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OCTOBER 2026



INSIDE THIS ISSUE

The melting pot: with Newcastle gone, South African crude steel output has been boxed into a 360 000–372 000 t monthly band throughout 2026.

Primary steel imports (excludng stainless, wire& rail) were 141 kt in September (+9.9% y/y): Jan–Sep imports are up 17.2% while exports are down 9.7%.

Long products have flipped: net exports of rebar, wire rod, other bars and sections of +329 kt a year ago are now net imports of +39 kt.

Steel-consuming sectors are weak: mining output –12.7% and manufacturing –4.3% in August, civil confidence at 40; vehicle sales (+10.4%) and exports (+6.3%) are the bright spot.

Iron ore has slipped to a four-year month-end low, scrap is firm and Chinese export prices are softening.

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THE MELTING POT

South Africa's steel floor drops as Newcastle goes dark

South Africa's crude steel output has fallen sharply since Newcastle Works stopped producing. Before mid-2025 national monthly output typically peaked between 450,000 and 480,000 tonnes.

July 2025 was the last month of full capacity at 430,800 tonnes. In August 2025, Newcastle ceased operations and national output dropped to 364,200 tonnes.

The decline deepened through late 2025, reaching a historical non-seasonal low of 251,900 tonnes in December 2025.

Throughout 2026, production has stabilised in a 360,000 to 372,000 tonnes band, with no sign of a meaningful recovery in the absence of Newcastle's contribution.

430 800 t
July 2025: last month of full capacity

364 200 t
August 2025: Newcastle ceases

251 900 t
Dec 2025: historical non-seasonal low

360–372 kt
2026 monthly output band

In the trade data

The lost long product capacity shows up in trade: see page 5 for how net exports of rebar, wire rod, bars and sections have flipped to net imports.

South Africa Crude Steel Production Timeline (2021–2026)



South Africa's renewable energy expands with solar, wind and battery projects

South Africa's renewable energy pipeline is expanding, driven by new project registrations, major completions and increased investment in battery storage.

From July to September 2026, the National Energy Regulator of South Africa (NERSA) registered 144 generation facilities with a combined capacity of 3129 MW and estimated investment of R78.16-billion. Solar PV accounted for most applications. Since 2018, registered capacity has reached 23,260 MW across 2763 facilities. Registration, however, does not confirm that projects have been built or commissioned.

Envusa Energy, the EDF–Anglo American joint venture, has fully commissioned the 520 MW Kouson 2 cluster. The cluster comprises the 240 MW Mooi Plaats solar plant and two 140 MW wind farms, Umsobomvu and Hartebeesthoek. Electricity is supplied to industrial customers through long-term power purchase agreements, with Pele Green Energy holding a 20% stake in each project company.

In the Free State, JA Solar has been selected as exclusive module supplier for Teraco's 120 MW Sediba solar project near Parys. Scheduled to begin operating by year-end, the facility will supply renewable electricity to Teraco's data centres through wheeling arrangements.

In Mpumalanga, MPower and SolarAfrica have secured a 300 ha site for a planned 184 MW solar PV plant with 210 MWh of storage. In the Northern Cape, Globeleq is constructing the 153 MW/612 MWh Red Sands battery project with African Rainbow Energy. Once operational, it is expected to be Africa's largest standalone battery installation.

Together, these developments signal strong investment momentum across utility-scale renewables, corporate power supply and storage. Grid access, transmission constraints and the conversion of registered capacity into operating plants, however, remain significant challenges for developers and investors.



CRUDE STEEL PRODUCTION

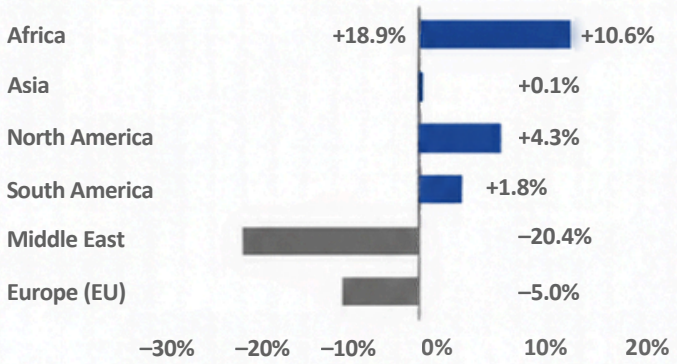
Global output flat in September; Africa up, Middle East and Europe down

- Global crude steel production edged down 0.2% year on year to 142.4 million tonnes in September 2026 (–1.2% m/m).
- January-September output was 1,367.5 Mt, down 0.7%.
- China produced 73.6 Mt (+0.1% y/y) and 724.8 Mt year to date (–2.9%).
- India made 13.9 Mt (+1.9%) and 130.0 Mt year to date (+5.6%).
- The United States made 7.2 Mt (+4.3%).
- Africa produced 2.2 Mt (+10.6%) and 19.0 Mt year to date (+9.7%).
- The Middle East fell 20.4% to 3.6 Mt.
- The EU fell 5.0% to 10.1 Mt.
- Viet Nam grew 29.1%.

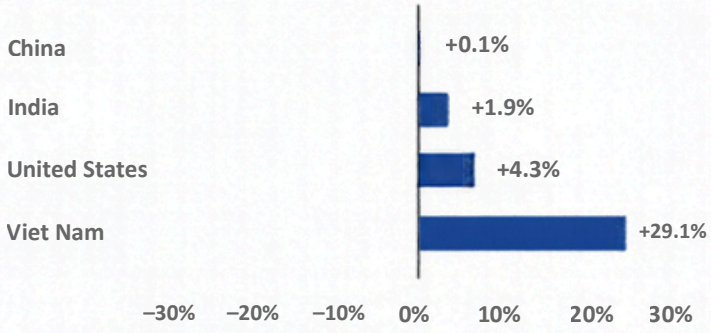
CRUDE STEEL PRODUCTION CHANGE

Year-on-year % change (September 2026)

By region



Top producers



Source: worldsteel, September 2026 crude steel production (e = estimate).

Demand outlook

Worldsteel's October Short Range Outlook sees global steel demand essentially unchanged in 2026 at 1,722 Mt, returning to growth in 2027.

South Africa in context

South African output was 4.5 Mt in 2025 (–4.7%), about 25% below 2019 and almost half the 9.4 Mt peak of 2004.

Capacity watch: Coega Steels opens R500m rolling mill

Coega Steels has commissioned a R360m rolling mill as part of a R500m expansion programme at its Coega site near Gqeberha. The investment forms part of a R1.5bn site investment and will add 150 000 tonnes a year of finished steel capacity.

The mill is in production trials, with 24-hour operation planned. The company also plans a further 19.8 MWp of solar by end-2027, in addition to its existing renewable installations, for more details see pg 9.

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PRIMARY STEEL TRADE STATISTICS

September 2026: imports ease from August's surge, but the year-to-date picture is worsening

Imports: long products keep climbing

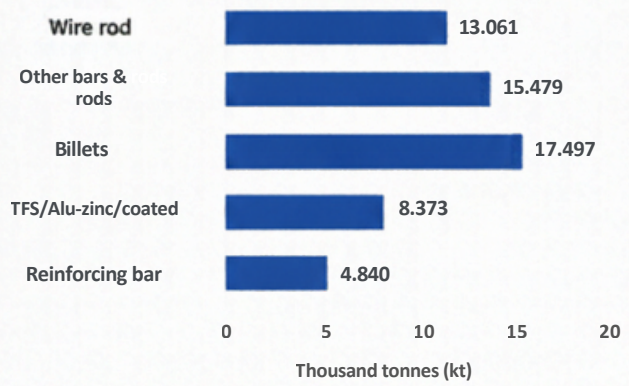
Imports of carbon, alloy and other steel were 141,225 t in September, +9.9% y/y but 28% below August's 196,442 t. January–September imports reached 1.44 Mt (+17.2%).

- **Wire rod** **13,061 t from 59 t**
- **Other bars & rods** **15,479 t (+171%)**
- **Billets** **17,497 t (+55%)**
- **TFS/Alu-zinc/coated** **8,373 t (+181%)**
- **Reinforcing bar** **4,840 t from 82 t**

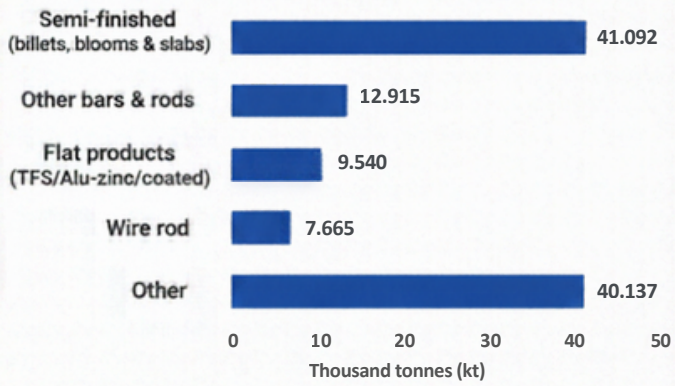
Exports: September gain masks a weak year

Exports were 109,786 t (+17.3%) in September, led by semi-finished billets, blooms and slabs (41,092 t, +65%) and other bars & rods (12,915 t, +290%). January–September exports of 873,128 t are down 9.7%.

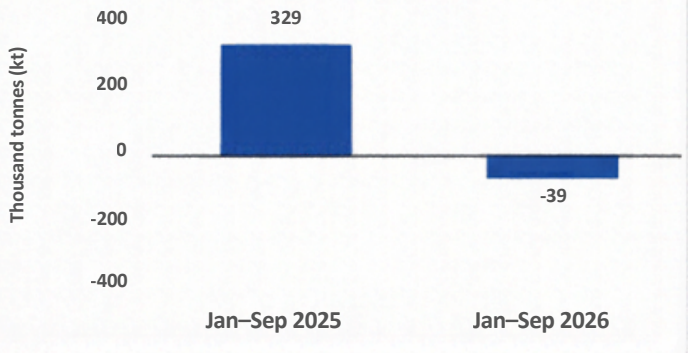
Primary steel imports by product, September (kt)



Primary steel exports by product, September (kt)



Jan–Sep trade balance



The Newcastle effect in the trade data

Net trade in reinforcing bar, wire rod, other bars & rods and HR sections swung from +329 kt net exports (Jan–Sep 2025) to net import of +39 kt. Wire rod alone went from net exports of 115 kt to net imports of 75 kt .

VALUE-ADDED STEEL & IMPORT VALUES

Downstream trade has turned net importer; declared import values are falling

Downstream (Chapter 73) Trade

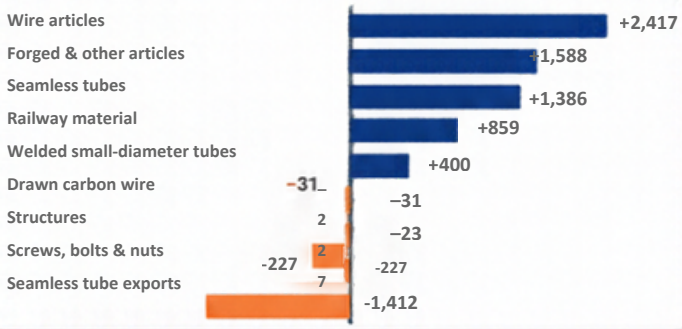
Downstream imports were 51,268 t (+4.2%) in September and 488,709 t year to date (+2.0%).

Exports fell 15.9% to 53,145 t and are down 14.9% year to date at 412,449 t. The sector has moved from a 5 kt net export position a year ago to a 76 kt net import position.



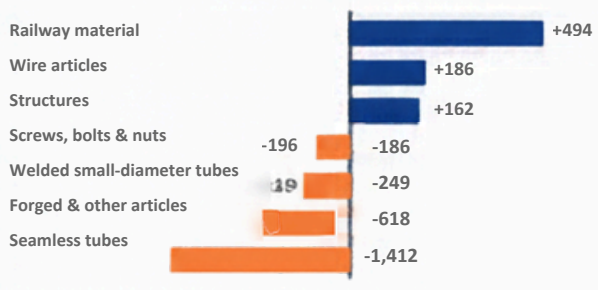
Imports: biggest movers

Change in tons, September 2026 vs September 2025

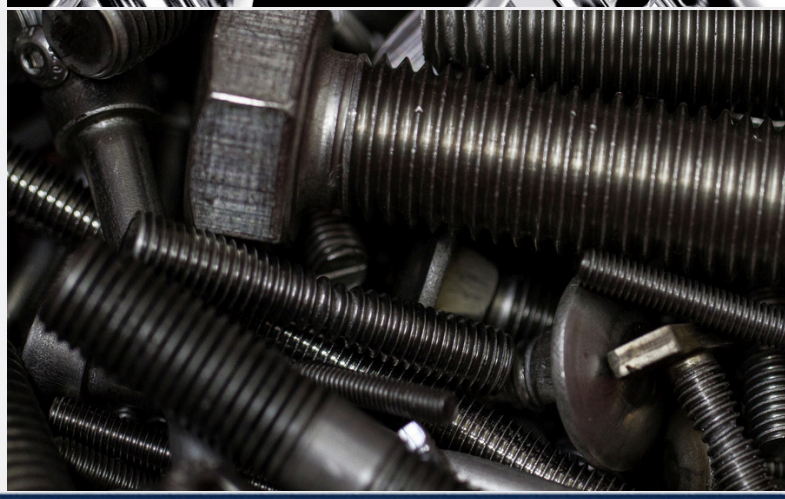


Exports: biggest movers

Change in tons, September 2026 vs September 2025



Source: SARS, Chapter 73 downstream steel products.



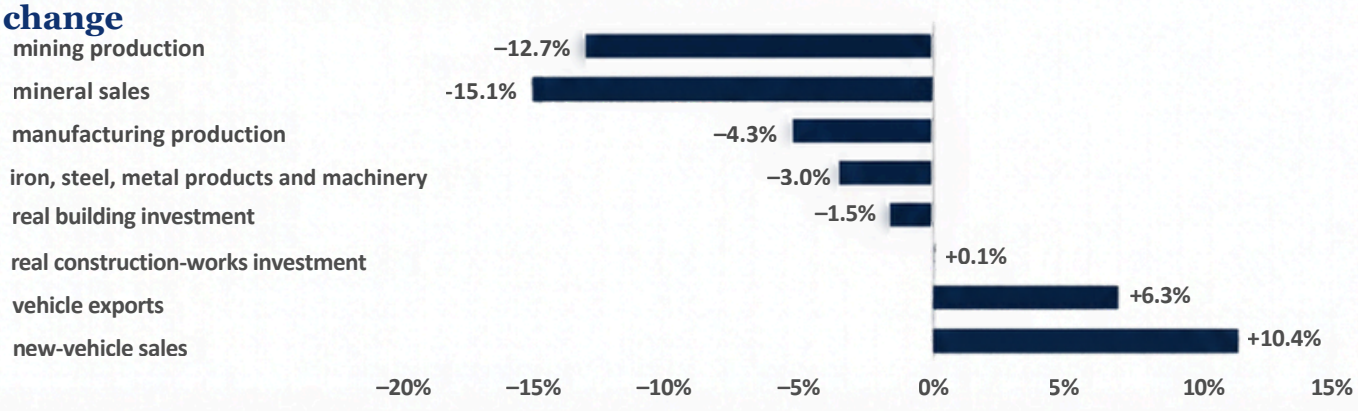
07

STEEL-CONSUMING SECTORS

Deep dive: construction, mining and factories are weak; vehicles are the bright spot

Sector	Latest reading	Steel signal
Construction	Civil confidence 40 (3Q26, from 43); building confidence 40; real construction-works investment +0.1% y/y in 2Q	Weak
Mining	Production –12.7% y/y in August, the steepest fall since Oct 2022	Weak
Manufacturing	Production –4.3% y/y in August; Absa PMI 49.6 in October	Soft, improving
Automotive	Domestic sales +10.4%, exports +6.3% in October	Improving

Steel-consuming sectors: latest year-on-year change



Construction

- Civil confidence is 40 in 3Q26, unchanged, and 60% of civil engineers are dissatisfied. Activity is at its weakest since 2022.
- Real construction-works investment grew +0.1% y/y in 2Q.
- Real building investment fell –1.5% y/y.
- Plans passed increased +4.7% y/y, but completions fell –9.8% y/y.

INTERNATIONAL STEEL PRICES

Iron ore slips to a four-year month-end low; scrap holds firm; steel prices soften

Indicator	September	October/ November (latest)	Direction
Iron ore 62% Fe, CFR China	US$97.7/t (World Bank)	~US$90.3/t (27 Oct, Kallanish)	Down
LME Steel Scrap CFR Turkey	US$393.50/t	US$393/t (8 Oct)	Flat
LME Steel Rebar FOB Turkey	US$609.66/t	US$587/t (8 Oct)	Down
HRC FOB China	US$499/t	US$491/t (30 Oct), US$485/t (5 Nov), Mysteel SS400	Softer
Chinese rebar export (Mysteel B500B)	n/a	US$502/t (30 Oct), US$500/t (5 Nov)	Stable

Iron ore

Singapore futures slipped to about US$91/t at month-end, the lowest month-end close since October 2022, down from a May peak of US$111.60.

Scrap and rebar

LME Turkey scrap held at US$393/t on 8 October; rebar eased to US$587/t. The scrap-to-rebar spread narrowed to about US$194/t from US$216/t in September.

Chinese HRC and exports

Chinese HRC eased to US$485/t by 5 November. Chinese rebar export prices were steady at around US$500–502/t across late October to early November.





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09

Coega Steels unveils R500m investment in production expansion



Coega Steels opens R360m rolling mill

Coega Steels officially inaugurated its new rolling mill in Nelson Mandela Bay on October 20th as part of a R500-million investment to expand its steelmaking capabilities.

The investment includes the R360m rolling mill and additional refining processes at the steelmaker's existing melting facility.

The development brings the total investment at its Zone 6 premises in the Coega Special Economic Zone to R1.5b.

Coega Steels began scrap-to-billet production in 2014, backed by a R400m capital injection.

The rolling mill now enables the company to transform steel billets manufactured from recycled scrap metal into finished products for the construction, manufacturing, engineering, and infrastructure sectors.

The facility, which has an annual production capacity of 150 000 tonnes, will produce reinforcing bars, angles, squares, round bars and flat bars.

The new facility will employ about 300 people, with some positions already filled and the remainder expected to be taken up by the end of the year.

Coega Steels' total workforce is projected to increase from about 750 to 900 over the next year, while its operations support more than 2 000 indirect jobs.

The company will continue developing local expertise so South African employees can increasingly take responsibility for operating the plant.

The company also remains committed to reducing its environmental footprint by using recycled steel and renewable energy.