
Monday Market Monitor - Middle East (WEEK 13) - Wire rod prices crash

Monday, 30 Mar, 2009

Middle East Steel Prices fell steeply in last week for long products. The Middle East Long Product Price Index MLPPI dipped by 167 points, on the contrary the Middle East Flat Products Index MFPPPI remained unchanged. The overall price index MEASPI declined by 117 points.

| Class | 19-Mar | 26-Mar | Change |
|--------|--------|--------|--------|
| MLPPI | 3862 | 3694 | -167 |
| MFPPPI | 5562 | 5562 | 0 |
| MEASPI | 4377 | 4260 | -117 |

MLPPI - Middle East Long Product Price Index

MFPPPI - Middle East Flat Product Price Index

MEASPI - Middle East Steel Price Index

| Long Products: Category | 19-Mar | 26-Mar | Change |
|-------------------------|--------|--------|--------|
| PI – Rebar | 3280 | 3280 | 0 |
| PI – WRC | 3919 | 3509 | -410 |
| PI – Angle | 4807 | 4807 | 0 |
| PI – Structural | 4878 | 4878 | 0 |
| PI – HEA | 5396 | 5396 | 0 |

| Flat Products: Category | 19-Mar | 26-Mar | Change |
|-------------------------|--------|--------|--------|
| PI - Narrow Plates | 5435 | 5435 | 0 |
| PI - Wide Plates | 7738 | 7738 | 0 |
| PI - Hot Rolled | 4307 | 4307 | 0 |
| PI - Cold Rolled | 4856 | 4856 | 0 |
| PI - Galvanized | 5178 | 5178 | 0 |

To know more about these indices please visit

http://steelprices-middleeast.com/spi_services/spi.html

Flat prices have remained stable but longs seem to be heading downhill. Long product prices have shown quantum decline 3% for Rebars up to 24% for wire rods and 7% in plates in Saudi Arab.

| Rebars? | Location | CUR | Change | USD | % |
|---------|----------|-----|--------|-----|-------|
| | Dubai | AED | 0 | 0 | 0.0% |
| | Dammam | SAR | -50 | -13 | -2.7% |
| | Bahrain | BDR | 0 | 0 | 0.0% |
| | Kuwait | KDW | 0 | 0 | 0.0% |
| | Qatar | QAR | 0 | 0 | 0.0% |
| | Jeddah | SAR | 0 | 0 | 0.0% |

Change is on March 26th 2009 as compared to March 19th 2009

Change is in USD per tonne

Wire rod

| SAE 1008? | Location | CUR | Change | USD | % |
|-----------|----------|-----|--------|------|--------|
| | Dubai | AED | -250 | -68 | -12.5% |
| | Dammam | SAR | -550 | -146 | -23.9% |
| | Bahrain | BDR | -25 | -66 | -9.6% |
| | Kuwait | KDW | -22 | -81 | -13.4% |
| | Qatar | QAR | 0 | 0 | 0.0% |
| | Jeddah | SAR | -250 | -67 | -10.9% |

Change is on March 26th 2009 as compared to March 19th 2009

Change is in USD per tonne

Plates 3x12

| S275 JR? | Location | CUR | Change | USD | % |
|----------|----------|-----|--------|-----|-------|
| | Dubai | AED | 0 | 0 | 0.0% |
| | Dammam | SAR | -300 | -80 | -6.7% |
| | Bahrain | BDR | 0 | 0 | 0.0% |
| | Kuwait | KDW | 0 | 0 | 0.0% |
| | Jeddah | SAR | 0 | 0 | 0.0% |

Change is on March 26th 2009 as compared to March 19th 2009

Change is in USD per tonne

It is reported that a major WRC producer in this region has come upstream offering equivalent to USD 460 per tonne ex works as against import offers of USD 430 per tonne CNF basis Middle Eastern ports. The sudden spurt in supply has led to the plummet in domestic price levels as buyers prefer domestic sourcing over imports due short lead time and customised delivery in small lots. Moreover the ghost of “old inventory” continues to haunt the market.

On the flip side, there is a remarkable improvement in import offers as billets are earlier being offered USD 370 per tonne to USD 380 per tonne and rebars at USD 430 per tonne to USD 440 per tonne CNF Middle Eastern port levels respectively, but no bookings are reported as buyers have already piled inventory at much lesser levels earlier. The potential for these prices to hold on seems bleak.

On the other hand, Turkish steel mills, which are the major supplier to MEA, increased their FOB offer levels for long products.

| ?Product | Grade | Size mm | Change |
|----------|----------|-----------|--------|
| Billets | SAE 1008 | 125 x 125 | 65 |
| Rebars | BSt500 | 8 to 32 | 70 |
| Wire Rod | SAE 1008 | 5.5 to 16 | 70 |

Change is on March 27th 2009 as compared to March 20th 2009

In USD per tonne

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