Kallanish Steel Weekly

SAMPLE

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This week:

Global slab prices remain firm

The global merchant slab market appears to have cooled somewhat as trading activity globally slowed after a couple of weeks of renewed activity.

The Carnival season in South America has put regional deals on hold for about two weeks, as lead times are also extended into May and offers continue to increase.

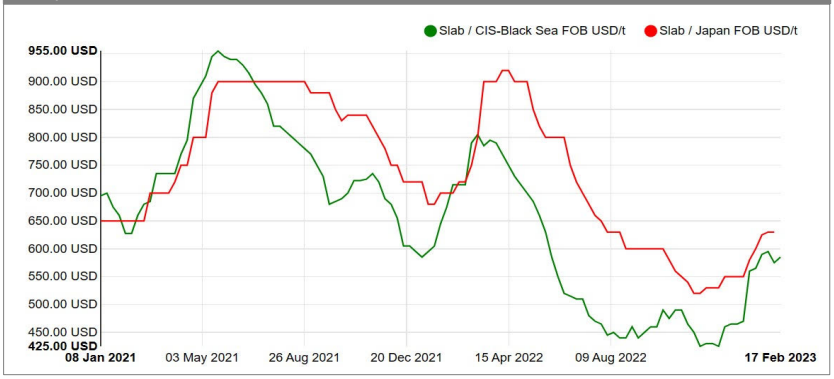
Trade into Turkey remains interrupted, but there is interest on both the buyers' and sellers' sides, albeit pricing appears difficult. As Turkish mills are orientating one day at a time, in an extremely testing situation, exacerbated further by uneven supply, deals are slow to conclude. There are offers on the table from non-sanctioned Russian producers in the same range as the previous week, $610-630/tonne cfr, but after a couple of deals at higher prices, Turkish mills have retreated. Sanctioned slab is available from northwestern Russian ports at around $40/t below, but it is a riskier undertaking for Turkish mills, who are already in a difficult situation. Without concrete production plans, mills are observing a rapidly changing market situation, sources say.

Non-Russian offers into Turkey, the Mediterranean and other European countries are roughly at the same levels as the week prior, but are more abundant, compared to the previous week. There are Vietnamese, Indonesian and Chinese offers at $730-750/t cfr Turkey, with two sales made at $710/t cfr and $730/t cfr, of Vietnamese and Chinese slab, respectively, according to sources, the latter for plate-rolling grade. Stable European demand for plate and rolling capacity increases are fuelling Asian sellers' chances, along with EU mills' inability to book Russian slab alongside the absence of Ukrainian material.

Brazilian supply remains tight, as no offers were heard due to lengthy lead times spanning into May, the Carnival week and the pace of price increases. The latest prices were heard at $800-810/t fob Brazil, with one sale heard last week at the higher end of the range to Mexico. Suppliers are expected to come back after the holidays, with offers not below these levels, traders suggest.

Meanwhile, Asian slab import prices are at much lower levels of around $590-600/t cfr, with buying interest budding. Russian suppliers are competing with Iranian slab in this region, which is around $25-30/t cheaper. But on the successes of Asian sales to Europe, regional offers are quite scarce, and at a higher level, possibly enabling Russian and Iranian suppliers to clinch their regular deals at offer levels, market participants imply.

Slab prices hold firm for the moment



Click here to view this graph online

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KORE INDEX

Index	58%	62%	65%
Week % Change	2.90%	4.34%	3.96%
24 Feb	115.28	129.47	144.48
23 Feb	115.73	130.53	145.62
22 Feb	116.06	130.95	146.08
21 Feb	112.07	126.86	141.91
20 Feb	111.60	125.50	140.57
Average	114.15	128.66	143.73
17 Feb	111.23	124.46	139.50
16 Feb	110.99	123.64	138.54
15 Feb	110.87	123.17	138.10
14 Feb	110.81	122.84	137.77
13 Feb	110.77	122.42	137.34
Average	110.93	123.31	138.25

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Global Overview

Americas:

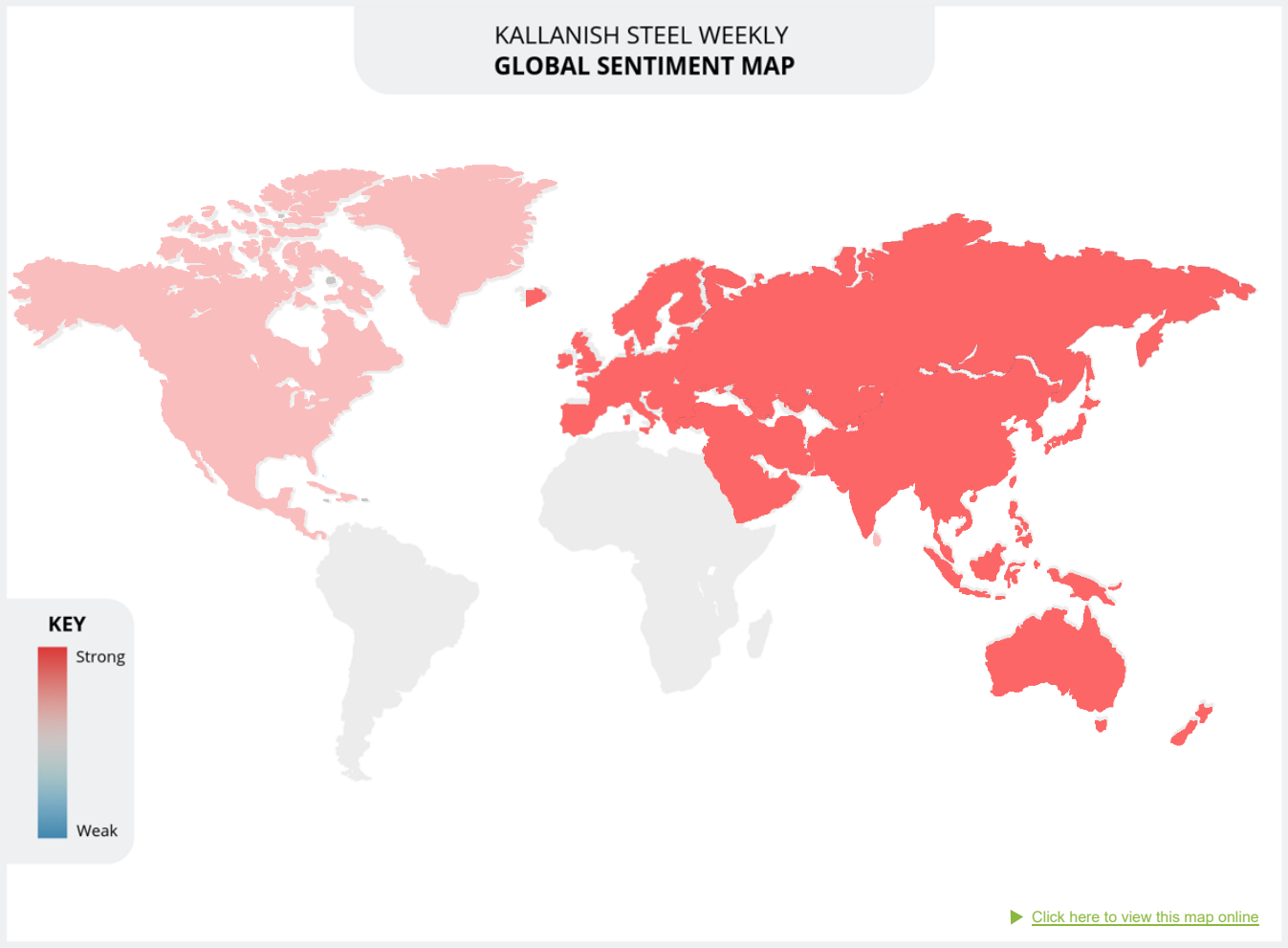
- US sheet prices increase
- Construction slows and faces inflation in US
- Scrap prices appear to be firm in North America

Europe:

- Tata Steel Ijmuiden invokes force majeure
- EU coil buyers question latest price increases
- European scrap looks up again

Asia:

- Chinese iron ore slightly up on week
- Sentiment in Chinese steel markets pauses
- Thailand reviews HRC duties



India:

- Indian HRC prices soften further
- Indian mills delay scrap purchases, anticipate price drop
- Pakistan imported scrap offers surge following Turkey scrap booking resumption

CIS:

- CIS billet sees shortage, higher prices

Middle East:

- Turkish scrap uptrend continues
- Reconstruction anticipation spurs further Turkish rebar hikes
- Turkish HRC market heats up

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Word of the week

Grey Iron

Basic form of cast iron that is relatively easy and inexpensive to produce. Grey iron is suitable for making a wide range of castings including valve, pump, rail and auto applications.

Contact

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