
Japanese steel mills settle H beams export deal to South Korea

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TEX reported that a Japan steelmaker has settled its deals of H beam exports to South Korea at USD 620 to USD 640 per tonne CNF for November shipments as compared with a high of USD 680 per tonne CNF for October shipments.

The settlement follows resumed negotiations with local customers. The negotiations started in late September on November shipments. But they were suspended until mid October as various Korean users had taken a wait and see position around China's national foundation anniversary.

There were H beam offers from China to South Korea at around USD 500 per tonne CNF before China's national foundation anniversary. In South Korea, Hyundai Steel Co executed a domestic price increase of KRW 50,000 per tonne for H beams each in August and September.

The Japanese steel company is thought to have faced a fairly tough process of negotiations on its H beam exports to South Korea for November shipments. But it is understood that the company felt no need to meet Chinese steelmakers' prices, given pressure only for a temporary price adjustment that may have arisen from Chinese export offensives at low prices. Also, the company saw no environment for a major price adjustment in US dollars, with an appreciating Korean won against the US currency.

Meanwhile, in South Korea, general construction contractors are demanding post sale price reductions in rebar supplies from domestic electric steelmakers while rejecting payments for negotiated rebar purchases, given that low priced rebar imports are available from China. It is a matter of attention how the current problem with rebar supplies in South Korea will be solved, in which there is fears of a ripple effect on the H beam sector.

(Sourced from TEX Report Limited)

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