

## **Explosion of steel price all over EU**

*Mar 2010*

It seems 2007-2008 is coming back.....

All EU Mills as well as all other of the surrounding countries, starting with Russian and Ukrainian ones, have increased prices by astonishing USD 50 per tonne to USD 100 per tonne during this week.

Ukrainian flat products have added some USD 50 per tonne to USD 70 per tonne to their last quotations and are now asking for USD 690 per tonne to USD 700 per tonne CFR FO for HR in commercial quality, USD 680 per tonne to USD 700 per tonne FOB for base grade plates.

North EU Mills have placed increases of about EUR 50 per tonne with HR being offered at no less than EUR 550 per tonne EXW and HRP trying to get closer to EUR 600 per tonne.

At a first glance, all those increases have done nothing but aligning finished products prices to the new costs of raw materials that, during the last months have basically doubled. However, many producers if not all, have taken advantage of the momentum and prices seem now increased well beyond the costs of the raw material.

On the other hand, consumption and demand seem finally awoken with March purchases being decently good and consistent. This is witnessed by the fact that, notwithstanding such new wave of purchases, levels of stocks are remaining on a normal level and demand is continuing. Of course we are still far from the levels of 1 ½ - 2 years ago but, in comparison with 3 months ago, when consumption and demand was still virtually zero, today we can say that a new consumption and demand has finally come out and it appears less fragile than expected.

Therefore, mills and customers expectations are now that a possible fall in prices will not take place as early as in June / July but possibly only after holiday period, coinciding with the usual lower activity period of the end of the year.