

SAMPLE

## Top News:

# Stainless steel prices follow jumps seen in carbon steel products

The global stainless steel market is enjoying a similar rally to that seen by carbon steel, supported by tight supply and record levels for raw materials.

## CHINA

China's stainless steel market and futures prices increased last week. At the same time, nickel futures on the London Metal Exchange also hit a new high.

On 7 January on the Shanghai Futures Exchange March 2021 stainless steel futures closed at CNY 14,725/tonne (\$2,276/t), up by 4.95% compared with Wednesday. Meanwhile, the three-month nickel price on the London Metals Exchange crossed \$18,000/t, hitting its highest level since September 2019 and a 2.3% gain on Wednesday's closing price.

The rise in China's stainless steel prices is mainly driven by rising raw materials costs. At the same time, domestic stainless steel inventory has dropped significantly. The shortage of supply has caused serious shortages for certain sizes on the market, and prices have been driven higher as a result. An outbreak of end-user buying has caused some steel mills to stop taking orders, and some existing March orders have been rescheduled to May. In parts of China, freight restrictions have also exacerbated the imbalance between supply and demand.

As many Chinese smelters are using recently purchased high-priced nickel concentrate, the cost of smelting nickel pig iron is still high. Indonesia has increased its benchmark price for nickel. In addition, the continued unrest in New Caledonia, has exacerbated market participants' concerns about supply.

## EUROPE

Stainless steel prices in Europe are on the verge of increasing again significantly as the main European mills are not quoting for hot and cold rolled coils and stainless scrap prices are also forecast to increase sharply. Service centres and re-rollers foresee an important shortage of material as mills in Europe have long lead-times while the level of stocks at buyers is low.

The main European mills were selling last month for May and June delivery. Material shortage and slow deliveries are causing coil derivatives prices to skyrocket. A large service centre says they were this week forced to push up their values by €100/t (\$123/t) across their range of sheets this month. If buyers refuse the increase they will refuse to sell at lower prices. Stocks are declining, business is booming, and demand is particularly strong. With lengthy deliveries throughout the value chain, most distribution companies and end-users will find themselves with less and less supply over the next three or four months, sources say.

Meanwhile coil buyers have been purchasing as much as possible but traditional coil sellers to Europe such as India and China are not even quoting at the moment as they are focusing on their own markets.

Stainless coil prices have been hard to pin down in December as mills kept increasing values and stopping sales. The latest values in December for HRC were €2,200/t delivered on average and €2,300/t for CRC, sources say. When mills go back to quoting next week, prices are seen increasing by €200/t compared to December, sources believe.

The current material shortage is seen persisting. If mills' delivery time extends to six months, coil prices are seen reaching €3,000/t delivered, Kallanish is told.

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Will the Liberty Steel/thyssenkrupp marriage materialise?

## KORE 62% Fe / Qingdao CFR USD/t

W-o-w avg change	+4.91%
08 Jan 2021	\$ 172.04 high
07 Jan 2021	\$ 170.01
06 Jan 2021	\$ 168.20
05 Jan 2021	\$ 168.94
04 Jan 2021	\$ 161.85 low
<b>Average</b>	\$ 168.21
01 Jan 2021	\$ 158.90
31 Dec 2020	\$ 157.98 low
30 Dec 2020	\$ 158.05
29 Dec 2020	\$ 163.17
28 Dec 2020	\$ 163.58 high
<b>Average</b>	\$ 160.34

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# Global Overview

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## North America

- Strong scrap demand pushes sheet/plate prices up
- US rebar sees continued gains into 2021
- US scrap expected to push upward in January

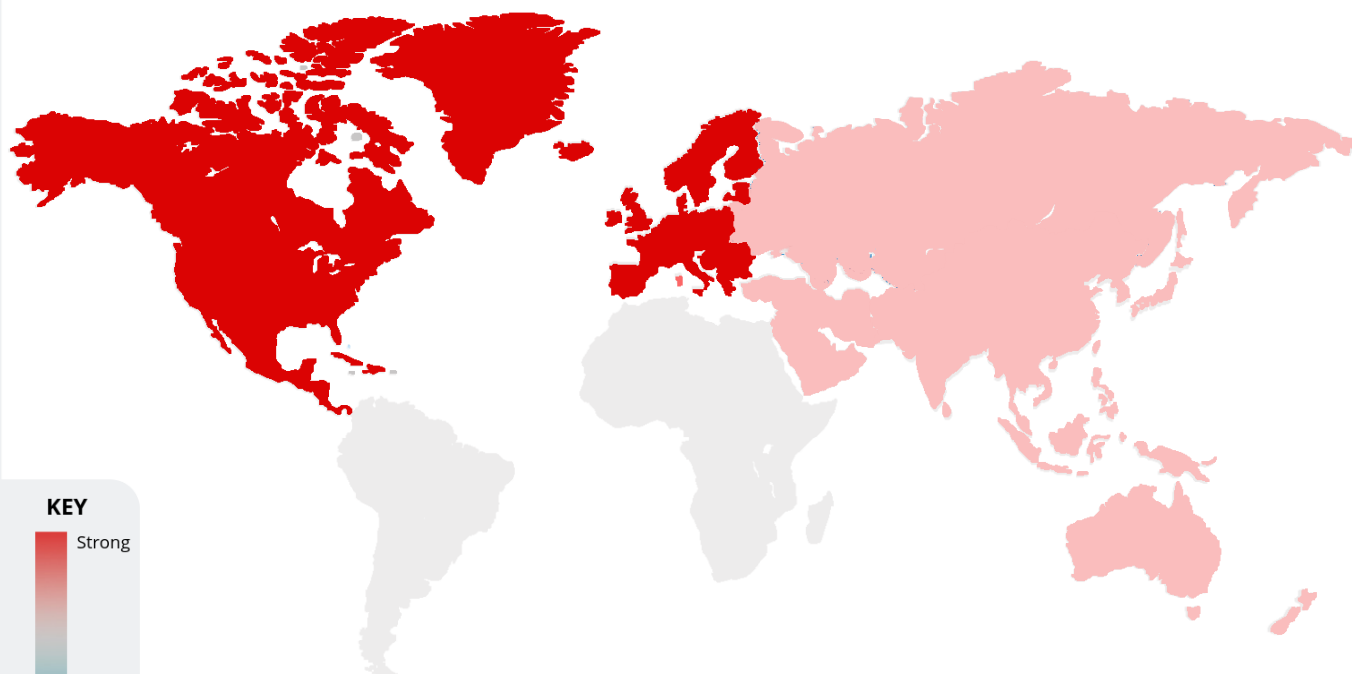
## Europe

- ArcelorMittal raises coil offers again
- Scrap jumps in Spain
- Italian rebar up

## Asia

- Iron ore holds
- Sentiment in China fluctuates
- Indian Tata and JSW output rebounds

## KALLANISH STEEL WEEKLY GLOBAL SENTIMENT MAP



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## Middle East

- Turkish scrap rises further into 2021
- Turkish rebar mills find margins squeezed
- Turkey launches EU HRC dumping probe



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