
Monday Market Monitor - CIS - WEEK 04 - Longs fizzle out

Monday, 30 Jan, 2012

As the winter mist clears the reality seems to be dawning upon the market. Even though mills have been vying for the elusive stability in prices for long and flat the grip is loosening.

One is reminiscent of the rally in billet prices being triggered by the seasonal shortage of scrap. Mills as well as traders attempted to create a momentum in the market based on sentiments rather on demand. But steel billet price significantly dropped during the course of the week and are now inching down to USD 600 CFR levels

Generally, the semis went down by USD 10 per tonne to USD 20 per tonne during this week taking total loss to USD 30 per tonne to USD 40 per tonne in last 15 days reflecting severe weakness in demand. Most of the offers are around USD 570 per tonne to USD 575 per tonne FOB Black Sea now. Selling price in North Africa ie Egypt and Libya etc are ranging between USD 615 per tonne to USD 625 per tonne CFR FO. As per report, the February shipments are still available for sale...

Finished longs are generally facing the same trend, but meantime the quotations are more stable.

But Ukrainian and Russian mills HRC hike seems to be sticking. It is reported that HRC market at Black Sea remained in uptrend but momentum seems to have started to fizzle out a bit. As per reports, the following picture has emerged

?Origin	Attempted hike	Achieved
UKR	USD 40 to USD50	USD 30 to USD 40
RUS	USD 50 to USD55	USD 50

The prices have been hiked during Jan 7 to Jan 15

Steel plate prices start to climb at Black Sea

Plate prices are picking up again after a long period. The Ukrainian mills seem to offer around USD 640 per tonne to USD 650 per tonne FOB Mariupol and up to USD 675 per tonne from Odessa. Some material from narrow mills is still available at low level of USD 600 per tonne to USD 610 per tonne FOB Mariupol.

?Item	Grade	Size	Change
Billets	3-5 sp/ps	125-150 mm	-20
Rebars	A300C-A500C	12-32 mm	-15
Wire rod	mesh	5.5-6.5 mm	0
HRC	ST1-ST3 kp/sp/ps	2-8 mm	-30
HRC	ST1-ST3 kp/sp/ps (Russian)	2-8 mm	-5
Plates	A36	8-30 mm	+15
CRC	08 kp (Ukrainian origin)	0.5-1.5 mm	-5
CRC	Russian origin	0.5-1.5 mm	-30

Change is on Jan 27th as compared to 20th Jan 2012

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Products covered

1. Input materials - Iron ore, scrap, sponge iron, pig iron pencil ingot, billets and blooms
2. Long products - Rebar, wire rod, angle, channel and joists
3. Flat products - Narrow plates, wide plates, HR, CR and galvanized
4. Others - Pipes

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