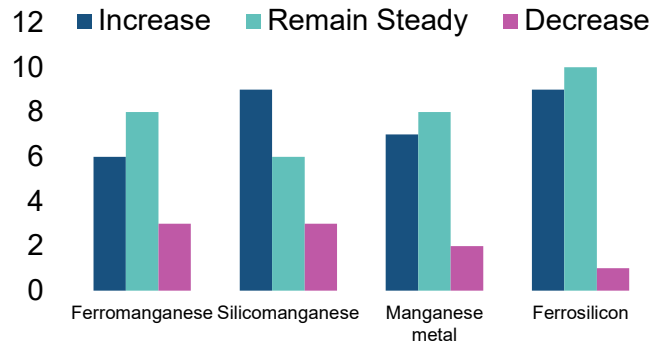
Data, Insight, Strategy & Communities

# Bulk Ferroalloy Markets: Analysis and Outlook

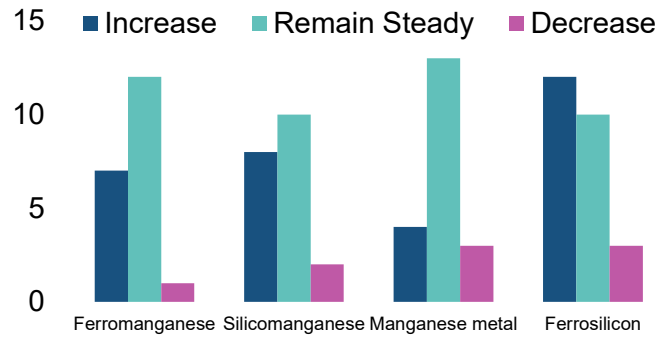
Clare Hanna and Martin Trouilloud, CRU

# CRU Ferroalloys market surveys show price outlook decreasing since May

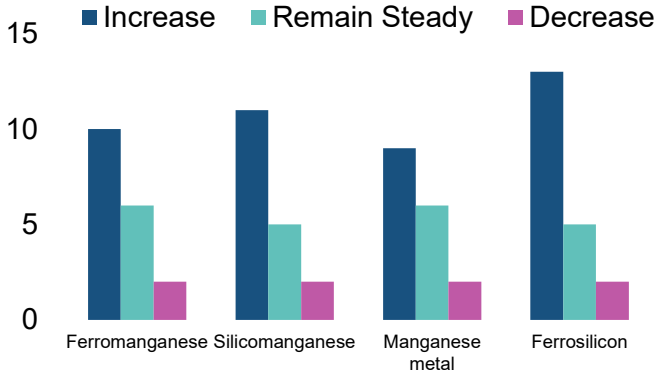
## May, 2-month price outlook



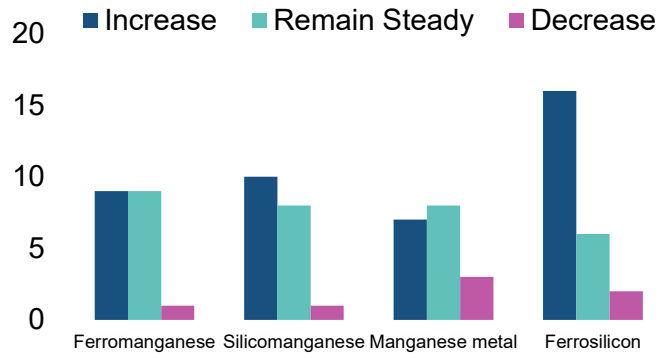

## September, 2-month price outlook




## May, 12-month price outlook




## September, 12-month price outlook




Majority of respondents focus on Europe / North America, but all regions are represented

May ‘26 survey 2- and 12-month outlooks expected upwards price trend that hasn’t materialised

September surveys are split between alloy prices staying flat and increasing

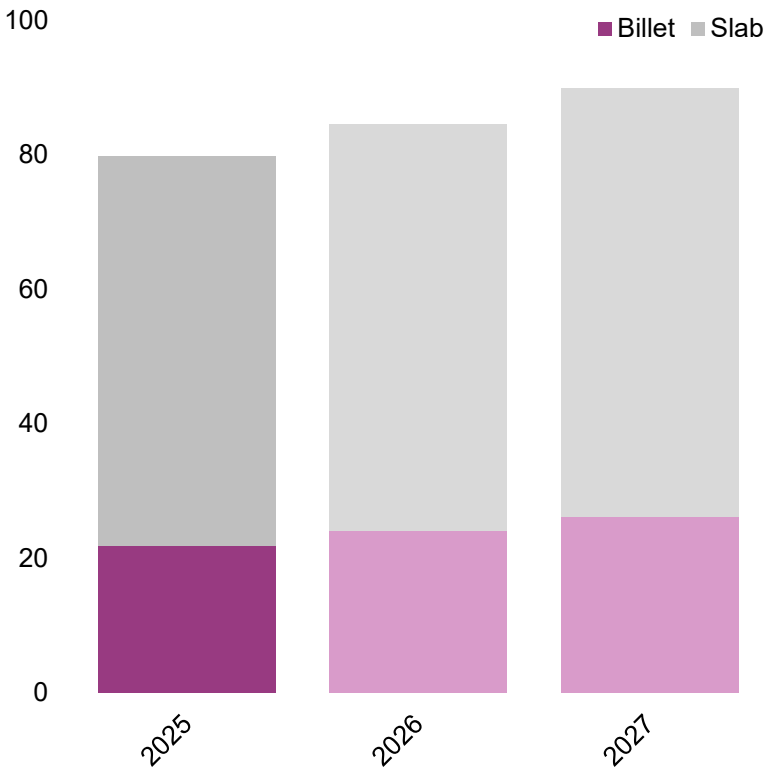
Optimism that alloy trading volumes will increase over 12-month period

DATA: CRU

# New US crude steel capacity is beginning to boost ferroalloy demand

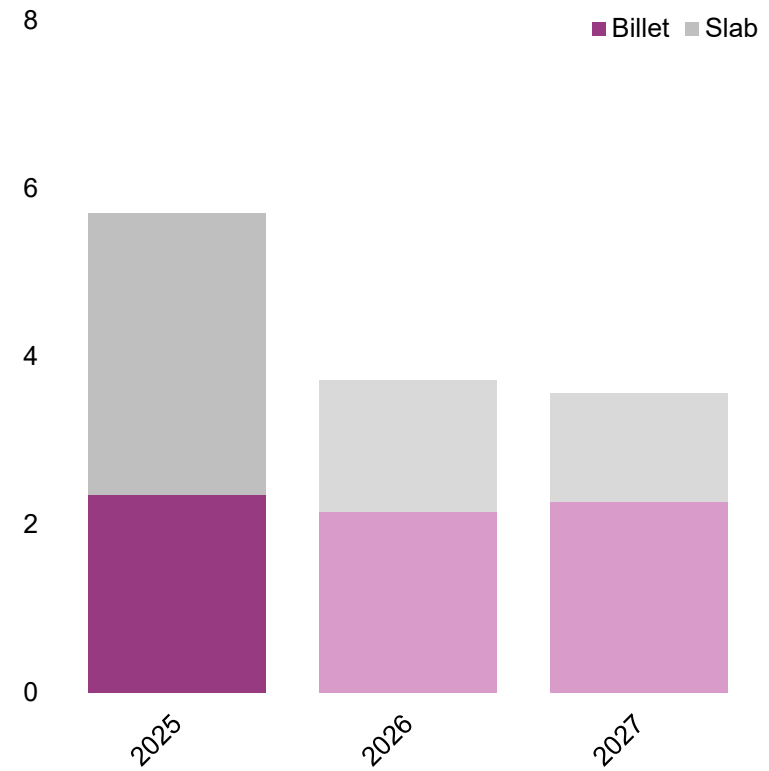
## Tariffs boost domestic production

US semi-finished steel production, kt




## Net imports fall on S232 tariffs and AD cases

US semi-finished steel net imports, kt




Significant steel capacity expansions in US market since 2025

Propped up by strong manufacturing activity and data centre buildout

Interest rates are a downside risk there

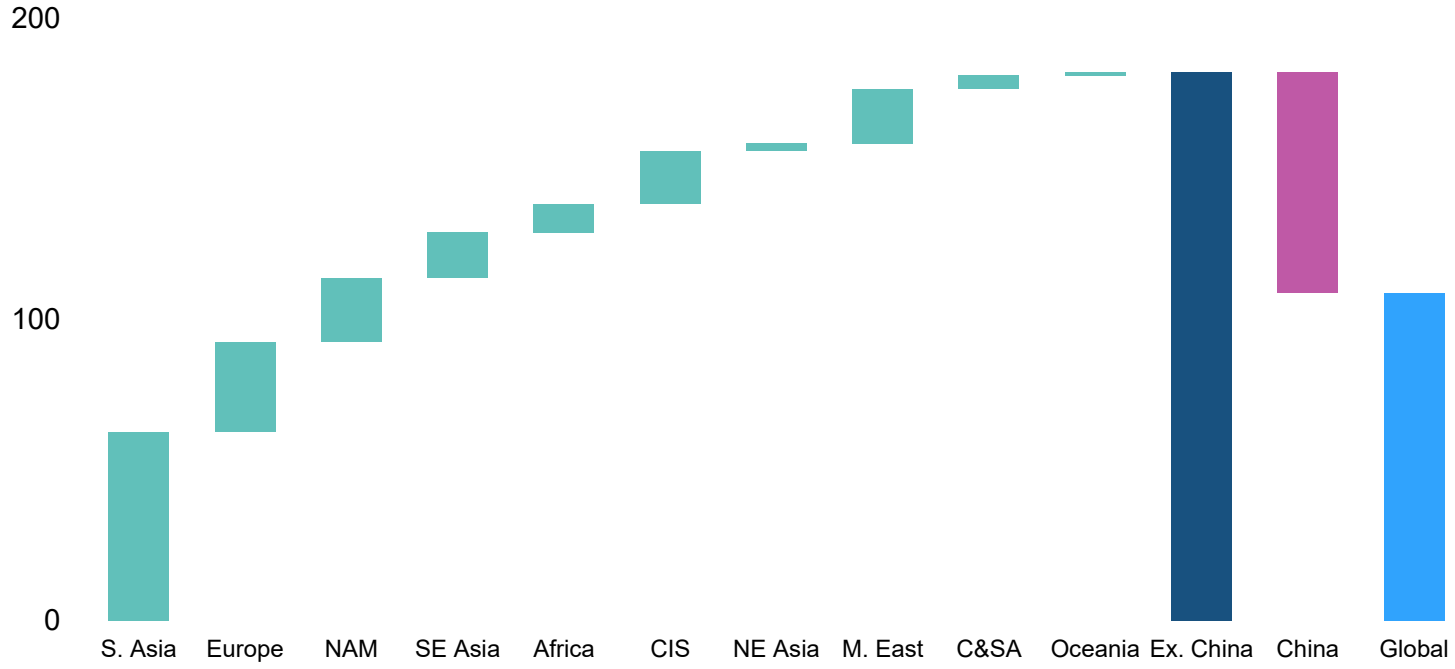
Trade barriers (S232, AD/CVD) will continue to limit imports

DATA: CRU, GTT

# Global crude steel production outlook was upgraded over next five years

## Half of ex-China gains come from South Asia and Europe

Change in carbon crude steel production between 2026 and 2031, Mt




DATA: CRU

Growth in crude steel production ex. China was upgraded

Driven by South Asia / India, with Europe this is over half of ex-China growth

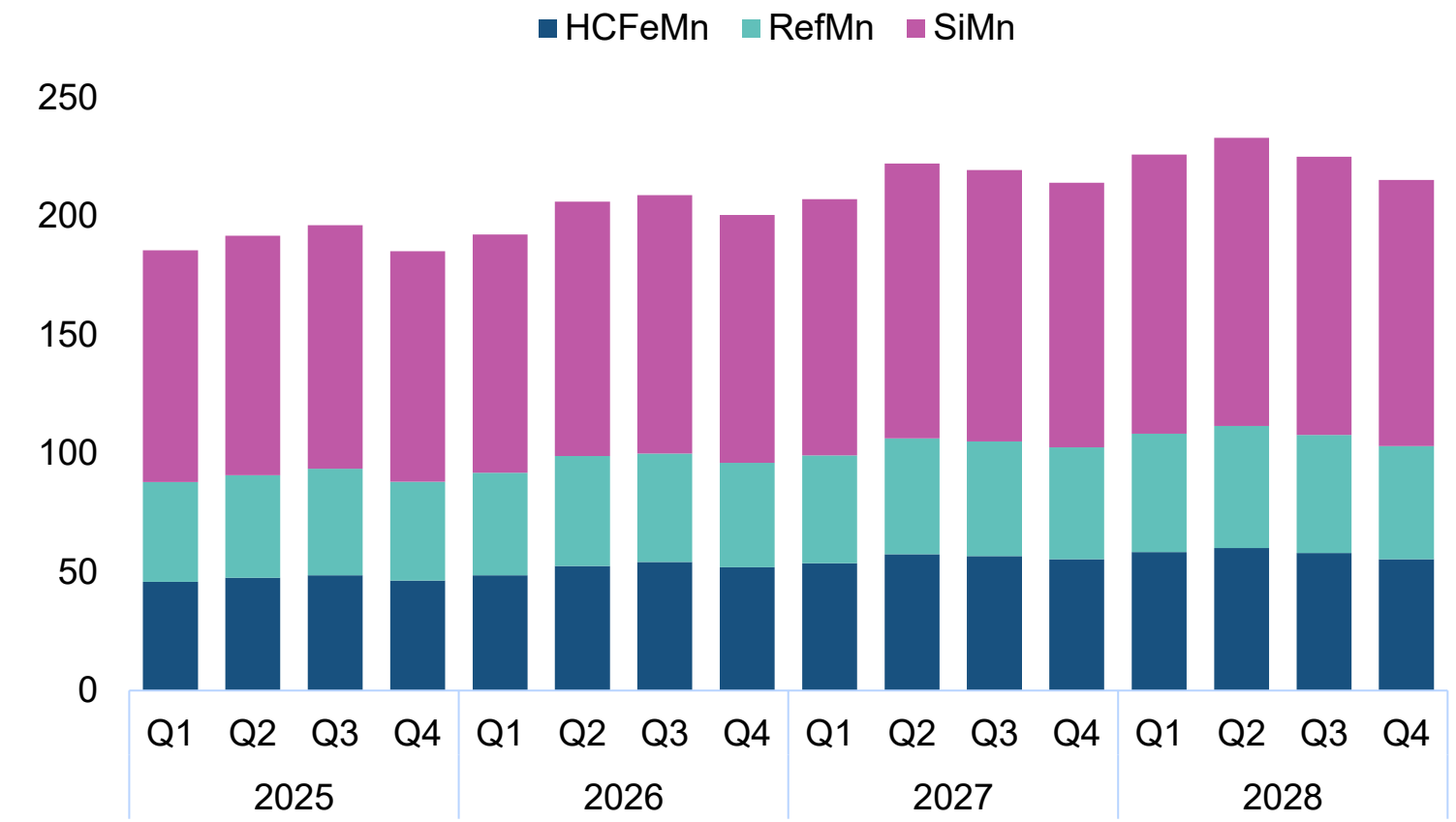
NA, SEA, ME, potentially CIS also strong

Indian output forecast upgraded due to robust economic outlook as well as supply additions for both BF-BOF and EAF

US upgrade, Europe downgrade

# Ferroalloy real demand boosted by US steel production outlook

## Real consumption of ferroalloys in the US will hit new highs




DATA: CRU

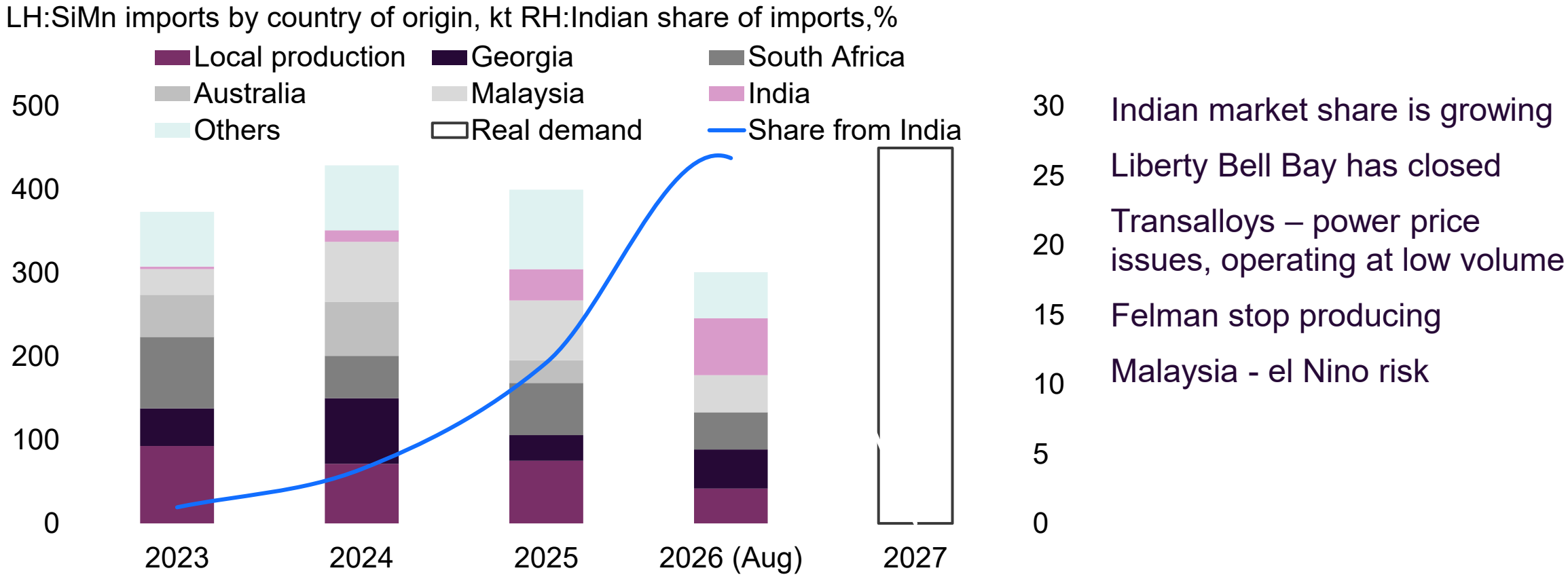
Most alloy demand growth in forecast period is over 2026-2028 period

Section 232 tariffs likely to be sticky even with changes in US politics

US domestic ferroalloy production is at a low point with the Felman pause

Higher fuel and financing costs creating headwinds for this forecast

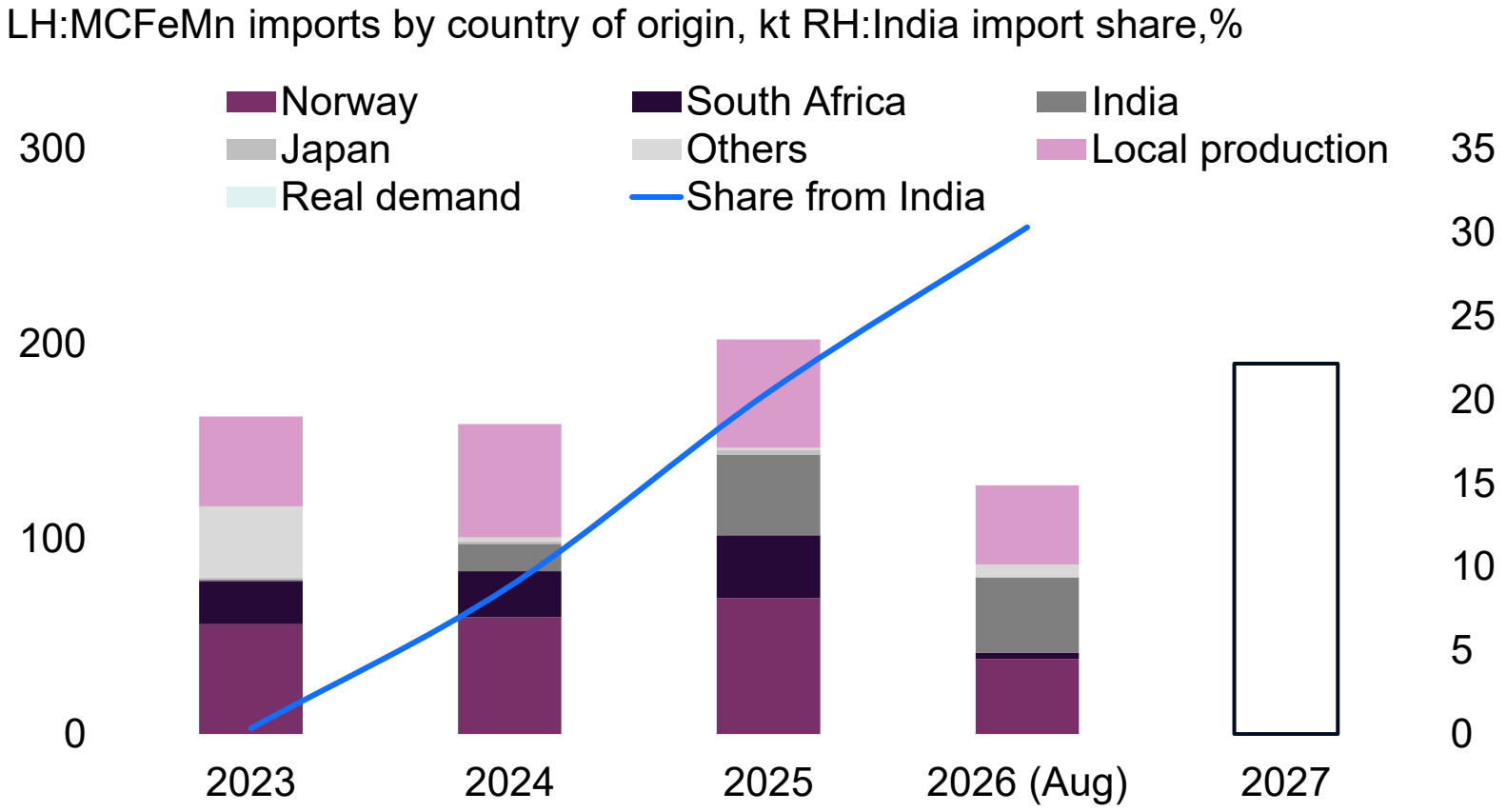
# SiMn supply base remains more diverse, but some disruption risk




- Indian market share is growing
- Liberty Bell Bay has closed
- Transalloys – power price issues, operating at low volume
- Felman stop producing
- Malaysia - el Nino risk

DATA: CRU, Global Trade Tracker

# Recent refined FeMn import base restricted to India and Norway




India has become main MC FeMn exporter to US over past three years

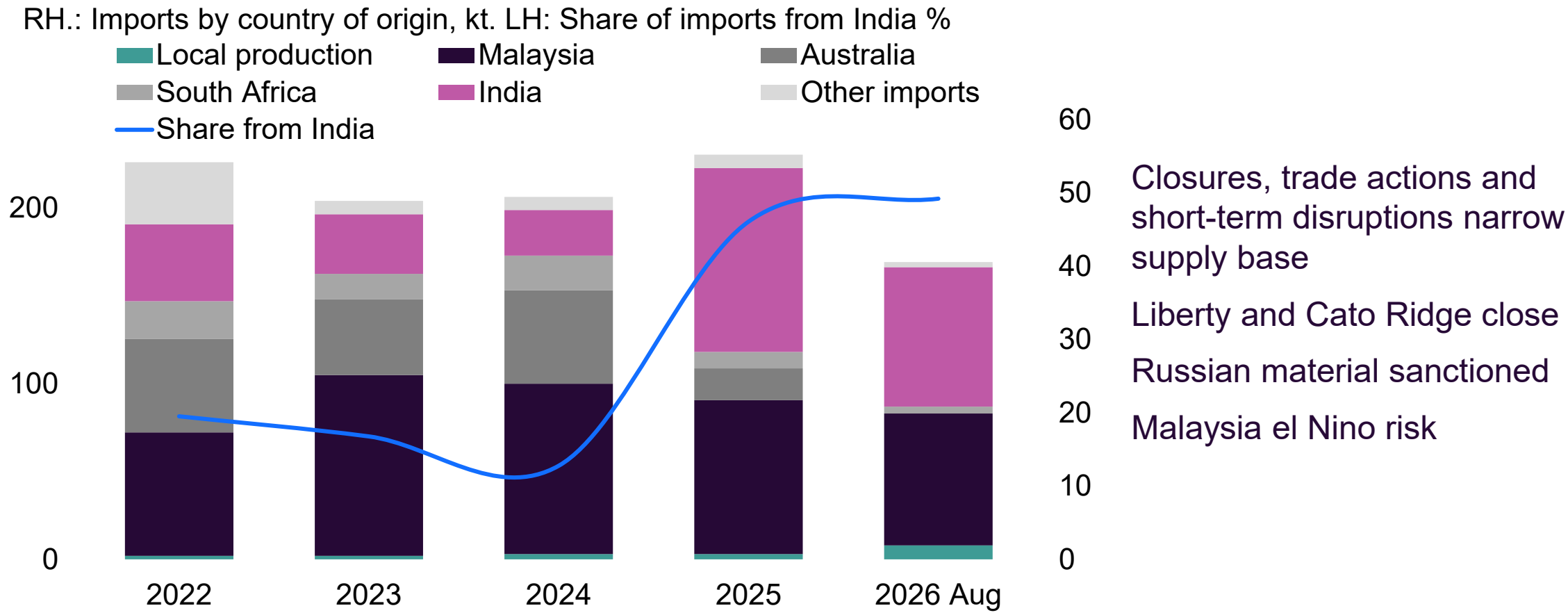
Possible near-term supply shortfall due to expected increase in real demand in 2027

Transalloys closure affects US MC origins

Norwegian export volumes holding steady

DATA: CRU, Global Trade Tracker

# Traditional suppliers exit the HC FeMn market and Indian share rises




Closures, trade actions and short-term disruptions narrow supply base

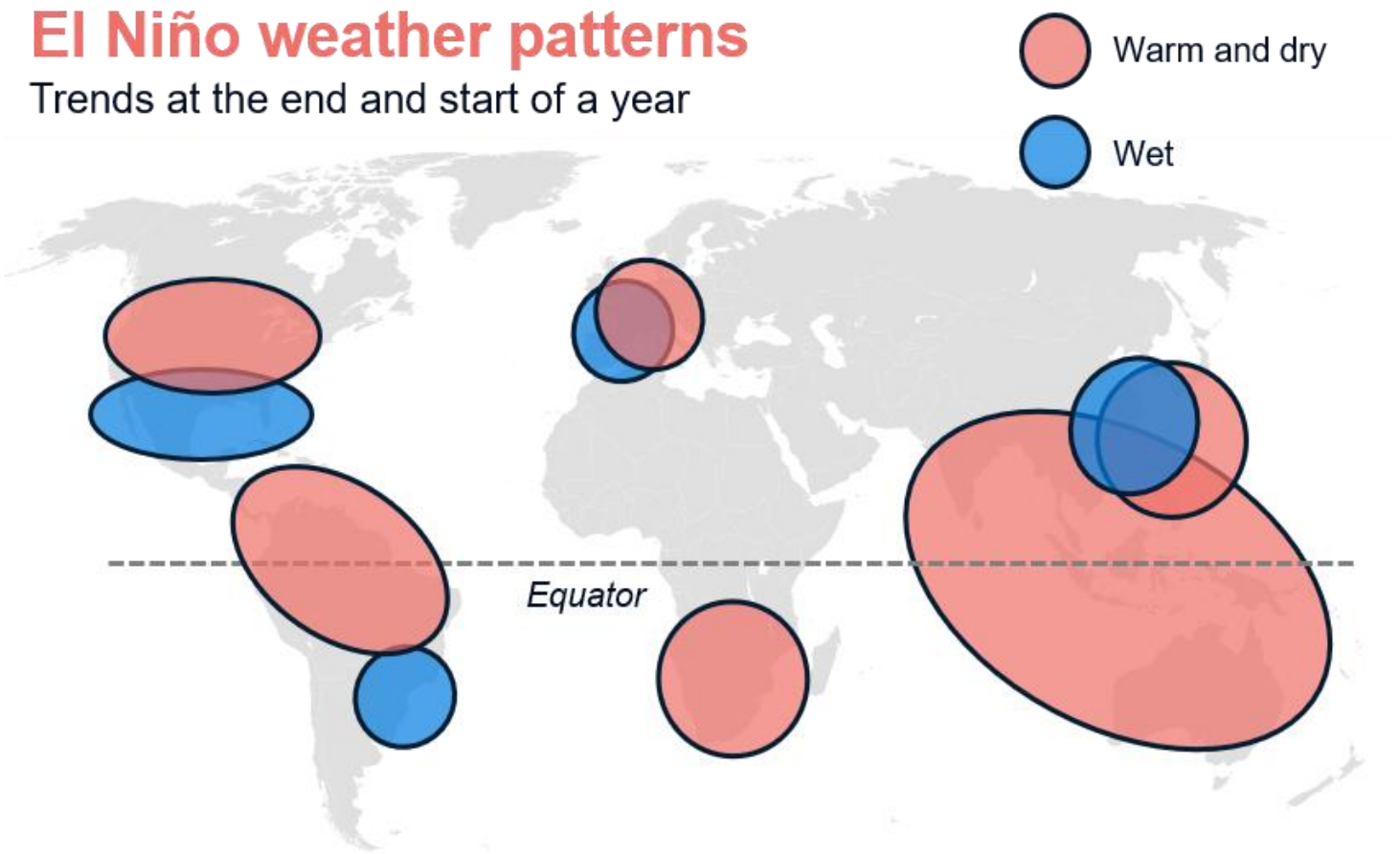
Liberty and Cato Ridge close

Russian material sanctioned

Malaysia el Nino risk

DATA: CRU, Global Trade Tracker

# The Super El Niño is affecting key ferroalloy regions, notably Malaysia




Lower risk of manganese ore supply disruption

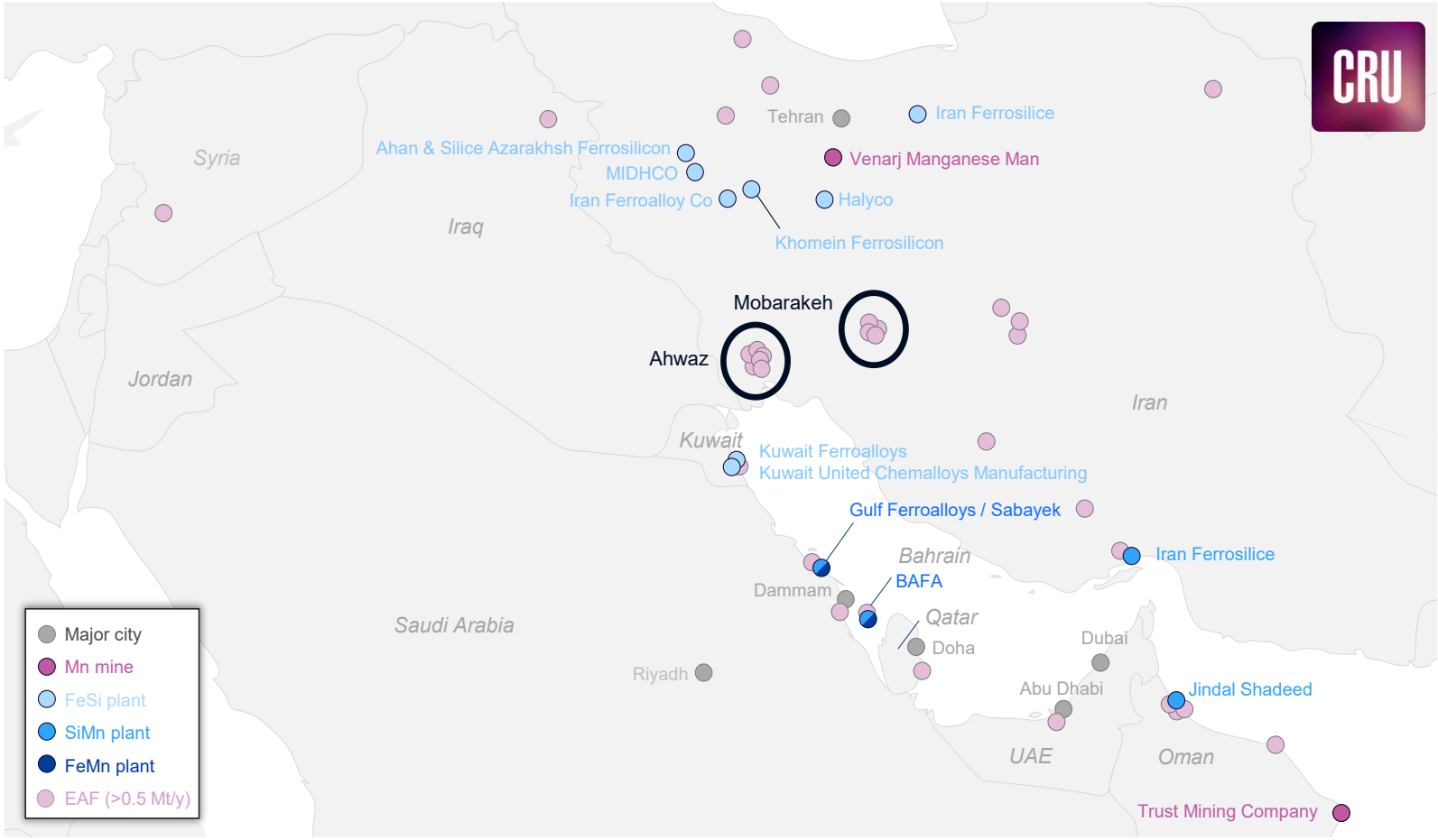
Impact on HEP operations
- Malaysia
- India
- Brazil

Waterways
- Indonesia coal
- Rhine/Danube

Watch for wider economic disruption with poor harvests

DATA: CRU

# Middle East conflict leads to higher supply costs and trade flow changes




Oil and diesel price rises raise costs through the chain
- higher mining costs
- mine to port costs rise
- freight costs rise
- ferroalloy power costs up

Ferroalloy shipping costs

Re-routing of trade flows
- Gulf sales to India
- restricted exports

Wider economic impact
- inflationary pressures
- demand uncertainty

DATA: CRU

# Ferroalloy supply from Ukraine to remain severely constrained

Exploration and, possibly, processing plant construction underway in Zaporizhzhia province




SOURCE: CRU, various Russian and Ukrainian news services

Ukrainian steel plants critically damaged during Q3.

Ferroalloy plants in Ukraine produced ~ 800 kt in 2021.

Historical export markets – Europe, N Africa, Turkey.

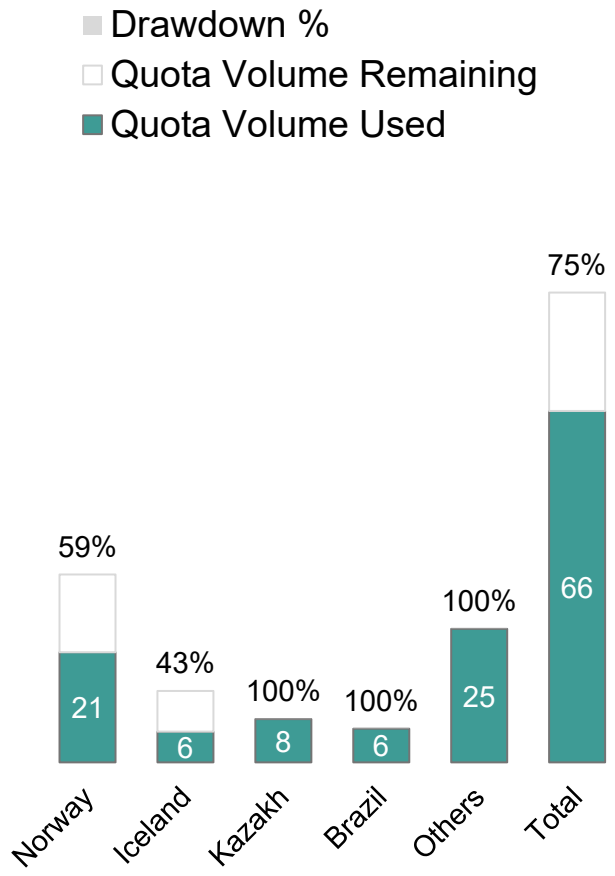
In 2025, they produced just over 100kt. 2026 probably less.

Plants have faced ore, people, power and logistics issues.

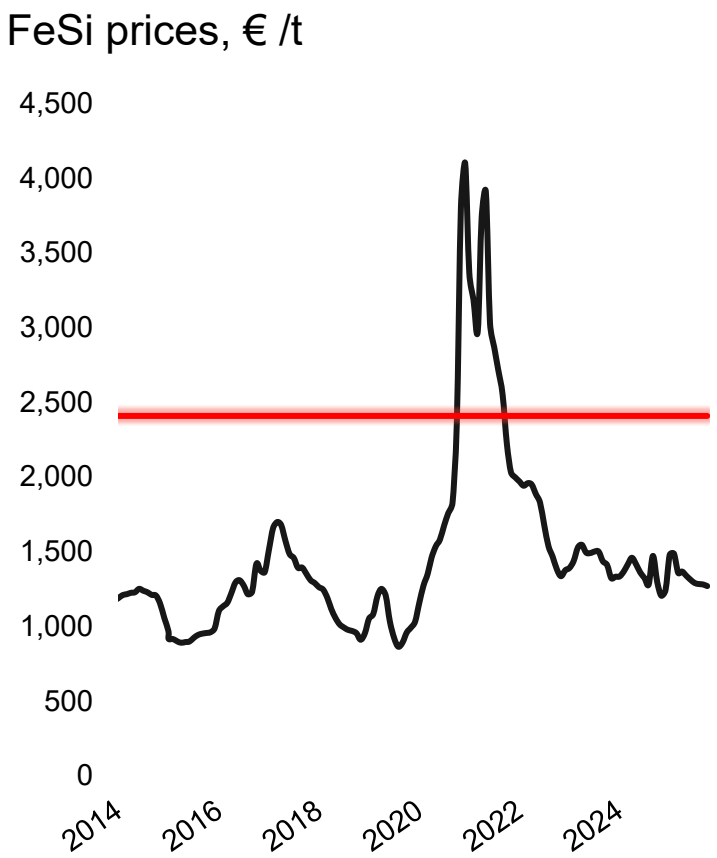
Low, if any, production

# EU tariff and quota system has not delivered price rises producers wanted

## FeSi quota at 21 Oct 2026




## FeSi prices v MIP




EU policy combines quotas with minimum prices(MIP) when quota exceeded.

FeSi quotas have not been filled.

Weak demand

Product substitution with silicon metal and maybe other products.

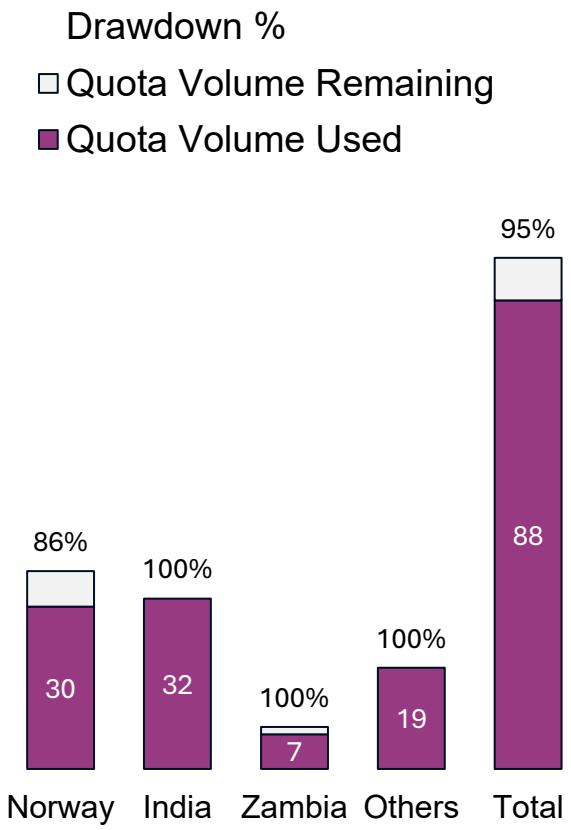
Ample supply

Unrealistic MIP prices

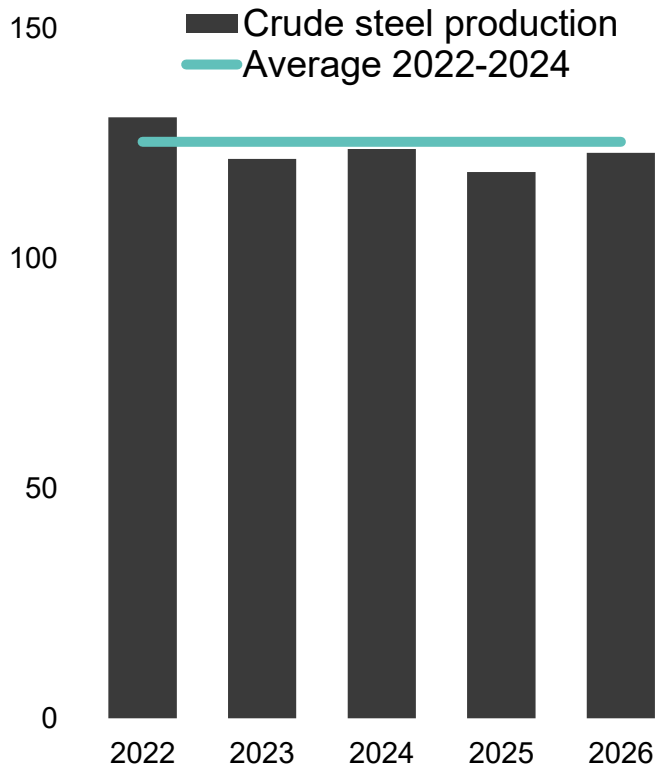
DATA: European Commission, CRU

# Why have filled quotas not led to much higher prices

SiMn quota at 21 Oct 2026




Crude steel production, Mt




Steel production has been below average for reference period.

Stocks brought in ahead of quotas.

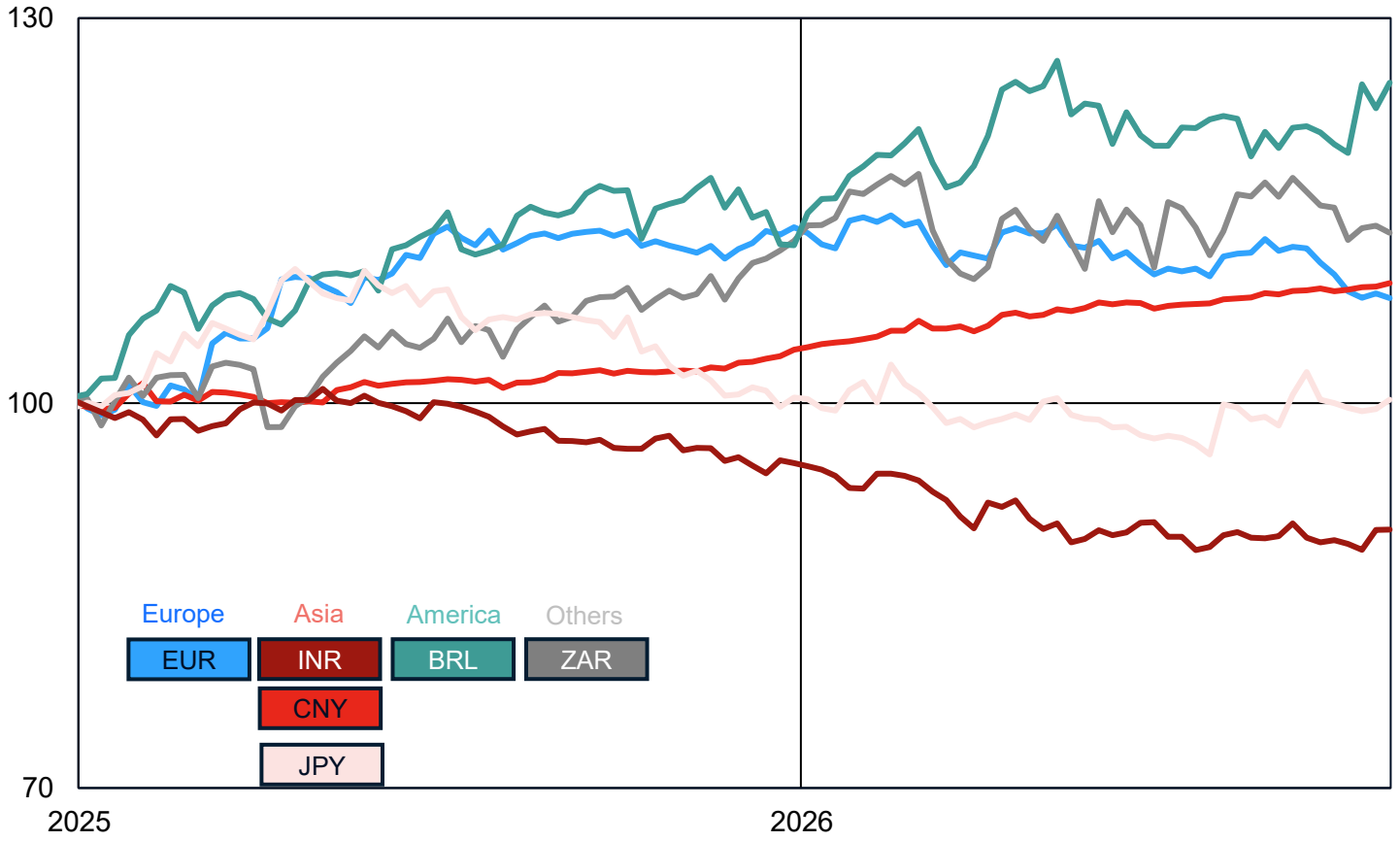
'Developing country' status and Ukraine

Day 1 quota filling

Risks, costs and uncertainty could lead to interest in sales elsewhere

DATA: European Commission, CRU

# The rupee has weakened significantly against the dollar




A strengthening currency leads to lower local currency returns for exporters and shifts the cost curve upwards.

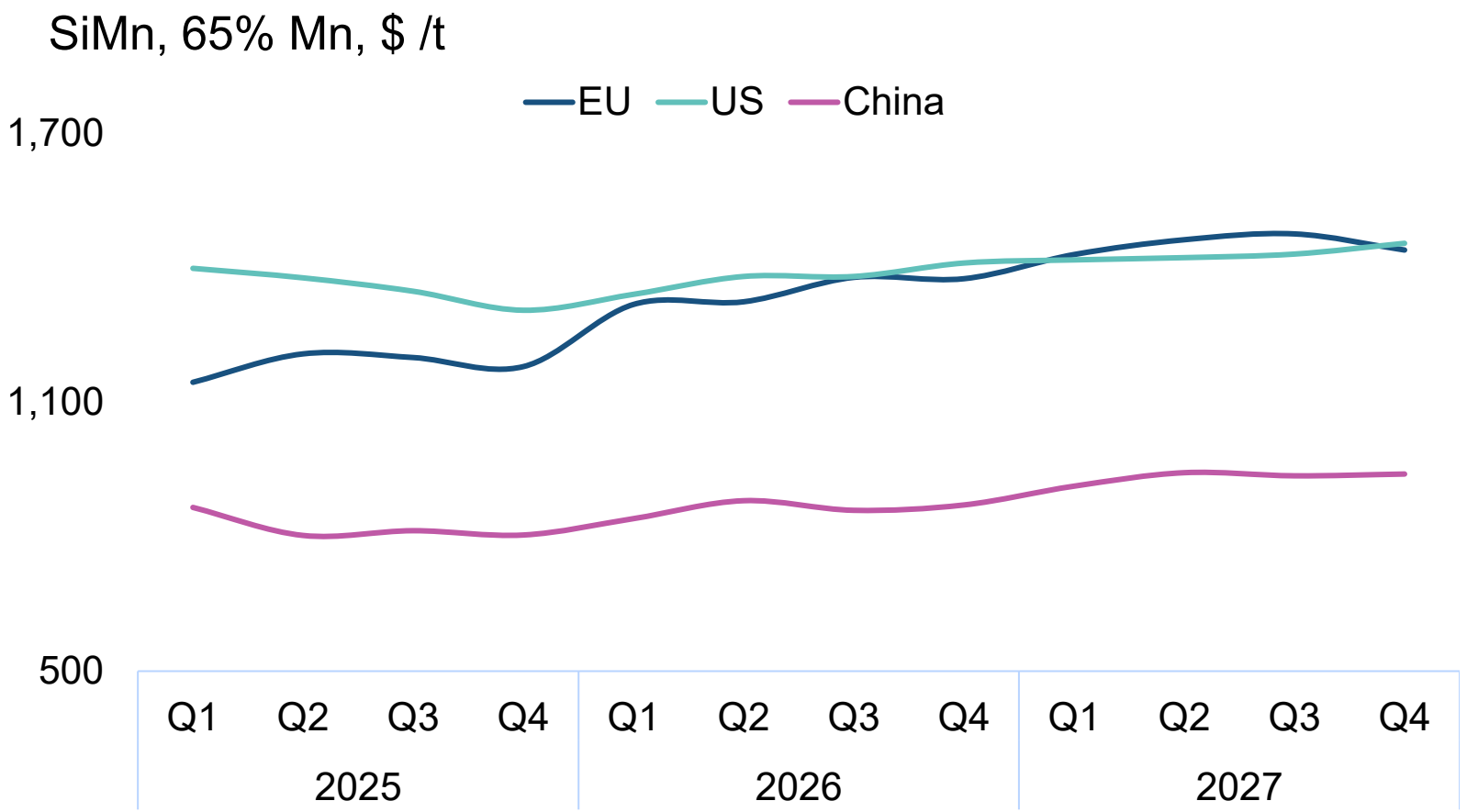
Most currencies have strengthened against the US$.

By contrast the Indian rupee has weakened significantly.

DATA: CRU. NOTE: A number above 100 means a strengthening against the USD

# Prices driven by rising costs but constrained by weak demand

Chinese prices edge up on restocking ahead of CNY




DATA: CRU

Price forecast adjusted ahead of Market Outlook revision.

Costs have risen by more than previously forecast.

EU demand looks set to be weaker than forecast, but no Ukrainian volumes expected.

US demand remains strong but with varying availability dependent on product.

Chinese market remains slow

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