

SOARING GLOBAL INPUT COSTS DRIVE STEEL HIGHER

Ferrous scrap tag hikes shifting into high gear

American Metal Market

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PHILADELPHIA — What began as a slow ferrous market registering modest increases of \$20 to \$30 per long ton has become a full-blown buying binge by many steelmakers in the Midwest.

Prices have soared by as much as \$70 per ton for some key industrial grades like No. 1 bundles and No. 1 busheling, in some regions hitting the \$400-per-ton mark or higher, a figure that hasn't been seen in the domestic market since the summer of 2008.

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GLOBAL PRICE WATCH

American Metal Market

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Turkish steel mills have raised billet export prices by \$40 per tonne for January production and end-of-January delivery as they pass higher ferrous scrap costs onto billet buyers in the Far East.

British mills are looking to lift heavy plate prices by between £29 and £25 (\$32 and \$40) per tonne in January, distributors said.

Increased input costs have led two European producers—Germany's ThyssenKrupp AG and ArcelorMittal SA, Luxembourg—to boost heavy plate prices by £40 (\$57) per tonne for February delivery, market participants said. "We are paying higher prices for raw materials," one mill source said.

Hot-rolled coil exporters in India are pushing for price hikes of at least \$50 per tonne amid scarce supply of commercial grades, Hot rolled coil was last booked at \$540 to \$550 per tonne f.o.b. for commercial grades, but one Indian mill executive said his company was aiming for \$600 per tonne.

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BREAKING NEWS

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AK Steel Corp. is increasing spot prices for its carbon steel products by \$60 per ton, effective immediately with all new orders.

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Slack demand fails to temper steel tag gains

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Producer hikes to lift hot-roll sheet \$30/T

PITTSBURGH — Rising input costs placed against tepid steel demand have created what one analyst calls a "whipsaw" in the U.S. carbon flat-rolled steel market as prices continue to increase.

Hikes either announced or set to be announced this week will lift hot-rolled sheet prices by about \$30 per ton (\$1.50 per hundred-weight) to the \$600-per-ton mark, but another analyst believes conditions are such that \$600 will be only a brief resting point for prices on their way to as much as \$750 per ton.

Evraz sets \$50-per-ton rebar increase for Feb.

CHICAGO — Despite seasonal low demand and the continued sluggishness of U.S. commercial construction activity, January prices for standard grades and sizes of concrete reinforcing steel are in the \$520-per-ton range, buyer sources said, with expectations that prices will push higher again next month.

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US scrap exports regain \$1B pace; China takes lead

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NEW YORK — Monthly U.S. scrap metal exports moved past the \$1-billion mark in November after falling below that level the previous month.

About 51 percent, by dollar value, of all metal scrap shipped abroad by U.S. suppliers went to China (including Hong Kong), giving that country a majority position for the first time since May.

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Tight supply, coal increase drive met coke up in north

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SHANGHAI, China — The price of Grade II metallurgical coke in northern China has reached 1,850 to 2,100 yuan (\$271 to \$308) per tonne ex-works on the back of tight supply and higher coking coal prices.

The highest coke prices have been seen in Shandong province after the Shandong Coking Industry Association increased its January reference price by 150 yuan (\$22) to 2,100 yuan per tonne, following a 100-yuan (\$14.50) increase at the start of the year.

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Auto output rise to drive metals use

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SHANGHAI, China — Chinese auto production, expected to increase about 10 percent to 15 million vehicles this year, will help drive the country's appetite for metals, according to the China Association of Automobile Manufacturers (CAAM).

Auto production in China surpassed that in the United States for the first time last year and is expected to continue growing strongly in 2010.

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Input costs drive global rise in hot band tags; SteelBenchmarker

*American Metal Market
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PITTSBURGH — Rising input costs, principally for scrap and iron ore, have helped drive hot band prices higher worldwide.

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