

SAMPLE

Top News:

CIS semis reach new record levels, confirming strength of the market

The upward momentum for steel prices registered globally did not slow down last week. In the CIS, both billets and slab prices continue to recover and they are now at record levels.

BILLETS - A Russian mill sold a 10,000 tonne lot for February loading to a Turkish re-roller at \$570/t fob. But this \$585/t cfr price is already considered too low by some participants, as price increases appear to accelerate amid last-minute pre-Christmas purchasing.

Offers at \$560-570/t fob were indicated on Monday this week and were largely ignored by buyers. But a new scrap deal into Turkey at over \$430/t cfr and \$40/t up on a week encouraged purchasing, and higher prices are expected imminently, with participants looking at offers at \$600/t fob for January loading as relevant. These offers, however, are likely to be withdrawn and increased accordingly, they add.

Scrap price is driving billet price increases, while rebar prices still lag somewhat, although it is expected the first quarter will see a stronger rebar pricing, as government stimulus packages begin to be absorbed. Participants concede that should Chinese scrap import regulations be finalised by January, rebar will have a stronger still cost push, as scrap prices will rocket.

Small and medium-sized traders have stepped back from CIS billet buying amid the increasing risk posed by yet higher prices. Despite this, demand is described as ubiquitous and the market as hot, thanks to continuous material shortages which are projected to last at least until January.

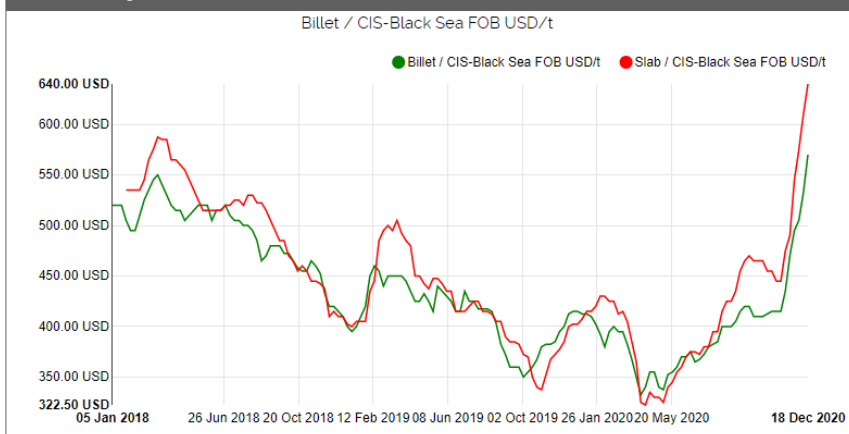
After selling large volumes at up to \$540/t fob, the majority of CIS mills have withdrawn offers, with very few cargoes left to sell from January-casting schedules. Those with January still available, such as a Russian coastal scrap-based producer, are now indicating \$600/t fob on costlier scrap and iron ore, and shorter lead times. But they are not yet taken seriously by active buyers.

The majority of sources still expect January to remain on the ascending trend for billet. This will be supported by scrap shortages and possible continued price growth, and steel price strength amid still low blast furnace capacity utilisation in some regions.

There are several scenarios which could see prices crashing hopelessly, a seasoned trader notes, but visibility remains low, and it is impossible to say whether they will materialise or when.

SLABS - CIS merchant slab price also rose by around \$20/tonne last week tracking rising prices of feedstocks and finished products across the supply chain. Offers are now surpassing \$610/t fob Black Sea, last time achieved in early 2018.

Price rally for CIS semis continues



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How will the provisional AD on Turkish HRC support coil prices in Europe?
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Will a bullish US scrap market continue into January?
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Will December holidays put brake on spiraling price uptrend?
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How are ASEAN countries preparing for 2021?

KORE 62% Fe / Qingdao CFR USD/t

W-o-w avg change	+4.21%
18 Dec 2020	\$ 164.29 high
17 Dec 2020	\$ 158.5
16 Dec 2020	\$ 158.12
15 Dec 2020	\$ 157.37 low
14 Dec 2020	\$ 157.41
Average	\$ 159.14
11 Dec 2020	\$ 159.25 high
10 Dec 2020	\$ 157.36
09 Dec 2020	\$ 150.08
08 Dec 2020	\$ 148.35 low
07 Dec 2020	\$ 148.52
Average	\$ 152.71

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Global Overview

SAMPLE

North America

- Scrap demand pushes US sheet upward
- US plate prices skyrocket
- Skelp costs drive up OCTG price

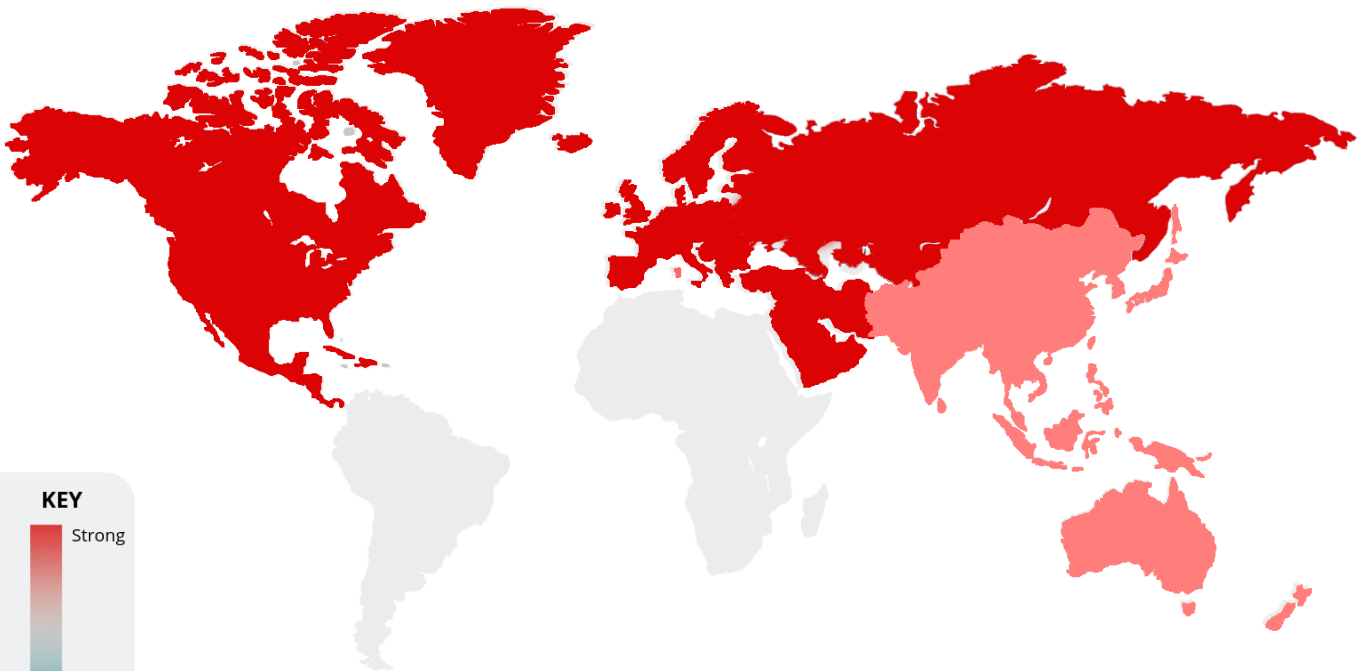
Europe

- AD on Turkish HRC ready to be applied
- ArcelorMittal raises coil prices further for Q2
- Rebar mills withdraw from market as prices continue to increase

Asia

- Chinese prices jump again
- SE Asian billet levels increase
- Vietnamese HRC reach \$700

KALLANISH STEEL WEEKLY GLOBAL SENTIMENT MAP



KEY



[See the interactive version online](#)

Latin America

- Usiminas sets BF restart deadline
- Brazilian steel sector recovers in Nov
- Samarco re-commission starts

Middle East

- Turkish scrap hits \$450/t
- Costs lift Turkish rebar prices despite slowing demand
- Anti-dumping duties hit Turkey's EU-bound HRC exports

CIS

- CIS billet uptrend accelerates before holidays
- CIS flats export prices grow further

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Word of the week

Temper

Temper is a term which is used in a number of different metallurgical contexts:

- (i) It can indicate heat treatment carried out below the lower critical temperature to reduce the hardness and increase the toughness of steels that have been hardened by their transformation to martensite.
- (ii) In tool steels, the term is sometimes used (unadvisedly so) to denote the carbon content of the steel.
- (iii) The word is also used to grade the degree of hardness achieved by cold working of both of low-carbon steel and of non-ferrous metals e.g. hard, half-hard, quarter-hard etc.

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If you found this issue of Kallanish Steel Weekly interesting please let us know, we would love to hear from you.

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