

Strategic consulting for ferrous materials markets: Case study – Iron Ore Market Feasibility Study

Fastmarkets consulting
Independent market intelligence and advisory

About Fastmarkets consulting

Fastmarkets is committed to providing the world's leading independent consulting service across commodities markets, supplying unique, actionable insights backed by definitive sources of reliable, first-hand market data.

Our global consulting experts can validate or challenge the viability of your investment projects while maximizing their value. We specialize in sourcing hard-to-find information and delivering tailored solutions to support your strategic decision-making.



Backdrop to the client's challenge and approach to Fastmarkets



Steel: Industry Trends & Tail Winds

1 The drive towards high-grade/green iron ore utilization



- Around US\$2trillion is expected to be required to fund the global steel industry drive towards decarbonisation.
- Much market uncertainty exists on the future and precise definition of 'green hydrogen' technology. Huge investments are being allocated to access affordable renewable energy.
- Scrap quality and volume availability will be limited out to 2035. Global steel demand growth and shifts in steelmaking technology towards H2-DRI-EAF and scrap-based EAF steel production will also mean further upward pricing pressure on other metalics, such as DRI/HBI and merchant pig iron.
- Green steel premia, and associated pricing premia for steel raw materials, will be one of a variety of mechanisms used to try to pass on some of these costs onto steel end-users towards the decarbonisation phase. The automobile sector will be one of the biggest demand creators/influencers for low carbon emission/green steel.
- Understanding the potential level and drivers of green premiums to the steel and the iron ore industry will be pivotal going forward. This will be for both new ventures, and especially sponsors, but also existing steelmakers/miners as to fight to stay relevant and retain market share.
- Capturing 'fair-market' value on the part of iron ore players across the supply chain.

Solutions Fastmarkets could offer:

- Strategic market intelligence to best guide new long-term investments to capture high-grade/green iron ore opportunities
- Access Value-in-Use market transaction data and forecasts to give independent confidence to your trading decisions
- Access company/mine operation ESG and operating/total cost benchmarking data
- Understand competitor supply trends by iron ore grade and brand, environmental policy initiatives, new technology drivers etc



The client challenge

Establishing an independent and globally recognised market consultant to Mandated Lead Arrangers (“MLA’s”) for debt financing purposes and go-to-market optimisation

Fastmarkets consultants were approached by a **leading global iron ore operation looking to secure favorable debt financing for the purpose of their development of a new large-scale BF/DR-grade pellet facility project.**

When undertaking this project, our consultants had to work to a variety of client requirements, including:

Sales strategy optimization

The organization required independent **recommendations as to their go-to-market strategy** from a market and pricing perspective **specific to their iron ore chemistry specifications.** This also included exploring the best strategy for procuring target feedstocks available, particularly high-grade pellet feed.

Securing debt finance

They needed a **highly trusted and reliable market feasibility study to secure debt finance.** The client needed financial evaluation covering indicative capital expenditure (Capex), operational costs, and potential government incentives available.

Growth opportunities

To help **identify future organic and acquisition growth opportunities,** the client required a deep-dive analysis into global customers/suppliers, logistics partners and potential M&A targets.

Fastmarkets consulting solutions

Within a challenging and ever-evolving steel and steel raw materials product market, Fastmarkets consultants were able to advise the client and its finance lenders as to how best to operate and anticipate rapidly changing pricing developments.

- We assigned two teams of experienced market and technical consultants to work in parallel: one team focused on the off-take agreement; one team conducted the strategic review and market feasibility study.
- We applied our proprietary six-step research process, involving extensive primary research techniques supplemented by our in-house proprietary databases and forecasting models.
- This enabled us to gather detailed market intelligence on customer demand and pricing information in key target markets over the course of the twelve-week project.



Client outcomes

After identifying key insights on the client's target markets, Fastmarkets consultants delivered a comprehensive strategic market assessment to the complete satisfaction of the MLA's



Insight-backed investment decisions

Our market feasibility study defined the high-grade iron ore market and potential sales volumes and revenues for the Client, which positively **assisted the bank and investment consortium in their investment and financing decisions.**



VIU-based iron ore price valuations

With specific reference to the Client's existing and potential iron ore product chemistry specifications Fastmarkets provided precise price valuations and forecasts utilising our proprietary VIU databases. **Premiums/discounts for chemistry quality specifications (i.e. Fe, SiO₂, Al₂O₃, P etc.) are based on real world market transaction data.**



Strategic advisory

Fastmarkets provided a comprehensive assessment of how and where best the client could **negotiate appropriate off-take volumes with key strategic customers, as well as recognising fair market value for their superior chemistry DR-grade pellet product now and in the future.**



Independent project due-diligence

Fastmarkets was able to independently **validate the Project providing informed decision-making support, guiding the selection of the optimal product mix and target customer strategies,** as well as suitable technology partnerships essential for a successful investment in green, high-grade iron ore markets.

Client testimonials



We have provided consultancy services for a vast range of global brands from across the ferrous value chain.



“Fastmarkets led a special due-diligence project whose work and analysis was significantly **more comprehensive than other recognized market research firms** we have worked with in the past.”

Global Project and Corporate Finance



“Fastmarkets is fantastic and has **helped my understanding of this industry massively.**”

Raw Material Manager



“**Fastmarkets demonstrated outstanding knowledge** of the market, a great deal of flexibility and the ability to tailor their approach consistently with the needs of the final client in the Middle East towards their product diversification and restructuring goals.”

Managing Director and Partner



“I would **highly recommend your services** to anyone when requiring market strategy guidance.”

Vice President



“We had the privilege of working with **Fastmarkets working to tight deadlines** on our recent project to provide an in-depth independent look at our market dynamics and price forecasts.”

Head of Strategy Development



“A fantastic, reliable and highly credible partner for my division.”

Strategic Marketing Director

Thank you

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Brian covers the global commodities sector in detail having written numerous reports, studies, and papers and conducted extensive consultancy and market research projects over the past 25 years at Fastmarkets.

Brian speaks English and Russian.

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Josko brings extensive cross-industry expertise in commercial and market consulting, spanning aluminum, steel, and battery raw materials. Previously, he served as a Sales Manager in hot rolling aluminum mills in Croatia and Italy. His experience extends to Russia, where he managed procurement for major Oil and Gas projects like the ESPO pipeline and Yamal LNG.

Josko holds an MBA from IE Business School, Madrid, and is fluent in English, Croatian, Russian, and Italian.