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## Monday Market Monitor - CIS (WEEK 13) - Flat products crash

Monday, 30 Mar, 2009

Last week exhibited really controversial tendencies on the Black Sea export market.

Billets went up quite rapidly, from USD 280 per tonne working level in the previous week, prices have arisen to USD 310 per tonne and producers are pushing them up further. There are indications of “seller price” as high as USD 340 per tonne, but this is not a working level yet. Sellers are looking or trying to sound quite optimistic, at least now.

Finished longs have not shown reaction on price increase yet, just have firmed a little bit on the previous levels.

For flats the situation is worse and there is a huge and uncertain delaine comparing to the last week. The issue is that Ukrainian HRC is said to be offered at around USD 340 per tonne FOB, but there is a question at what levels deals are concluded if there are any. Really low price quotations from the ports are heard as buyers are trying to push prices down to USD 300 per tonne to USD 310 per tonne or even more.

As for plates, which were much more sustainable last months, the situation has worsened as well, it seems. The companies that have options what to roll are rolling plates by exact orders and keeping prices like Alchevsk they still quote at more than USD 500 per tonne, others went down to around USD 480 per tonne. As well as there are proposals from narrow mills like 2000-2300 as low as USD 420 per tonne to USD 430 per tonne and quotes from the port stocks at around USD 400 per tonne.

?Item	Grade	Size	Change
Billets	3-5 sp/ps	125-150 mm	10
Rebars	A300C-A500C	12-32 mm	10
Wire rod	Mesh	5.5-6.5 mm	10
HRC	ST1-ST3 kp/sp/ps	2-8 mm	-40
HRC	ST1-ST3 (Russian)	kp/sp/ps 2-8 mm	-0
Plates	A36	8-30 mm	-20
CRC	08 kp (Ukrainian origin)	0.5-1.5 mm	-20
CRC	Russian origin	0.5-1.5 mm	-10

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

Change is in USD per tonne

Delivery FOB Black sea

It is reported that the general levels of export offers of HRC from Ukrainian producers dropped very heavily this week. On the other hand prices of HRC from Russian mills did not change much, This has brought back the traditional gap of USD 30 per tonne to USD 40 per tonne between Russian and Ukrainian mills, which was lost during early March when the offers were reported at similar levels from both sources.

A major booking in India is reported for HRC of tube making grade 15,000 tonnes and CRC 10,000 tonnes at USD 380 per tonne and USD 430 per tonne respectively on CNF LO Mumbai basis.

The gap between Black Sea port prices and Chinese Main port prices closed for longs as the former prices showed correction. However for flats the gap widened with a slump in Black Sea prices with less proportionate fall in Chinese offers , which gradually seems to be coming to terms with the market reality:

?Item	27-Feb	06-Mar	13-Mar	20-Mar	27-Mar
Billet	-167	-210	-160	-145	-128
Rebar	-120	-120	-120	-145	-140
Wire rod	-135	-125	-130	-145	-140
HRC	-130	-145	-120	-95	-120
Plates	25	90	85	105	75
CRC	-135	-125	-115	-115	-150

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

In USD per tonne

Delivery on FOB basis

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