

 This week:

Global slabs market gets a boost from flat product price increases

The merchant slab price dynamic is being fuelled by flat product price increases in some key importing regions, while continuously strong scrap is lending additional support. The dynamic has already resulted in some higher-priced sales, with more expected imminently.

In Turkey, mills managed to ramp up domestic hot rolled coil prices by almost \$100/tonne on-month to \$740-750/t ex-works in offers, paving the way for higher slab prices. Although Turkish capacity utilisation remains limited, significant HRC sales were made in the last three weeks, with February sold out and March available, bringing slab buyers to market.

While Russia is Turkey's largest slab supplier, it has been absent until now due to holidays, giving the opportunity to Saudi suppliers. A 50,000-tonne lot was sold early last week at \$545/t fob Saudi Arabia, with more material available at higher prices. There was a talk of another lot having been sold at around \$555-560/t fob, as later last week offers were made at this level. The Gulf Cooperation Council HRC market is weaker than in Europe, traders say, and traditionally low slab availability may be higher this time.

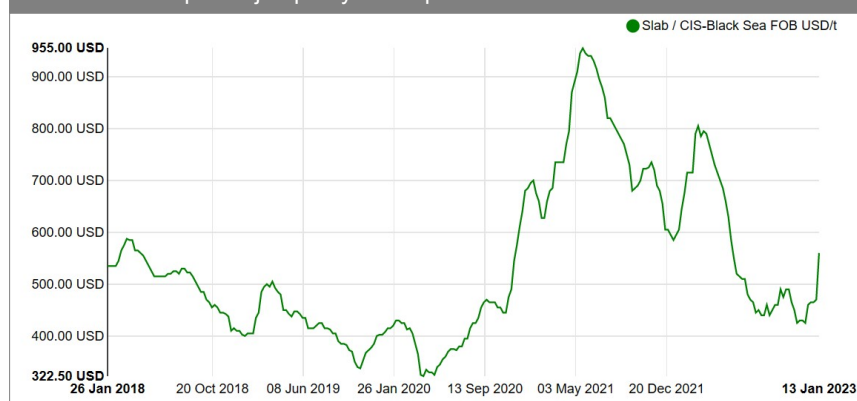
Russian suppliers are only just back in the market, with indications circling \$580-600/t cfr Turkey, but no negotiations heard thus far this week. Considering mushrooming demand for the material, including from Europe and the US, which can only be served by Brazil, the latter is tabling offer indications at \$600-620/t fob, depending on the region. Current ferrous scrap negotiations in the US are supporting the ascending sentiment, but market participants are aware of recent sudden directional changes, and many remain in observation mode.

Europe is rather active with enquiries, but there are also offers abound at \$650-670/t cfr from non-Russian destinations. The increase is supported by higher HRC offers and higher plate prices achieved in the past month, gaining around €20-40/t depending on grade.

Black Sea trade is being further exacerbated by the absence of Iranian material, which was available at \$430-440/t cfr in mid-December, but has disappeared from the market in the past two weeks, on natural gas shortages. This means lower-priced material is not being traded into China and Southeast Asia, squeezing availability and supporting prices further, sources note. Although Southeast Asia is still to make its bids for slab amid the flat steel market recovery, demand potential remains.

Tentatively, China, having gone through a period of yo-yoing between recovery and slowdown in the last six months, appears to be leaning back to the recovery side, with HRC prices rising both in domestic and export markets. Although the dynamic is about to change again in the run up to Lunar New Year in just over a week's time, a relatively strong ascending momentum is being observed, traders note.

Black Sea slab prices jump beyond expectations



▶ [Click here to view this graph online](#)

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KORE INDEX

Index	58%	62%	65%
W-o-w % Change	-0.19%	3.52%	3.32%
13 Jan	107.66	124.55	138.62
12 Jan	107.59	124.22	138.27
11 Jan	107.80	124.41	138.46
10 Jan	103.85	118.82	132.71
09 Jan	103.50	117.52	131.34
Average	106.08	121.90	135.88
06 Jan	103.40	117.66	131.56
05 Jan	103.22	116.60	130.48
04 Jan	103.26	116.57	130.34
03 Jan	102.84	119.29	132.83
02 Jan	101.29	118.71	132.32
Average	106.29	117.76	131.51

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UK: +44 7874 008654
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 Singapore: +65 9766 8175
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EMAIL

General: info@kallanish.com
 Editorial: editorial@kallanish.com
 Sales: sales@kallanish.com

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Global Overview

Americas:

- US rebar prices firm
- US sheet price up again
- Mexican auto production recovers in 2022

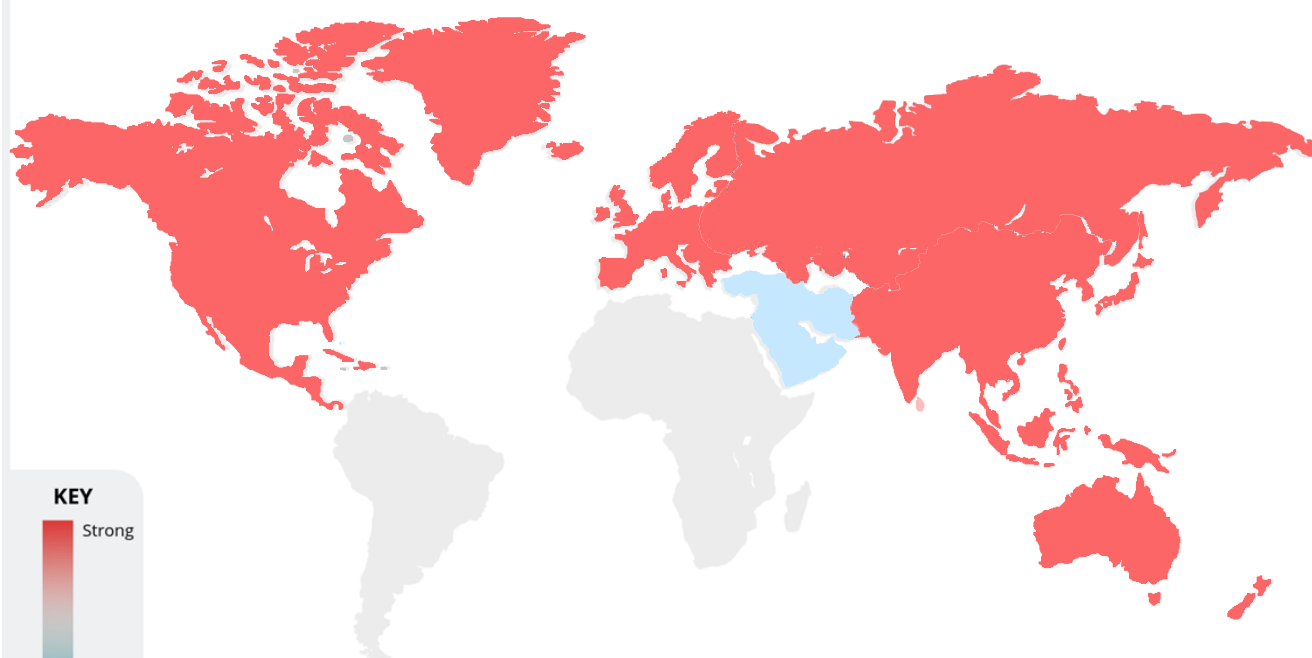
Europe:

- Metinvest confirms interest in Dunafer
- European scrap prices still up
- British Steel raises sections prices

Asia:

- Chinese steel recovers again
- Iron ore prices move up further
- Japanese scrap export prices rebound

KALLANISH STEEL WEEKLY GLOBAL SENTIMENT MAP



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India:

- Indian mills raise HRC export offers
- Indian imported scrap buyers resist price hike
- Pakistan scrap imports halt amid delay in LC opening

CIS:

- Returning CIS slab mills eye demand

Middle East:

- Turkish scrap comes under pressure
- Weakening domestic demand pressures Turkish rebar
- GCC sees HRC import deals

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 Word of the week

Cold Working

Cold working is where the structure and shape of steel is changed through rolling, hammering or stretching at low or room temperatures. This process is done to create a permanent increase in the hardness and strength of the steel.

KALLANISH



ASIA STEEL MARKETS 2023

29-30 March 2023
Ho Chi Minh City, Vietnam

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Kallanish - UK
Britannia House
t: +44 7874 008654

Kallanish - Spain
t: +34 910 062 451

Kallanish - Bulgaria
t: +359 896 266 305

Kallanish - China
Shanghai, China
t: +86 182 1728 2941

Kallanish - USA
t: +1 920 253 8934

Kallanish - Singapore
t: +65 9766 8157

General Enquiries:
www.kallanish.com
info@kallanish.com

Social Media:



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