

Icra says steel sector earnings to remain subdued in FY26

India's steel sector is likely to face subdued earnings through FY26 as domestic prices remain under pressure from oversupply and weak global demand, Icra has warned in its latest outlook. "Earnings are expected to remain subdued as margins have tightened due to softer prices," said Sumit Jhunjhunwala, Vice President and Sector Head, Icra, during the agency's webinar on steel industry's trends and outlook. He said that Ebitda per tonne is expected to be around \$108 in FY26, which lies at the lower end of Icra's \$100 to \$150 per tonne range for a stable outlook. "If there are any further cost, price or demand headwinds in 2027, there is a real possibility of revising the sector outlook to negative," Jhunjhunwala said. Hot-rolled coil (HRC) prices are trading at historically steep discounts to import parity.

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