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## Brazilian steel distributors see increase in sales in October

*Tuesday, 10 Nov, 2009*

BNamericas reported that Brazilian flat steel distributors are expected to have increased both purchases from mills and sales volume in October compared to the previous month.

Mr Christiano Freire CEO of local distributor Frefer said that for October, he estimated that flat steel sales amounted to some 330,000 tonnes, up by 4% MoM from 316,600 tonnes in September 2009, while purchases from mills reached 328,000 tonnes as compared to 313,000 tonnes in September 2009, up by 4.8% MoM.

He added that "Sales have rebounded well and numbers are at almost pre crisis levels. Demand has resumed and orders have been on the rise. We are seeing the return of major infrastructure projects that were put on hold during the crisis."

Mr Freire also mentioned that prices will likely stay the same for the remainder of the year following a 10% increase in September. He added that "Since international prices are relatively low, we are not expecting to see any price increases this year."

For 2010, Mr Freire expects a more robust distribution market and said prices could rise. He said that "We will have a strong first quarter in 2010, possibly resembling Q1 of 2008, one of the strongest quarters in the Brazilian steel industry's history."

In addition, Mr Freire, a former president of steel distributors' association Inda, said that inventories are relatively low and there is no excess supply, as he expects stocks to have dropped to 754,000 tonnes in October from September's 758,000 tonnes. He added that "Inventories are at about 2.3 months worth of consumption as compared to an average of 2.6 months and distributors are having difficulties restocking."

(Sourced from [www.bnamericas.com](http://www.bnamericas.com))

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