
Monday Market Monitor - Middle East (WEEK 42) - Caution is the watchword

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The global steel market is agog with news of turbulence in the offing as Chinese suppliers tighten their belts to offload insurmountable inventory generated over the last 2 months, whereas Europe and India have already started feeling the heat with offers plummeting week on week by nearly USD 50 per tonne in last fortnight.

Middle Eastern market which remained dormant during the happenings owing to Ramadan has opened recently after a month long recess. Eyebrows are raised and much activity was anticipated. However the buyers and stockiest have receded into a huddle even before the market could gather a modicum of mobility.

No perceptible change in domestic prices was reported during last week in MEA as such

The happenings in China and its shattering impact on the global steel prices hitherto on crutches has alarmed buyers in Middle East who prefer to lie low watching the developments with avid interest. Moreover stocks although low buyers prefer to postpone procurement in the short run as demand slackness compels them to restrict inventory and ensuing costs.

It is reported that the last order for re bars was booked from Turkey at USD 490 per tonne CNF Dubai although buyers been smart enough to ask for USD 470 per tonne but the actual booking if any should settle for USD 480 per tonne to USD 485 per tonne during the week. Local mills have been quoting at AED 1880 delivered at stockyard with not much activity.

Plates from Ukrainian sources have been recently booked at USD 560 per tonne, CNF Dubai but fresh offers are hovering around USD 540 per tonne.

The last HRC order booked was at USD 525 per tonne CNF Dubai and is expected to settle some where close to USD 510 per tonne for new booking with December shipment from Chinese sources. Rumor mills indicate that levels might touch USD 475 per tonne but it is too early believe it.

HDG market remains relatively quite with bookings being done at USD 850 per tonne from Indian and Korean sources as Chinese quality is always suspect plus the lead time in delivery is a deterrent.

Market is abuzz with vacillating sentiments depending on the movement in Chinese and Black Sea prices but one thing is sure that in the coming days much of activity will be seen on the price front if not on the demand front as every sensible buyer would like to extract its pound of flesh in the mayhem.

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