
Monday Market Monitor - EU (WEEK 50) - Rally is on

Monday, 14 Dec, 2009

Steel prices kept going up in Europe, generally for all products except HDG that is apparently breathing after the rally of November.

The main reasons behind this positive trend are following:

1. Production is still at low levels with mills running 70% to 80% of actual capacity.
2. Stocks are generally quite low as all customers maintained a very conservative attitude, avoiding any kind of speculative purchases and concentrating only in standard, secured business.
3. Many customers, for fiscal reasons, have decided to concentrate purchase at the end of the year

However, as previously and repeatedly underlined, the overall consumption and demand is remaining very weak and sluggish, without any sign of a significant recovery exception made for some timid improvements in Italy, Germany and France.

On the other hand, Dubai default and the extremely heavy situation of Greece are shading clouds on the future. Inflation rate is remaining low and thus ECB has recently declared that interest rates will remain during the medium period still at present low levels. However in some EU areas the consequence of the crisis still has to deploy all its effects as it's witnessed, among others, by the decision of Tenaris Dalmine to quit thousand of workers as well as by similar situations around EU.

Prices of long products are similarly going up as merchant bars and de bars have reached a new basis of about EUR 130 per tonne in Italy and about EUR 150 per tonne DDU in Germany.

1. Plates - South Europe recovering

HRP

S 235 / S275JR

5-20x2000

Country	Domestic	Import
Germany	0	0
Spain	5	5
Italy	0	5

Change is on December 11th as compared to December 4th 2009

In EUR per tonne

2. Hot Rolled Coils - Surge continue

HRC

S235JR

2-12x1000-1500

Country	Domestic	Import
Germany	0	5
Spain	10	5
Italy	10	0

Change is on December 11th as compared to December 4th 2009

In EUR per tonne

3. Cold Rolled coils - In tandem with hot band

CRC

DC 01

0.60 Avx1250

Country	Domestic	Import
Germany	10	10
Spain	10	5
Italy	0	10

Change is on December 11th as compared to December 4th 2009

In EUR per tonne

4. Hot Dipped Galvanized - Lagging behind

HDG

DX 51 D / Z100-120 / AS

0.55 - 0.57x AW

Country	Domestic	Import
Germany	0	0
Spain	0	0
Italy	0	5

Change is on December 11th as compared to December 4th 2009

In EUR per tonne

5. CFR Antwerp- Recovery continues

Product	Grade	Thick mm	Change
HRP	S235JR	10-60x2500	0
HRP	S355J2+N	10-60x2500	5
HRC	S235JR	2-12x1250	0
CRC	DC 01	0.60 Avx1250	10
HDG	DX 51 D/Z 180/NA-C	0.60 Avx1250	0

Change is on December 11th as compared to December 4th 2009

In EUR per tonne

All prices are net to the final customer with following payment terms

A. Italy & Spain

1. Domestic prices are EXW or DDP with payment 90 days from delivery
2. Import prices are CIF FO with LC at 90 days from B/L date

B. Germany

1. Domestic prices are EXW or DDP with payment on the 15th of the following month

2. Import prices are CFR FO with open term payment at 30 days from date of arrival

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