

SAMPLE

Top News:

Billet and longs prices start their descent, sentiment tries to hold

The downturn in scrap prices which started in the Turkish market during the second week of January is beginning to have a direct impact on steel prices globally. While it is too soon to say whether a long downward trend has started or if the current correction is merely temporary, the change in sentiment in the longs market is already tangible.

Despite the recent correction, Turkish scrap prices remained at a record level and it is likely that these will continue to be supported throughout this year by the new opening of the Chinese market to imports from the beginning of 2021.

BLACK SEA BILLETS

Black Sea billet prices continued to sleep last week amid the ongoing scrap and long product price corrections, with offers being adjusted accordingly. China's somewhat strengthening long products sentiment has induced some confidence into sellers, but buyers remain wary of accepting tabled offers.

Indications from CIS mills and traders have reached \$570-580/tonne fob Black Sea, with some tonnages contracted in the Mediterranean region at these levels earlier last week. But these were scarce and small in volume, traders note, with the overwhelming majority of buyers remaining on the fence.

Turkish re-rollers were bidding at \$580-590/t cfr, but the most recent scrap developments may push them back yet further. This is still around \$20/t above North African buyers' indications, which would net back to \$550/t fob Black Sea, a price not achievable now but looking quite likely in the coming days. "The only problem is the cat and mouse game is on, and bids will most likely be yet again below mills' offers as time goes on," a seasoned observer notes.

Gulf Cooperation Council buyers are also on the fence, having booked considerable volumes from the CIS in December and, more recently, from regional suppliers. Ever cautious, they are also likely to wait out the correction, especially as alternative supply is available, a trader notes.

The Asian market looks set to enter a lull, with prices slipping ever so slightly during last week to \$590-600/t cfr. The approaching Lunar New Year holidays are casting a shadow on activity already, traders observe, and the correction is additionally contributing to buyers' stupor.

Billet prices rally ends


[View this chart online](#)

In this week's issue:

PAGE 3

How much more can Chinese prices drop in the run-up to the holidays?

PAGE 4

Can EU longs prices hold despite the downturn in scrap levels?

PAGE 5

Will strong US demand and market optimism remain into February?

PAGE 6

Will scrap hit \$420/t this week?

PAGE 8

How much will the Russian steel market recover in 2021?

KORE INDEX

W-o-w avg	+0.07%	-0.48%	-0.38%
Index	58% Fe	62% Fe	65% Fe
22 Jan 2021	\$ 156.21	\$ 168.11	\$ 190.16
21 Jan 2021	\$ 157.30	\$ 169.81	\$ 191.63
20 Jan 2021	\$ 157.50	\$ 169.73	\$ 191.37
19 Jan 2021	\$ 157.58	\$ 170.01	\$ 191.71
18 Jan 2021	\$ 157.28	\$ 171.62	\$ 193.62
Average	\$ 157.17	\$ 169.86	\$ 191.70
15 Jan 2021	\$ 157.33	\$ 170.96	\$ 192.79
14 Jan 2021	\$ 157.04	\$ 170.81	\$ 192.34
13 Jan 2021	\$ 157.14	\$ 170.52	\$ 192.13
12 Jan 2021	\$ 157.29	\$ 170.92	\$ 192.65
11 Jan 2021	\$ 156.51	\$ 170.18	\$ 192.22
Average	\$ 157.06	\$ 170.68	\$ 192.43

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UK:	+44 7874 008654
Germany:	+49 304280 2034
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Singapore:	+65 9766 8175
Bulgaria:	+359 896 266 305
USA:	+1 412-657-2925
Shanghai:	+86 150 2141 6087

EMAIL

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

www.kallanish.com



Global Overview

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North America

- US scrap prices continue pushing sheet upwards
- US rebar prices reach historic levels
- Rising skelp prices push OCTG prices up

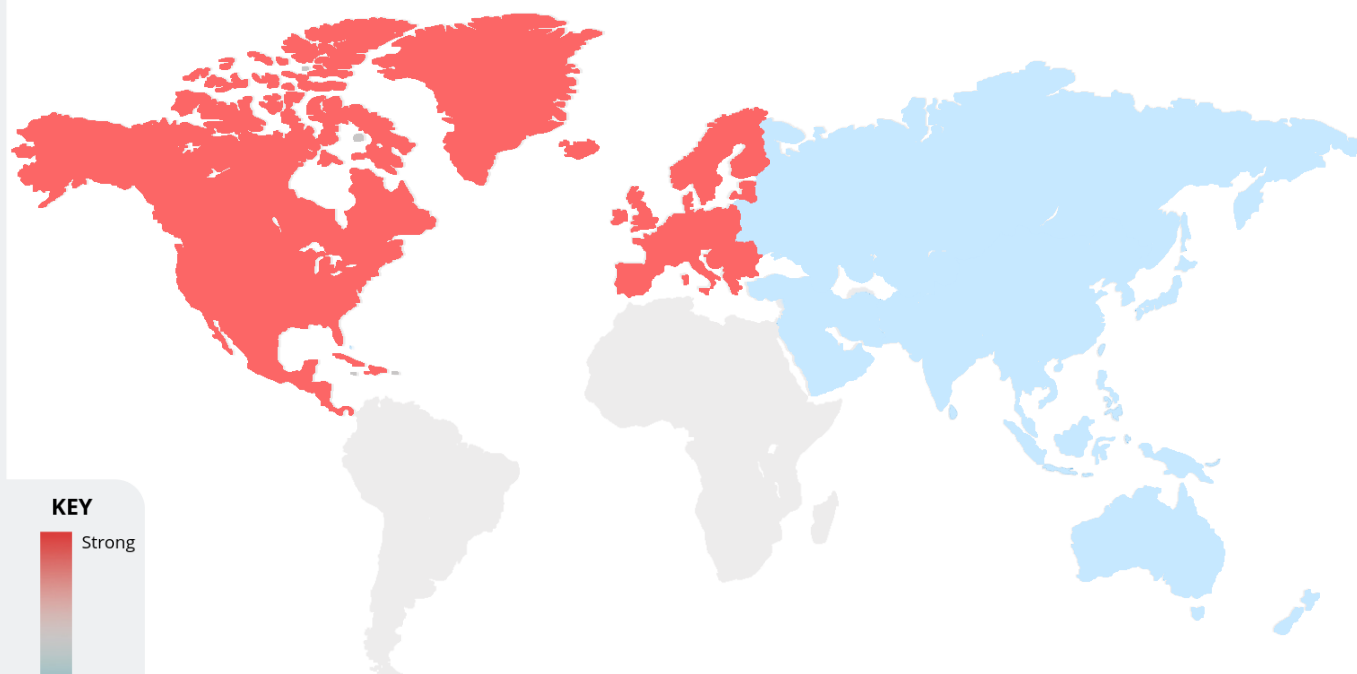
Europe

- Scrap prices look down in Europe
- Finished steel prices momentum remains strong
- AST tries to lift prices retroactively

Asia

- Nippon Steel restarts BF
- Iron ore under pressure, but holds
- Chinese prices down

KALLANISH STEEL WEEKLY GLOBAL SENTIMENT MAP



KEY



[See the interactive version online](#)

Middle East

- Turkish scrap drops further
- Turkish rebar exports dry up
- Asian material pressures Turkey HRC prices

CIS

- CIS billet adjusts down on cheaper scrap
- Buyers wait out CIS slab correction



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