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## Monday Market Monitor - CIS (WEEK 06) - Billet weakens

Monday, 15 Feb, 2010

Contradicting trends were seen for steel prices at Black Sea this week as on one hand the situation was quite stable, on other there are strong signs of weakening and working levels decrease.

CIS billets producers are squeezed between high raw materials costs and poor demand. Within last week working levels moved down by USD 15 per tonne to USD 20 per tonne.

But some suppliers are keeping away from market in wait and watch mode hoping for some positives by end of Spring Festival in SE Asia.

Similar factors are seen for finished longs markets, where "high" price also went down.

Flat products remained stable last week. But it is reported that the Ukrainian Mills have announced new prices for 2nd quarter 2010. Ilyich has risen plate prices to USD 555 per tonne FOB basis, while Zaprostal is looking for a price above USD 600 per tonne FOB ST for HRC. Thus it is likely that we should see a major surge in prices of HR in coming weeks.

It is also reported that the weather is still preventing loading and shipping of materials from Mariupol. Many vessels, said to be about 28, are queuing out of the port waiting for discharging raw materials and loading steel products but weather conditions are remaining very tough and delays on deliveries are accumulating. Despite all efforts, buyers and final customers are left without alternative but to wait for better conditions during next days and weeks. Likely enough, deliveries are relevant to orders booked 2 to 3 months ago when prices were much lower than today which is avoiding major problems to traders.

### FOB Black Sea

Item	Grade	Size	Change
Billets	3-5 sp/ps	125-150 mm	-15
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 February 12th 2010 as compared to February 5th 2010

In USD per tonne

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