

 This week:

Global slabs trade suffers lack of Ukraine, Russian supply

Already extremely tight merchant slab availability from Russia and Ukraine in recent months has transformed into absolute absence since Russia invaded Ukraine, paralysing CIS trade and leading to wide-ranging sanctions on Russia.

The absence of CIS material is driving up prices, as Turkish and European buyers, “desperate for the material,” are seeking alternatives to CIS supply. Some are finding replacement volumes in Asia, as Brazil continues to supply the US and regional market, but one lot was heard booked in the past week from Brazil. Two Asian lots were also booked, and more could be on the way, according to sources.

Two Italian producers booked Indonesian slab, a 30,000-tonne lot at \$850/tonne cfr Italy, and a 60,000t lot at \$900/t cfr later in the week. A Brazilian 50,000t lot was heard booked by a Turkish mill at around \$900/t cfr, but could not be confirmed by press time.

Although enquiries for Brazilian slab are raining down, the country’s producers will not be able to satisfy the requirements, whatever the price, as they are tied in with US mills. They have been supplying these faithfully for the past five years, since the US Section 232 trade restrictions were introduced. Additionally, US flat product prices are also rebounding, and mills are keen to secure supply, driving up prices.

Traders tell Iran could replace some of the volumes in Turkey, but it will take some time. EU mills could also turn to Iran, as the Union mulls the removal of sanctions on hydrocarbons and other products to replace Russian supply.

Although, formally, some Russian mills are still able to sell to Turkey and Europe, financing and logistics are becoming extremely difficult. According to traders, several cargoes are waiting for loading in ports, either searching for a vessel or ways to complete payment, or both. Traders also note the very fast pace of changes understandably affecting western Russian ports, exacerbating the situation further, as buyers and sellers look for ways to complete trade.

Thus far, the sanctions do not appear to be affecting Russian Far Eastern trade, but prices are considerably lower there. A sale of a 50,000t lot was made by a Russian producer at \$765/t cfr East Asia. Considering the prices paid by European mills for Asian slab last week, there is around a \$70-80/t discount on Russian material right now.

Logistically, it is possible for other Russian suppliers to move their volumes to the Far East, but it would be a lengthy, expensive exercise, “something Russian steelmakers might have to get used to, unless the situation changes quickly and positively for Ukraine”, a source notes.

Realistically, only China could replace lost CIS volumes, another source adds, but it depends on its attitude to both prices and environment. There is already talk of a possible reintroduction of Chinese export duties, if exports of Chinese steel products continue to rise.

In 2021, Russian slab exports amounted to 10.11 million tonnes, while Ukraine exported 4.31mt, both merchant and for re-rolling at US and European re-rolling assets. By comparison, Brazil exported 6.72mt of slab last year and Japan 2.67mt, according to ISSB data.

In this weeks Issue:

- ▶ **PAGE 3**
Will China achieve the planned GDP target increase for 2022?
- ▶ **PAGE 4**
Will the Indian HRC offers prove to be sustainable?
- ▶ **PAGE 5**
Are European HRC prices set to reach 2021 record levels again?
- ▶ **PAGE 6**
What impact will the Russian invasion of Ukraine have on US steel prices?
- ▶ **PAGE 7**
Is there a roof for scrap prices?
- ▶ **PAGE 10**
Indian mills increase activity amid war in Ukraine

KORE INDEX

Index	58%	62%	65%
W-o-w % Change	5.37%	4.66%	4.62%

04 Mar	128.81	149.51	180.04
03 Mar	127.60	150.92	181.97
02 Mar	124.39	143.18	172.47
01 Mar	123.53	142.90	170.96
28 Feb	117.33	136.20	164.26
Average	124.33	144.54	173.94

25 Feb	116.51	134.92	162.74
24 Feb	118.29	138.62	166.66
23 Feb	118.10	138.30	166.39
22 Feb	117.75	137.72	165.90
21 Feb	119.30	140.92	169.62
Average	117.99	138.10	166.26

For Subscription & Other Enquiries:

CALL
 UK: +44 7874 008654
 Spain: +34 637 018 130
 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

Americas:

- HRC, CRC prices in the US fall by \$20/st and \$70/st, respectively
- Plate, rebar US prices continue to hold
- OCTG US pricing decline stalls in March

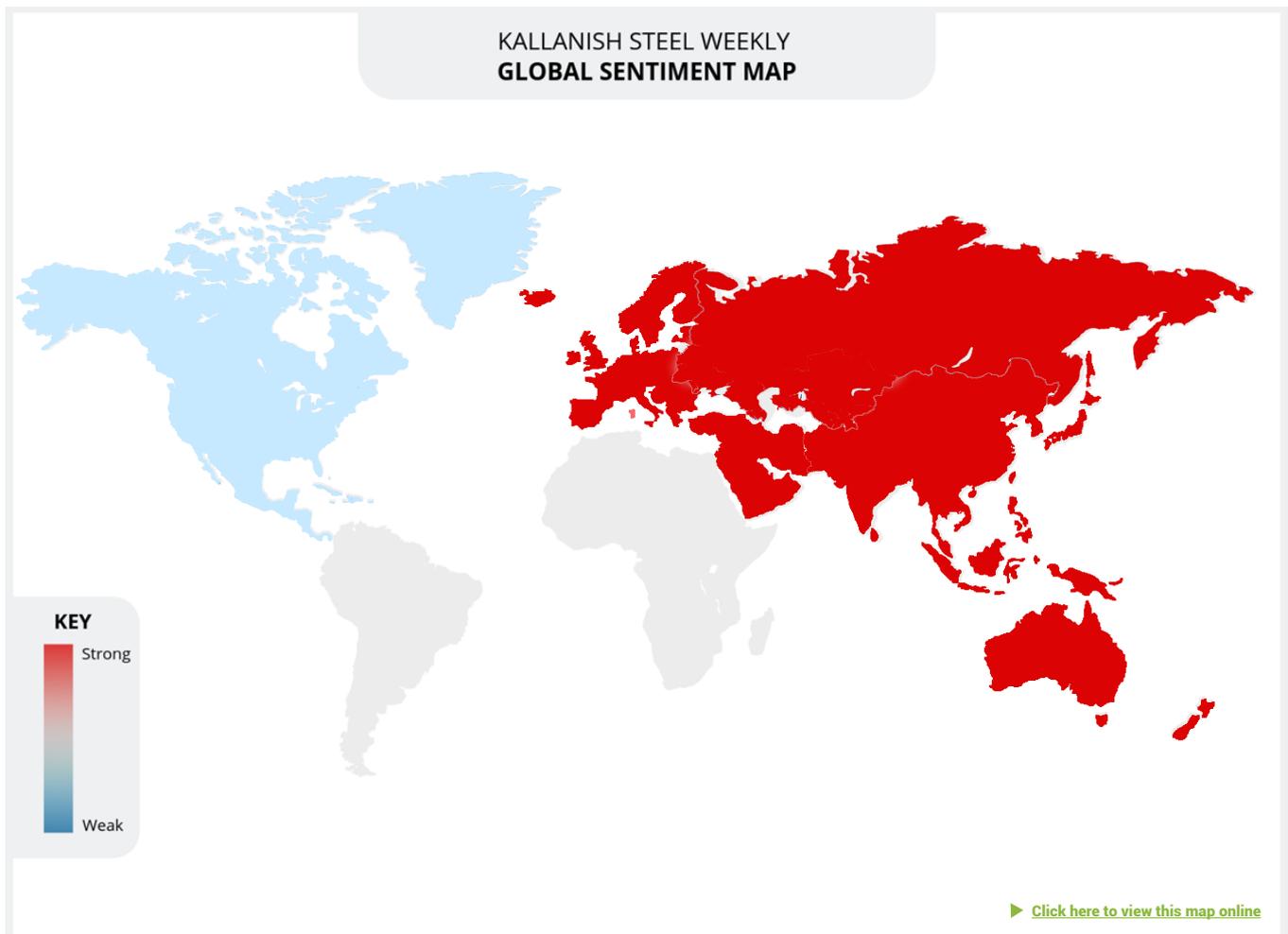
Europe:

- European coil prices jump
- EU approves sanctions on Russia and Belarus
- European wire rod prices up

Asia:

- Iron ore jumps
- Longs prices in Asia up
- HRC prices in China continue recovery

KALLANISH STEEL WEEKLY GLOBAL SENTIMENT MAP



India:

- Panic-led bookings hike Indian imported scrap offers
- India resumes offering HRC
- Indian billet export offers surge on recent bookings

CIS:

- CIS billet trade remains at zero
- Asian slab starts to replace CIS slab supply

Middle East:

- Turkish scrap balloons amid Ukraine war
- Turkish rebar export demand tepid amid volatile prices
- GCC rebar mills eye Asia market

 Order Form

Subscribe to Kallanish Steel Weekly today

Start your subscription to Kallanish Steel Weekly (KSW) today

Kallanish Steel Weekly is a new weekly publication from Kallanish Commodities.

The pricing options for 12 month subscriptions are available below.

To sign up complete the form below and return to us.

- ▶ Standard: Kallanish Steel Weekly US\$ 1900/ €1640
- ▶ Premium: Kallanish Steel Weekly US\$ 2740/ €2400

KSW Content:

The publication is filled with market information, charts and graphs.

- Supplied in PDF
- Pricing Table
- Price Spreads Table
- 8-9 pages
- Special features
- Prices to watch
- Word of the week
- Global heat map

Start my subscription

Yes, please start my subscription so that I can read the Kallanish Steel Weekly.

Please choose your option below:

- Option 1: Standard KSW US\$ 1900
- Option 2: Premium KSW US\$ 2740

Your details:

Name:

Job Title:

Company:

Address:

City:

Country:

Phone:

Email:

Payment type:

- Pay by invoice
- Pay by credit card

Credit Card:

- Amex
- Mastercard
- Visa

Name on card:

Card number:

CCV: Expires:

Signature

Please tick below:

- I confirm I am signing up for a 12 month subscription to KSW
- I have read and agreed to the Kallanish Terms and Conditions.

Signature: Date:

Word of the week

Torpedo Car

Cylindrical railcar lined with bricks and used for transporting the hot metal from the blast furnace to the steel shop (steelworks).


Kallanish
STEEL MARKET INSIGHTS
EUROPE WEBINAR

 16 March 2022 | 11:00 am CET

Register For Free!

Contact

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

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: +1 412 626 7487

Kallanish - Singapore
 t: +65 9766 8157

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

Social Media:



Copyright 2022 Kallanish. No distribution is permitted without the prior consent of Kallanish. To find out about multiple user accounts or corporate subscription packages please contact us on info@kallanish.com or on +44 208 735 6520. Use of any information or material provided by Kallanish is entirely at your risk and in no circumstances is Kallanish responsible for any loss, damage or other negative consequence of use of information or material by you or anyone else.