
Monday Market Monitor - EU (WEEK 49) - Recovery is on

Monday, 07 Dec, 2009

The general economic situation, although is giving day by day signs of recovery, yet is still characterized by a lack of a real demand and a consumption level that is remaining much lower of 2008.

Most part of efforts of EU economies are concentrated in subsidizing unemployed people by means of extraordinary redundancy fund which is, on the other hand, drying up resources for investments in infrastructures and industry.

Thus all steel operators, including producers, traders, distributors to come down to final end users are obliged to work with a very short term planning or, even, with a day by day horizon, without having the possibility of preparing any medium term program. Every body is concentrated in keeping alive assets and organizations, by shrinking, cutting and dismissing without any or very little capacity of investments and strategy planning.

This situation, similar to a sort of apnea, where basically all operators are trying to resist, moving as less as possible and avoiding to create situations of possible risks, is probably the worst effect of the crisis. Nobody wants to renounce to the positions held before the crisis but at the same time, nothing is done to coop with the new situation and nothing or very little is modified in order to change the situation.

It seems that everybody is just waiting to see the night over and forget about the past, following up with the same path, like if it was a bad nightmare. Nevertheless, going like this, the time of a real recovery will become more and more far.

1. Plates - Last to catch

Among all products, HRP are still remaining the more depressed as Ukrainian and Russian Mills still have rolling capacity and room for production December.

HRP

S 235 / S275JR

5-20x2000

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

Change is on December 4th as compared to November 27th 2009

In EUR per tonne

2. Hot Rolled Coils - Front runner

As a general trend, prices are still going up, pushed by a temporary shortage of availability, mainly for HRC.

HRC

S235JR

2-12x1000-1500

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

Change is on December 4th as compared to November 27th 2009

In EUR per tonne

3. Cold Rolled coils - In tandem with HR

CRC
DC 01
0.60 Avx1250

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

Change is on December 4th as compared to November 27th 2009

In EUR per tonne

4. Hot Dipped Galvanized - Up swing continues

HDG is apparently the second best product with apparent demand increasing and prices edging up. The positive trend of HDG is definitely helped by the relative structural minor availability of this product among Ukrainian and Russian producers, whereby only the major three Russian Mills have a production able to satisfy both in terms of quantity and quality part of the EU markets. Also the still relatively high offers from India and China are helping to keep HDG prices under pressure.

HDG
DX 51 D / Z100-120 / AS
0.55 - 0.57x AW

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

Change is on December 4th as compared to November 27th 2009

In EUR per tonne

5. CFR Antwerp - Mixed reports

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

Change is on December 4th as compared to November 27th 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
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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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