
Monday Market Monitor - EU (WEEK 26) - Wind of changes

Monday, 29 Jun, 2009

The week has seen a generalized price increase across all products in EU markets but specifically in Italy. Spain is still remaining the most depressed and weak market because of low un assorted inventories. Several Italian buyers are inquiring for more quantities but facing difficulties in finding prompt and suitable offers.

Different mills and specifically the Russian and Ukrainian ones are declaring to be fully booked till end of August, because of massive sales made in greener destinations namely Turkey and South East Asia, including China.

As a consequence prices are going up, having already reached an improvement of EUR 30 per tonne to EUR 50 per tonne in case of HRC and EUR 70 per tonne to EUR 90 per tonne in case of HDG. HRP prices are remaining in the back, prices having improved by a mere EUR 20 per tonne.

Germany is experiencing a positive price trend, as service centers and stockiest are now showing a more active purchasing attitude. Also these prices have increased albeit at a slow pace than Italy.

However the situation is not yet very clear as the present positive trend doesn't seem to be built on a solid ground. As a matter of facts, demand is still quite low and weak with distributors and service centers finding always fierce resistance to price increases from end-users.

Financing and credit is still critical, with major debtors such auto makers , white products producers and general contractors still holding back payments to suppliers for over more than 6 months to 8 months. Bank and insurances are not changing their restrictive policy

Therefore, although sentiment is definitely better than a fortnight ago, buyers are still circumspect about future. Still there is plenty of under utilized capacity and, given the actual demand consumption, would be enough to increase production by a 10% to 15% out of the 30% to 40% actually pruned, to probably see prices again plummeting and market go back to buyers market.

1. Plates

Italian local plate re-rollers are available to pay USD 390 per tonne to USD 400 per tonne CFR FO for slabs which, most probably, will be not enough as Brazilian export to Far East has already got prices well above the USD 400 CFR FO mark and push plate price up a little bit. In fact Italian plate mills have already increased their export offers to EUR 400 per tonne on FOB basis.

HRP

S 235 / S275JR

5-20x2000

?Country	Domestic	Import
Germany	10	10
Spain	0	0
Italy	0	20

Change is on June 26th 2009 as compared to June 19th 2009

In EUR per tonne

2. HR

It is reported that prices in Italy have started going up with a strong trend.

Italian domestic HRC buyers have been obliged to pay not less than EUR 380 per tonne basis plus applicable extras for commercial quality as against EUR 310 per tonne to EUR 320 per tonne 15 days ago.

HRC
S235JR
2-12x1000-1500

?Country	Domestic	Import
Germany	0	15
Spain	0	15
Italy	0	10

Change is on June 26th 2009 as compared to June 19th 2009
In EUR per tonne

3. CR

CRC
DC 01
0.60 Avx1250

?Country	Domestic	Import
Germany	10	20
Spain	10	10
Italy	20	20

Change is on June 26th 2009 as compared to June 19th 2009
In EUR per tonne

4. HDG

HDG prices have shown more resilience than HRC and CRC where domestic producers are asking for prices of EUR 620 per tonne against around EUR 500 per tonne a fortnight ago.

HDG
DX 51 D / Z100-120 / AS
0.55 - 0.57x AW

?Country	Domestic	Import
Germany	10	20
Spain	10	10
Italy	20	20

Change is on June 26th 2009 as compared to June 19th 2009
In EUR per tonne

All prices are net to the final customer with following payment terms

A. Italy & Spain

1. Domestic prices are EXW or DDP with payment 90 days from delivery
2. Import prices are CIF FO with LC at 90 days from B/L date

B. Germany

1. Domestic prices are EXW or DDP with payment on the 15th of the following month
2. Import prices are CFR FO with open term payment at 30 days from date of arrival

5. Import Levels - Healthy improvement

Product	Grade	Thick mm	Change
HRP	S235JR	10-60x2500	10
HRP	S355J2+N	10-60x2500	30
HRC	S235JR	2-12x1250	10
CRC	DC 01	0.60 Avx1250	20
HDG	DX 51 D/Z 180/NA-C	0.60 Avx1250	0

Change is on June 26th 2009 as compared to June 19th 2009

In EUR per tonne

CFR Antwerp

To keep tab on steel prices in Europe, subscribe to services of www.steelprices-europe.com by registering or sending a mail to admin@steelprices-europe.com with full contact details. Please note that this is a paid service with subscription charges of EUR 500 for 12 months.

(Sourced from www.steelprices-europe.com)

For more news visit at www.steelguru.com