
Monday Market Monitor - Middle East (WEEK 46) - Deceptive flutter

Monday, 16 Nov, 2009

After massive change in the previous week, steel prices in MEA remained unchanged last week although import rebar offer levels to Middle East has shown small gain during last week owing to improvement in scrap prices and demand from reroller.

?Class	05-Nov	12-Nov	Change	%
MLPPI	3600	3600	0	0.0%
MFPPPI	5061	5061	0	0.0%
MEASPI	4042	4042	0	0.0%

MLPPI - Middle East Long Product Price Index

MFPPPI - Middle East Flat Product Price Index

MEASPI - Middle East Steel Price Index

Scrap prices have firmed up by USD 20 per tonne touching USD 280 per tonne CNF Turkish port as buying from the Turkish mills picked up in the last 10 days. Turkish mills hitherto were out of market for 2 month post Ramadan as there was negligible demand in this region for their product. However with the gradual depletion of stocks some buying to maintain operations albeit at sub optimal level became inevitable.

The UAE market has undergone bit of metamorphosis in their purchasing pattern to rationalize cost in this extremely trying times. The local re rollers have switched over to buying more of re-bars over billets as their prices have reached parity.

Moreover Turkish mills have been offering customized packages in with their markings which the re rollers are able to sell under their name locally. The current offer levels are prevailing around USD 460 per tonne to USD 470 per tonne CNF an improvement of USD 5 per tonne over last week.

Locally re bars are available at AED 1800 per tonne plus 5% tax plus freight delivered to customer yard on 120 days to 180 days credit terms. In real terms, rebar prices in Dubai have dipped by AED 50 per tonne during the week.

It needs no emphasis that there is utter lack of activity in all the core consuming segments in Middle East which according to experts is expected to continue till the end of 4th quarter. Any price revival would be short term and scrap centric and crumbling under its own weight when the mills margins are squeezed kindling frenzy selling.

Turkey Export Prices went up a bit on Ukrainian and scrap cue

?Product	Grade	Size mm	Change
Billets	SAE 1008	125 x 125	0
Rebars	BSt500	8 to 32	10
Wire Rod	SAE 1008	5.5 to 16	10

Turkish import levels also increased a bit last week

?Product	Grade	Size mm	Change
Scrap	A3	500x500x1500	10
Billets	3Sp/Ps	125x125	10
HRC	S235JR	3-12x1000-1500	10
PLTS	S275JR	10-40x2500-3000	0

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