
Monday Market Monitor - EU (WEEK 44) - Tug of war continues

Monday, 02 Nov, 2009

Week 44 has seen basically no changes compared with the previous one. Transactions have been very modest with buyers generally bidding at levels un reachable by suppliers.

Demand is remaining low and the recent production capacity increase, due to re lining of several BF, are not helping a price recovery.

More than negotiating based on market price and trend, customers are bidding based on their expected retail prices which, during last period, were determined not by the market price but by the extremely low demand. Thus the spread between expectations and offers is remaining quite wide and unlikely to be settled during the short period.

More and more customers, in order to acquire material at affordable prices, are looking for secondary, of course mainly for hot products. We have got information of an Italian SSC that was able to book some secondary HRP quantity from East Europe at a price of EUR 350 per tonne CIFFO Italian port.

On the other hand, Ukrainian Mills are quoting, for prime HRP to be produced for shipment December, prices ranging between EUR 360 per tonne to EUR 380 per tonne CIFFO Mediterranean port, finding in any case not so many interests.

The price decrease going on both in Indian and Chinese domestic markets are putting pressure on the traditional suppliers of those markets such as the Russian and Ukrainian Mills that are finding growing problems in filling up their order books.

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