
Monday Market Monitor - CIS (WEEK 45) - lull before storm

Monday, 09 Nov, 2009

The price level for CIS exports in Week 45 remained almost similar to last week but let's say more down than up. But the situations remained a bit hazy as some deals / offers were reported at much more aggressive levels.

We can term last week as "lull before storm". The main issue is that after some rush weeks, when market, moved by drive to contract November shipments, is now stable, but not based on last low contracted prices, but on increased offer levels after fulfilling their order books and coming back to "offer" level. So it looks like order book level is suitable for sellers at present and they try to keep prices. But soon they will have to start contract December and may have to come to lower levels to entice buyers.

Longs market is led by billets and almost all trends for finished products are an "adjustment" of billet tendencies, at least it is so for current CIS export. In general buyers do consider that they contracted expensive this time and I think once again will aim on USD 350 per tonne FOB levels.

The downward correction was somewhat visible for plates where some Ukrainian mills lowered their offers.

On the negative side, unexpectedly in October, some Ukrainian steel mills increased steel production to 2.7 million tonnes against 2.4 million tonne sin September. The increased production is likely to sound death knell in the coming months, where the domestic demand would be hit badly with the arrival of winter.

Item	Grade	Size	Change
Billets	3-5 sp/ps	125-150 mm	0
Rebars	A300C-A500C	12-32 mm	0
Wire rod	mesh	5.5-6.5 mm	0
HRC	ST1-ST3 kp/sp/ps	2-8 mm	0
HRC	ST1-ST3 kp/sp/ps (Russian)	2-8 mm	0
Plates	A36	8-30 mm	0
CRC	08 kp (Ukrainian origin)	0.5-1.5 mm	0
CRC	Russian origin	0.5-1.5 mm	0

Change is on November 6th as compared to October 30th 2009

In USD per tonne

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