Issue: 15-21 | Date: 13 April 2021

聞 This week:

Chinese rebar prices hit new record, lead global trend

Last week the Kallanish index for Chinese domestic rebar prices reached a new record level, at CNY 4,875/t (\$744.84/t). This was the highest level ever recorded by the index, higher than the peak of CNY 4,785/t touched back in late 2017.

The latest increases of Chinese rebar were supported by strong local demand. Traders in Shanghai are expecting that demand in April will be stronger than in March, so their expectations for April prices are positive.

However, the weakening of futures late last week made traders more conservative. On the Shanghai Futures Exchange on Friday, 9 April, the rebar contract for October 2021 closed at CNY 5,068/t, CNY 47/t lower compared with Thursday and CNY 51/t lower than the previous Friday.

The overall strong performance of rebar prices in China is influencing the global longs market. Last week the International Rebar Exporters and Producers Association (Irepas) confirmed that expectations remain positive for the longs sector and that China is continuing to consume in 2021 at similar rates to last year.

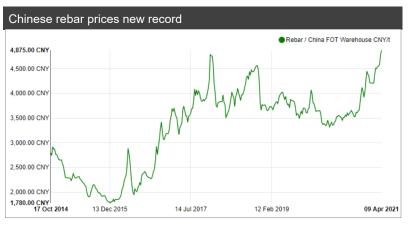
Instead of exporting, China keeps importing, and its buying of billet gives the global market additional strength. Post-pandemic government stimulus programmes will meanwhile hit consumer products and construction markets soon. "It seems the current prices will hold for the next three months and that reductions will be gradual rather than sudden," Irepas comments.

With output in key regions failing to increase in January-February, there is still a global shortage of long steel, which is keeping prices and margins elevated across thw World, Irepas confirmed.

In Europe, the reduced number of offers and stronger seasonal demand will speed up price increases. "The hand-to-mouth buying mood of EU clients is good for local mills as they can adjust their prices instantly depending on the cost and sales situation," Irepas says in its April short-range outlook. Even if EU safeguard measures are terminated from July, this would most probably not create a flood of imports under the current circumstances.

In the US, the situation has become even worse for importers. Most supplying mills are booked full. Availability is three to four months for flat rolled products and a minimum of two months for long steel products. In addition, the availability of vessels is even worse, making shipping more difficult, Irepas observes.

Lead times are longer than ever in the global long steel products market and producers "are all making money", Irepas said.



Click here to view this graph online

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What role will steel have in North American energy revolution?

KORE INDEX

Index	58%	62%	65%
W-o-w % Change	-1.74%	-2.64%	-2.10%
9 Apr	154.34	170.09	199.87
8 Apr	154.37	170.09	199.74
7 Apr	154.34	169.61	199.19
6 Apr	154.40	168.95	198.36
5 Apr	152.32	166.55	196.23
Average	153.95	169.05	198.68
Average	153.95	169.05	198.68
Average 2 Apr	153.95 151.57	169.05	198.68 195.09
2 Apr	151.57	164.78	195.09
2 Apr 1 Apr	151.57 151.45	164.78 164.65	195.09 195.11
2 Apr 1 Apr 31 Mar	151.57 151.45 150.09	164.78 164.65 163.60	195.09 195.11 193.77

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Global Overview

North America

- US sheet pricing surpasses peak US OCTG prices inch upwards Scrap trading to differ on-grade in

Europe:

- New hikes for coils offers in Europe Tubes discounts down
- European manufacturing index reaches record level

Asia:

- Chinese rebar reaches new
- record SE Asian billets jump Chinese raw material prices firm



South America

Usiminas hikes flats steel offers

CIS:

Billet prices up again

Middle East:

- Turkish scrap fluctuates rapidly Turkish rebar exporters see continued Asia demand
- Turkey suspends EU countervailing duty probe

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Word of the week

Electric Air Furnace



A heat-treatment furnace that uses electric current to control the temperature of a metal. Heat is supplied from electricity that arcs from the graphite electrodes to the metal bath. Furnaces may be either an alternating current (AC) or direct current (DC).

□ Contact

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