Eastern Europe Steel
Prices and Trends

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KEY MARKET PRICES

Domestic producers	Terms of delivery, ex. VAT, EUR/t	Sep 29	6 Oct	w-o-w
Rebar, 12-32 mm	Poland, CPT Warsaw	580-605	585-605	0%
Wire rod, 6,5-8 mm	Poland, CPT Warsaw	610-630	610-630	0%
HR coil	Poland, CPT Warsaw	620-640	620-645	0%
HR sheet 2-8 mm	Poland, CPT Warsaw	650-685	650-685	0%
Hollow sections 60x60-120x120 mm	Poland, EXW	710-730	710-730	0%
Rebar, 12-32 mm	Ukraine, CPT Kyiv	560-570	560-570	0%
HR sheet 2-8 mm	Ukraine, CPT Kyiv	642-675	642-675	0%
Warehouse market	Terms of delivery, ex. VAT, EUR/t	Sep 29	6 Oct	w-o-w
Rebar, 12-32 mm	Poland, CPT Warsaw	587-595	595-605	2%
HR sheet 2-8 mm	Poland, CPT Warsaw	715-725	715-725	0%
Wire rod, 6,5-8 mm	Poland, CPT Katovice	585-600	585-600	0%
Hollow sections 60x60-120x120 mm	Poland, CPT Warsaw	770-790	770-790	0%
Rebar, 12-32 mm	Ukraine, CPT client Kyiv	567-579	567-579	0%
HR sheet 2-8 mm	Ukraine, CPT Kyiv	658-675	658-675	0%

Source: Metal Expert

Poland: Mills, stockists increase rebar prices

The prospect of the market accepting higher prices is still questionable as there is no recovery in end-user demand. At the same time, producers have taken a rather firm stance on pricing and do not intend to make discounts

Polish traders start testing waters with higher wire rod prices

More developers suspend big purchases as the parliamentary elections come closer. Consumers await new economic reforms or at least their announcement in Poland. They plan to get back to active work closer to the end of October

Romania: Stockists' rebar prices increase, but further uptrend questionable

As traders are seeing no solid grounds for a price upturn, it is hard to predict the uptrend longevity. Most players maintain extremely moderate outlook. They rather count on stabilization of stockists' rebar prices in the coming weeks

Poland: Sheet prices still pressured by poor demand

Weak demand in the stockists' market prompted traders to decrease thin HR sheet prices, mills' HRC prices are so far stable

Poland: Plate prices decrease

Offered prices from Polish mills went down again in early October, and traders are also trying to spur sales by making additional discounts

Poland: Traders do not support mills' attempts to start raising welded pipe prices so far

Market players do not expect any noticeable changes in welded pipe prices in the near future. Steelmakers are trying to rebalance the flat-rolled segment by reducing supply to maintain prices throughout Q4, which is unlikely to promote speculative sentiment and the formation of a new uptrend

Longs

Wire products

Flats

Coated flats

Tube & pipes

Raw materials

Prices

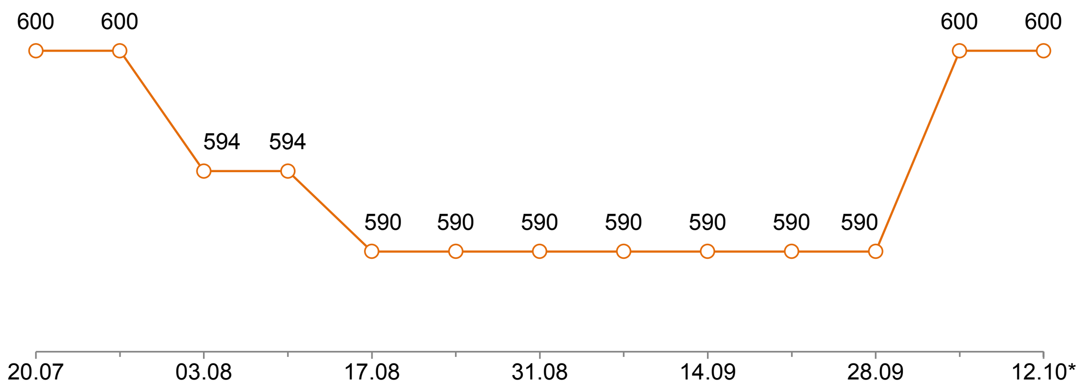
Longs

Poland: Mills, stockists increase rebar prices
Market participants still report poor demand from end-users in early October, but currency volatility and high production costs prompted mills to increase rebar prices to the domestic market by EUR 5-15 late last week. Players pointed out repeatedly that mills were manufacturing rebar at loss for a long time. Today, a number of manufacturers are offering 12-32 mm BST500 rebar to the domestic market at EUR 585-605/t CPT Warsaw (PLN 2,705-2,795/t).

There is also a slight increase in the stockists' quotes: according to traders, such changes are not due to the improvement of demand, but rather due to the growth of purchase prices. Some traders replenished stocks in September nevertheless, expecting price growth in the primary market. At that time, traders' purchase prices were in the range of EUR 580-595/t (PLN 2,680-2,750/t) including delivery to the warehouse. Today, traders are offering 12-32 mm BST500 rebar at EUR 595-605/t (PLN 2,750-2,795/t) compared to EUR 587-595/t (PLN 2,715-2,750/t) a week earlier.

The prospect of the market accepting higher prices is still questionable as there is no recovery in end-user demand. At the same time, producers have taken a rather firm stance on pricing and do not intend to make discounts, except for large volumes. Traders are still cautious in their plans for further price increases, fearing a possible downturn in sales.

Warsaw: traders' prices for 12-32 mm rebar
EUR/t, VAT excluded, * - market expectations



Source: Metal Expert

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Poland: Some mills increase section offered price to domestic market
In early October, market participants reported an increase in section prices in the primary market due to high production costs and currency fluctuations. According to traders, Polish producers increased offer prices for beams, angles and channels by EUR 20/t (PLN 100/t). The current domestic market prices for HEB 160 beams are in the range of EUR 765-780/t (PLN 3,535-3,605/t), while S235JR grade 50x50 mm angle and S355 grade UPN 80-240 mm channel are available at EUR 740-745/t (PLN 3,420-3,445/t) and EUR 820-835/t (PLN 3,790-3,860/t),

respectively. The prospect of the market accepting higher prices remains questionable due to low demand, but traders believe stockists' quotes will soon follow primary market prices.

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Poland: Sections stockists' prices about to increase

At the beginning of October, Polish producers increased prices for beams, angles and channels by EUR 20/t, but prices for sections on the secondary market have remained largely unchanged so far. Market players attribute this to low demand, and price hikes by factories, according to them, are due to high costs and devaluation of the national currency. HEB 160 beam prices are still at EUR 755-770/t (PLN 3,490-3,560/t), while stockists' quotes for 50x50 mm S235JR angle and 80-240 mm UPN channel are at EUR 720-730/t (3,330-3,375 PLN/t) and EUR 820-825/t (3,790-3,815 PLN/t), respectively. Some players intend to increase their prices by EUR 10-15/t, and part of them have already updated their quotes.

Players' expectations are still mixed: some believe mills will not decrease prices in the coming month. An increase in purchase prices, in turn, is a sufficient reason to raise stockists' prices despite sluggish demand.

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Polish traders start testing waters with higher wire rod prices

In early October, the price policy of trading companies is mixed in the stockists wire rod market in Katowice. Some traders decided to maintain prices, mostly due to weak business activity. "More developers suspend big purchases as the parliamentary elections come closer. Consumers await new economic reforms or at least their announcement in Poland. They plan to get back to active work closer to the end of October," a market player stated. Meanwhile, other companies started testing waters with stronger prices, mostly due to the changes in the primary market. "Early this month, Polish wire rod producers raised prices by about EUR 20/t due to the currency fluctuations and high production cost of their leftovers. Italian, German and Moldovan producers also increased prices. We expect the same moves from Ukrainian suppliers shortly, especially given the anticipated hryvnia devaluation after the National Bank of Ukraine switched to a 'managed flexibility' regime of exchange rate," a trader said.

Due to the price adjustments, starting prices for 6.5-8 mm wire rod rose by EUR 5/t to EUR 590-605/t (without VAT).

Market players can see stockists' wire rod prices increasing further next week (up at least EUR 5/t), partially due to sufficient traders' stocks and the possible delays in supplies of the booked batches because of the tighter customs control. So far, traders are planning no bigger price rise because such a move could face fierce consumers' resistance amid the current demand.

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Romania: Stockists’ rebar prices increase, but further uptrend questionable

Stockists’ rebar prices have risen in Romania by early October amid improved market activity and the absence of negative factors. Sales of 12-32 mm Bst 500S rebar are mostly being closed at EUR 600-630/t with delivery to client’s warehouse, up EUR 15-25/t over two weeks.

Rebar demand has improved since late September due to the expected price rise amid a drop in export supply and the announced increase in Italian rebar prices among other reasons, sources say. Greek suppliers are barely setting any offers due to the natural disasters, while Turkish rebar prices are comparable to those for local analogues. Sufficient rebar volumes in stock are also providing considerable support. In these conditions, dealers began to set a higher mark-up, testing waters with new prices and getting a reaction from buyers. So far, demand is yet to surge, but rebar sales intensified. “Competition is not very evident. Neither Italian and nor Greek product is offered, whereas Turkish rebar is priced largely at the same levels as the local product. Supply is not high and warehouses are quite unloaded today. So far, we can’t see either strong rebar demand or any agitation, but the situation did improve this week,” a market player said.

As traders are seeing no solid grounds for a price upturn, it is hard to predict the uptrend longevity. Most players maintain extremely moderate outlook. They rather count on stabilization of stockists’ rebar prices in the coming weeks.

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Bucharest: Stockists’ wire rod prices moderately increase

Most traders continue to test waters with slightly higher prices in the stockists market for low-carbon wire rod in Bucharest. Prices for 6.5-8 mm commercial grade product rose by EUR 5/t to EUR 585-590/t (without VAT; large-tonnage batches) in early October, sources say. Sales of small wholesale volumes are also being closed at slightly higher levels – EUR 610-620/t.

“We are trying to slightly raise prices, taking into account the new mills’ prices. But it’s not an easy task amid moderate demand, especially given that many clients are still getting the metal under September contracts. They are yet to make orders for October,” a market player said. In these conditions, competition among traders considerably toughened, causing many of them to stop increasing prices. Some traders had to roll prices back to the prior level (EUR 580/t), but such deals are scarce.

Market players believe stockists sales volumes dropped by 20-30% year-on-year last month. Activity is unlikely to improve in the market this month, given the absence of major investment programmes in the construction sector. “The number of wire rod sales is decreasing. Almost all our clients, including metalware producers, are buying wire rod only to serve the current requirement as they refuse to accumulate even minimal volumes in stock. This mostly has to do with the lack of working capital and the forthcoming low season,” a trader said.

Prices will probably rise again shortly. Apart from rising prices in the primary market, the dynamics of stockists’ prices will also be driven by the anticipated decline in wire rod imports. “Big wire rod volumes from Asia, North Africa and Turkiye always arrived to Romanian ports. But now we are seeing a drop in shipments due to the tighter customs control. Starting this month, suppliers have to provide the EU customs services will additional documents to prove the raw materials used in the manufacture of an import commodity do not originate from Russia," a trading company representative said.

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Vilnius: Traders test wire rod market with new higher offers

At the beginning of October, trading companies resorted to an increase on the stockists' market of wire rod in Vilnius. The minimum offers for 6.5-8 mm wire rod from ordinary steel grades increased by EUR 5-10/t against September levels, to EUR 610-620/t (excluding VAT; large batches).

Besides the emerging growing trends in the primary market, players also cite shrinking inventories as the main argument for the rise. "There is virtually no excess inventory on the sites right now. Most traders have already readjusted to the new market realities and only order from mills the volumes that are guaranteed to be sold within a month. Now it is better to order an additional batch of wire rod from suppliers, if necessary, than to accumulate excessive volume in warehouses," a representative of the trading company commented.

A certain increase in demand is also supporting traders. However, so far only resellers are moderately increasing purchases, while construction companies are reluctant to place bids at new prices, still trying to negotiate discounts. As a result, most traders did not manage to fulfil the monthly sales programme, with a lag of at least 15-20% from the initial plans.

Taking into account the current situation on the market, trading companies may again try to moderately move prices upwards in the next few weeks, but a rollover option is not yet completely ruled out.

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Moldova Steel Works sets export wire rod prices

Moldova Steel Works (Rybnitsa, Moldova) is offering wire rod to foreign consumers at a higher price in early October. According to sources, the supplier is offering commercial grade product at some EUR 530/t (without VAT; FCA mill), up EUR 5/t month-on-month.

The price increase stems from higher export prices for square billet and longs. Such a move is also putting the supplier's prices closer to the levels set by European producers, first of all those from Poland and Italy. On top of that, the uptrend is explained by the threat of rolled steel shortage in the EU due to the possible stoppage of shipments from Turkiye, Central Asia and North Africa resulting from the tighter customs control (suppliers have to prove to the EU fiscal authorities that raw materials used to make wire rod does not originate from Russia starting from October) among other reasons.

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Kyiv: Stockists' rebar prices return to old level after sporadic fluctuations

In early October, stockists' quotes for rebar in Kyiv stabilised. But the players' moods are mixed: despite expectations of a price rise, based mainly on the threat of devaluation, traders point out the pressure from low demand when the market is saturated. Most sales of 12-32 mm rebar in Kyiv are carried out at UAH 28,000-28,500/t including VAT (with delivery to the client's warehouse), unchanged from a week ago.

With the information about the NBU's transition to a floating exchange rate at the beginning of the week, the market experienced certain panic: some companies suspended issuing invoices and even attempted to raise prices. However, with limited demand and traders looking to support sales volumes, higher prices were not accepted by the market. In addition, the actual hryvnia exchange rate fluctuations have been minimal so far.

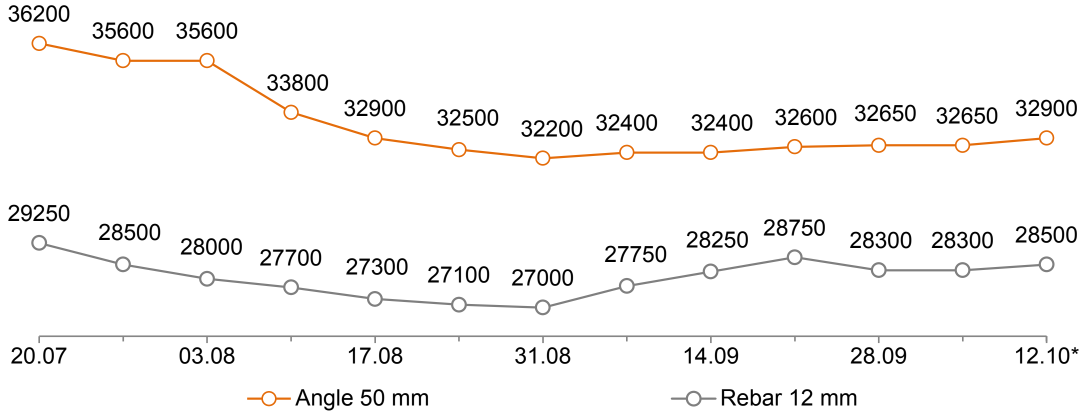
Market participants say the situation in the coming week will depend solely on exchange rate changes, but if the hryvnia exchange rate is stable, the increase in traders' prices for rebar is questionable. Even if mills announce the increase in rolled product prices for October, traders may delay the price growth. "There is plenty of rebar on the market and not enough demand, we have few requests and their number is unlikely to increase in the near future. Therefore, there will not be enough support for prices from the market, but if the rate rushes up – the prices will be revised promptly," a trader says.

Stockists' quotes for sections also remained unchanged. Traders are unwilling to make discounts, fearing a price rise in the second half of October. Such a sentiment is caused by the threat of devaluation as well as the $10-20/t rise in section prices announced by Turkish and European mills.

At the same time, demand for sections remains moderate and stocks remain sufficient, with the exception of certain large channels, angles and beams, which are not in high demand.

Prices in the stockists' market of steel sections are unlikely to change drastically in the coming week. But traders presume that prices could be adjusted upwards by UAH 500-700/t in case of exchange rate changes, as well as in order to adjust for a possible increase in purchase prices for imported rolled products.

Kyiv: traders' prices
UAH/t, VAT included, * - market expectations



Source: Metal Expert

KYIV: STOCKISTS' MARKET PRICES

(UP TO 20-TONNE LOTS, UAH/T, WITH VAT, SELLER'S WAREHOUSE)

Product	28.09.2023	05.10.2023	Change
Rebar 10, A400C, A500C	28,600-29,100	28,600-29,100	0%
Rebar 12-32, A400C, A500C	28,000-28,500	28,000-28,500	0%
Angle 50-100	32,100-32,900	32,100-32,900	0%
Channel 14-16	48,000-51,390	48,000-51,390	0%
Beam 16-18	36,100-39,900	36,100-39,900	0%
Beam 20	39,500-39,900	39,500-39,900	0%

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NBU's switch to managed flexibility exchange rate could cause steel price increase in Ukraine

The National Bank of Ukraine on October 3 has switched to a 'managed flexibility' regime of exchange rate, which will be set according to changes in the interbank foreign exchange market, with appropriate response to changes in the balance of demand and supply in the FX market. As a result, banks will sell and buy currency at a free rate without a limit of 1% of the official exchange rate effective since the start of the war. The NBU still plans to limit exchange rate volatility, preventing both a significant weakening and strengthening of the hryvnia.

This decision has already sparked the speculative sentiment in the Ukrainian rolled steel market. In the usual way, some operators in the stockists' market were first to respond, when selling rebar – the most traded product, and the most sensitive to changes in market factors. Part of companies have stopped the sales, and some others increased stockists' rebar prices by 4% on average to test UAH 29,500/t VAT-inclusive for 12-32 mm rebar in Kyiv. But most rebar sales are being made at old prices (up to UAH 27,800/t) amid relatively weak demand and congested warehouses.

Most market players anticipate relative stability of both the hryvnia exchange rate and steel prices for some time. The second half of October is expected to see some developments, but even if the hryvnia weakens to $1 = UAH 38, numerous estimates suggest there is UAH 700-900/t room for steel prices to add, depending on the segment. "Today we can see that, although the NBU released the hryvnia, it has even strengthened. The depreciation is likely to be very soft, and we will see a clearer picture in a few weeks. I believe there will be gradual increase in all basic product costs – from fuel to steel products. But for the time being, I see no reason to panic or raise steel products prices," a market participant says.

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Wire products

Warsaw: Stockists' prices for non-tempered standard wire stable
Low-carbon wire prices are largely stable in Warsaw in early October. Prices for 4-5 mm non-tempered standard wire stand at EUR 650-670/t (without VAT). Although discounts (about EUR 5/t) can be made in some big deals, this has no significant impact on the general market situation.

End-user demand is not improving and its prospects are bleak, traders say. "According to the preliminary estimates, the situation with sales in September and January-September is negative. For instance, sales volumes of bright wire almost halved year-on-year. So far, we are seeing no signs on improvement," a trading company representative said. These factors make it impossible for trading companies to commence price increases that were planned earlier. Many traders postponed an upward price correction from early September. "We attempted a price increase last month due to the fluctuations in the currency market among other reasons. However, we faced fierce consumers' resistance, so we had to return to the previous positions. Demand didn't improve, but the situation changed in the primary market, so we might attempt another price increase shortly," a market player stated.

In the next one to two weeks, stockists' wire price dynamics will largely depend on further developments in the primary market, where positive tendencies are seen. Moldova Steel Works announced a EUR 5/t price rise this month to move its offers closer to the levels set by Polish and Italian producers. So far, Ukrainian mills keep their prices relatively stable as they aim to make wire rod at their long steel assets in October. Nonetheless, traders do not expect price stabilization to last long in this case either.

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Mesh prices relatively stable in Warsaw traders' market
The situation is relatively stable in the traders' market for mesh in Warsaw. As a week before, 2 mm uncoated wire mesh is available at EUR 13.03/piece (VAT excluded; mesh size: 35x35 mm, roll size: 1.5x10 m; colour range: RAL7016 and RAL6005); 2.5 mm diameter – at EUR 10.58/piece (50x50 mm). A similar type of 2 mm galvanised wire mesh is available at EUR 12.66/piece (50x50 mm); 2.5 mm diameter – at EUR 15.96/piece (60x60 mm).

Galvanised welded wire mesh with 0.7 mm diameter is available at EUR 15.27/piece (12.5x12.5 mm; 1x30 m); 0.9 mm diameter – at EUR 28.40/piece. Crimped 3 mm uncoated wire mesh is available at EUR 11.42/piece (30x30 mm, 1.5x2 m).

Most trading companies chose to refrain from making any changes so far and observe the mills' market. The companies are not yet willing to make forecasts on further dynamics of mills' mesh prices, as they receive absolutely different information from manufacturers. "Some plants tell us about stabilisation of prices at September levels, others are ready to discuss selective discounts to maintain sales, and yet others even do not rule out an increase, taking into account the formation of the uptrend in the wire rod and wire markets. Therefore, we are observing and not adjusting our price lists until the situation becomes clearer," a market participant said.

The situation with stocks has not changed dramatically either. Most traders believe the accumulated volume is still above the optimum level, and so are seeking to minimise it ahead of the low season, but there is no clear surplus of product in the market at the moment. "We assess inventories for most mesh items as sufficient, but there is still a surplus in some groups. This is mainly the case with galvanised wire meshes. And taking into account that the peak of sales this year has already passed and the demand will gradually fade from October, we try to sell the excessive volume as soon as possible. However, we do not expect a significant weakening of buying activity in October, so the issue of stocks is not too acute," a trader shared his opinion.

Sporadic price adjustments are very likely in either direction in the coming week, but it is unlikely to have a significant impact on the overall market price.

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Brako Wire Products sets construction nails prices to Eastern Europe

Brako Wire Products (Pančevo, Serbia) is offering construction nails to Eastern Europe at EUR 800/t (without VAT and delivery cost; 4x100-6x200 mm) in early October, sources say.

Both end users and trading companies (first of all, those from Romania, the Czech Republic and Slovakia) find this price attractive. "Metalware prices of producers from Serbia and Montenegro have been gradually coming closer to the levels set by Ukrainian and Romanian suppliers lately. Given relatively low logistics cost, a wide product range and prompt delivery, demand is going up in this region," a trader commented.

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Mills' fibre prices relatively stable in Hungary

Mills' fibre prices are largely stable in Hungary in early October due to the two divergent factors. Lacking demand is curbing a price rise, while the already low margins prevent a downward price correction. Thus, 1x50 mm fibre is still being sold within EUR 800-810/t (without VAT).

Meanwhile, producers stopped an increase in excessive stocks. "We have been working on stocks optimization in the last few months, trying to make products only for actual orders. Therefore, we are currently making only the most popular items – mostly 1x50 mm material, whereas 0.75x52 mm product is hardly being made," a mill representative said.

Most market players do not expect any price changes next week either. However, they can see some suppliers making small discounts again when closing deals for large-tonnage batches. In the second half of October, the downtrend may reverse on rising wire rod and fibre wire prices.

Market players are more pessimistic over the possible demand recovery in the next one to two months. “Demand is unlikely to improve in October-November. Still, we expect to get more orders in winter months from traders and developers from Southern Europe,” a market player said.

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Horle Wire sets wire and nails prices to Hungary

Slovakia’s Nitra-based Horle Wire s.r.o (affiliated with Horle Wire Group) set metalware prices to Hungary. According to sources, 4-5 mm non-tempered standard wire is available at EUR 670/t (excl. VAT; DAP Hungary); 4x100-6x200 mm construction nails are priced at EUR 800/t.

Although the supplier’s prices are slightly above the levels set by its key competitors, the products of Horle Wire are in demand. “We are largely satisfied with Horle Wire’s price. Offered prices set by Romanian and Serbian producers are indeed slightly higher, but we prefer to buy in Slovakia, given high product quality and prompt delivery,” a market player said.

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Traders’ wire quotes in Chisinau decrease under pressure from weak demand

At the beginning of October, the demand for metalware on the secondary market in Chisinau remains restrained, which is the main reason for the price decrease. Uncoated 1.2 mm standard tempered wire is offered at MDL 19,000-19,500/t (–3% m-o-m; VAT inclusive; large tonnage lots), 3-5 mm – at MDL 17,700-18,000/t. BP-1 wire of 4-5 mm diameter is available at MDL 15,700-16,000/t including VAT.

Traders are additionally challenged by the urgent need to replenish working capital, which is even more acute during the new procurement campaign. In addition, the level of most traders’ inventory is far from optimal. Amid low purchasing activity together with rather rhythmic deliveries from the primary market, traders are increasingly talking about increasing surplus. However, discounts have not yet had the desired effect. “We are experiencing some recovery in demand, but only in the retail segment, while bulk sales are very rare. For example, we have not received a single order for a large volume of annealed wire from either domestic or foreign customers in the last two weeks,” a trader shared his opinion.

In the coming weeks, trading companies expect to maintain the specified levels, but do not rule out that the size of selective discounts in the wholesale segment may increase under consumer pressure. Nevertheless, the forming price uptrend on the primary market will hold traders back from granting widespread discounts.

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Stalkanat raises merchant wire production in September

Ukraine's Stalkanat (Odesa) raised merchant wire production to 3,380 t in September (+7% month-on-month). Of that amount, about 1,500 t was exported (unchanged), mainly to Germany, the Czech Republic, Lithuania and the Netherlands.

The facility made over 25,000 t of merchant wire in Q1-Q3 2023. Exports reached some 11,500 t (+5%). Of that amount, sales to Germany, the Czech Republic, Poland and Italy reached 4,600 t (+47%), 1,850 t (–5%), 1,400 t (+75%) and 1,200 t (+34%), respectively.

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Team-Metiz to launch new wire drawing line

Team-Metiz (Kryvyi Rih, part of AV Metal Group, Ukraine) plans to commission new equipment as part of its investment programme directed at modernising manufacture and mastering new products. The company intends to expand its wire drawing capacity by launching a new 12-hole uniflow wire-drawing machine manufactured in Serbia at the Kryvyi Rih site. Installation works are in progress now.

The new equipment will be used mostly to manufacture thin diameters of low-carbon wire: up to 1.2 mm. With the specified product mix and given a three-shift working schedule, the line's monthly capacity is estimated at 200,000-250,000 t.

"We have experience of working with Serbian equipment. Last year, we commissioned two wire-drawing lines equipped with a modern mechanical descaler. Both units are being used to manufacture feedstock for tempered galvanized wire," the company's representative said.

Some 2,500 t of metalware was manufactured at the Kryvyi Rih site in September, which is comparable to the August figure. Galvanized wire accounts for some 45% of the product mix. Shipments are mostly made abroad, particularly to Eastern Europe.

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PlasmaTec continues to enter new sales markets

PlasmaTec (Vinnytsia Region, Ukraine) is entering new sales markets. The company is about to increase its presence in the Balkan Peninsula. "We have sent first electrode batches to Montenegro this summer and continue to study options in this region. We're in negotiations with partners from Croatia and Serbia and hope that we'll be able to start supplying electrodes with various coatings to these countries soon," the company's representative said.

In September, PlasmaTec manufactured some 750 t of electrodes (August total stood at 1,000 t). Most shipments were made to the domestic market. Exports were destined for Romania, Poland, Armenia, and Azerbaijan.

In January-September, PlasmaTec welding electrode output exceeded 7,300 t (–6% year-on-year). Out of this amount, some 1,850 t was shipped abroad (over 60% to Europe).

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Flats

Poland: Sheet prices still pressured by poor demand

Market sources say prices from the Polish HRC manufacturer to the domestic market are unchanged in early October as sluggish market activity continues to have a restraining effect. HRC for October-November delivery are on offer at EUR 620-645/t CPT Warsaw (PLN 2,865-2,980/t), although players consider EUR 620-630/t (PLN 2,865-2,910/t) as workable, in particular for large volumes. Offered prices for 2-8 mm S235 HR sheet are at EUR 650-685/t (PLN 3,005-3,165/t).

Weak demand in the stockists' market prompted traders to decrease thin HR sheet prices by EUR 15-25/t. According to market players, traders have finished restocking for October at slightly better prices than in early September, allowing them to revise their pricing to stimulate demand from buyers. Traders are offering 2-8 mm S235 HR sheet at EUR 690-700/t (PLN 3,190-3,235/t). Some players who have stocks of August-September are still unwilling to quote prices below EUR 700/t (PLN 3,235/t), but their customers continue to insist on additional discounts. Part of traders say buyers believe a EUR 650-680/t (PLN 3,005-3,140/t) price is possible for larger volumes.

In market players' view, a decrease in mills' HRC prices is still unlikely due to high costs. However, traders so far cannot assess the effectiveness of their price decreases. There is still some room for discounts, but the depreciation of the national currency is making further direction of HR sheet stockists' prices less clear. The demand is most likely to determine the dynamics of stockists' quotes.

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Poland: Plate prices decrease

Due to weak demand and import pressure, hot-rolled plate prices in the domestic market decreased in late September. Producers were able to spur some interest in trader restocking, but offered prices from Polish mills went down again in early October as end-user demand did not improve. Now, 8-20 mm S355 HR plate is available in the domestic market at EUR 780-795/t CPT Warsaw (PLN 3,605-3,675/t) versus EUR 780-810/t (PLN 3,605-3,745/t) a week ago, and S235 plate offered prices are some EUR 30/t lower.

Despite the unwillingness to revise prices weeks ago, traders also had to decrease theirs. According to them, demand could worsen significantly in early November, so they are trying to spur sales by making additional discounts. Traders are offering 8-20 mm S355 plate at EUR 830-835/t (PLN 3,835-3,860/t) versus EUR 840-865/t (PLN 3,880-4,000/t) in the second half of September, and S235 plate are EUR 30/t cheaper, as usual.

Most players believe mills' plate prices are close to cost level and there is no room for more discounts. However, downward adjustments are still possible in the stockists' market, in particular if traders choose to optimize stocks, and that depends on demand dynamics in the coming weeks and rolled steel purchasing prices, which are in a wide range of EUR 780-825/t (PLN 3,605-3,815/t).

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Poland: Import HRC prices comparable to local levels

Market participants of the Polish market reported about the emergence of foreign HRC offers in early October. A German producer is offering HRC at EUR 640/t CPT, while Slovakia's U.S. Steel Kosice is pricing HRC at EUR 640-645/t CPT, market players say. At the same time, Vietnamese HRC are available at EUR 590/t CFR (Europe's southern ports).

Market players do not find said prices attractive as most European producers are setting similar prices. Polish market players find HRC purchases from Asia extremely risky and unprofitable due to a long logistical arm (December-January delivery) and high delivery costs. Thus, market players mostly refrain from making purchases outside Europe, preferring to book HRC of Czech, Ukrainian, German or local origin. Import also lost some of its attractiveness due to currency fluctuations. Nonetheless, orders from Germany and the Czech Republic remain profitable for some consumers if their location envisages a short logistical arm (for instance, near the territory of said countries).

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Vitkovice Steel sets plate prices to Poland

Vitkovice Steel, a Czech plate producer, set October prices to Poland in late September, market players say. The producer is offering 8-20 mm S355 material HR sheets at EUR 780/t CPT Warsaw. Polish traders find the company's price quite attractive compared to local levels. This had an indirect effect on the price decrease in Poland's plate market.

Vitkovice Steel is able to offer plate at quite a low price as it uses relatively cheap stocks of Russian slabs, market sources say.

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Metinvest opens new steel warehouse in Poland

Trading company Metinvest Polska opened a new covered warehouse in Poland to be able to improve its presence in Europe by optimizing storage capacity.

The new 7,700 sq m facility is strategically positioned in the special economic zone of Gliwice, 30 km from Katowice, enabling Metinvest to get better access to end-users. "This is an area with simplified customs procedures, which greatly facilitates the shipment of Ukrainian steel products to customers in Central and Eastern Europe, with a developed railway infrastructure and at the intersection of highways", head of logistics at Metinvest Polska Yulya Mezentseva said in a statement. The warehouse has been operating for one month already, Metal Expert learnt.

Besides, the warehouse provides finishing services for rolled products, including surface treatment and packaging. It operates with four cranes, including a 35-tonne and three 25-tonne cranes, allowing to handle up to 20 trucks daily. Metinvest Polska can now store up to 5,000 t of flat products and 4,000 t of pipe products monthly. These are products from Ukrainian steel plants and from Italian re-rolling facilities within the Metinvest Group.

The group needed expanded storage capacity as the volumes it has been recently sending to Poland for subsequent distribution have been much higher than average sales, leading to overstocking. In August, Metinvest exported 128,000 t of coils from Ukraine, mainly to Poland (53,000 t), Bulgaria (25,000 t) and Italy (19,000 t), Metal Expert reported. In January-August, Metinvest exported around 600,000 t of coils, down 38% year-on-year.

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EC approves Dunaferr acquisition by Liberty

The European Commission (EC) did not detect competition concerns in the proposed combination of Hungary's flat steel producer Dunaferr and UK's Liberty Steel.

Having completed a simplified procedure to examine the transaction, the EC cleared "the acquisition of sole control of ISD Dunaferr and ISD Kokszolo, both of Hungary, by Liberty Steel of the UK," according to the official statement. ISD Kokszolo is coke producing operations capable of making around 1 million tpy of coke, two-thirds of which were used by Dunaferr's BFs.

Back in July, Liberty Steel won a tender for the acquisition of Dunaferr with its EUR 55 million bid, Metal Expert reported. In September, Liberty signed a memorandum of understanding with China's equipment supplier CISDI and the Hungarian government to transform Dunaferr's coal-based steel making into the EAF technology and, as a result, to reduce direct CO2 emissions by around 80%.

Dunaferr is equipped with a 2 million t HRC mill, a 1 million t CRC mill, and a 120,000 t HDG line. Currently, the operations at the plant are idled, according to sources.

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Kyiv: Stockists' flat steel prices flatten

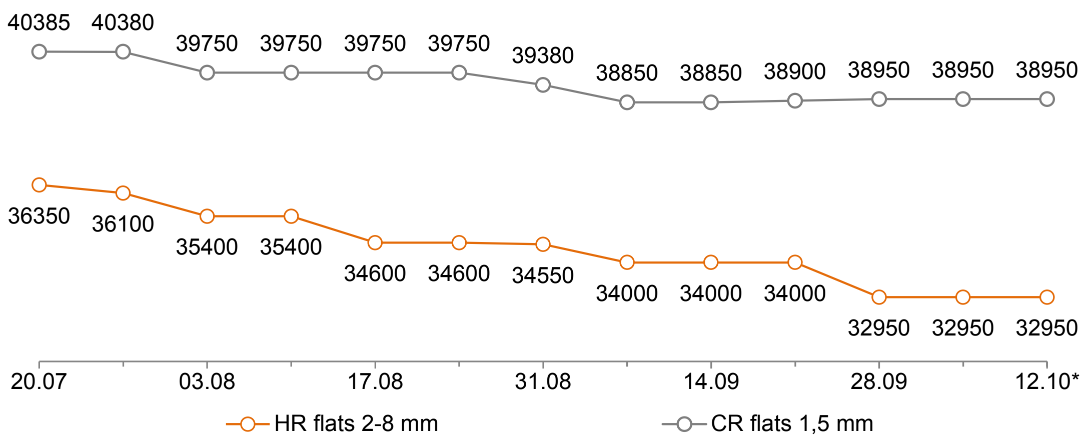
Prices flattened in the stockists flat steel market in early October. As the National Bank of Ukraine changed working conditions in the currency market and switched to a 'managed flexibility' regime of exchange rate, more market players anticipate the hryvnia devaluation, but this is yet to happen. Nonetheless, traders refuse to make bigger discounts in deals for HR and CR sheets in such conditions. Prices for 2-6 mm HR sheets at warehouses in Kyiv stand at UAH 32,500-33,350/t VAT-inclusive. Those for 10-20 mm HR plates and 1.5-2 mm CR sheets are heard at UAH 35,100-36,500/t and UAH 38,400-39,285/t, respectively.

Market players expect flat steel prices to rise due to the possible currency devaluation, traders say. In these conditions, sheets sales have intensified lately due to speculative demand from both consumers and re-sellers. Dealers say the stocks of HR and CR sheets are sufficient. "Demand surged right after the hearing about the NBU's 'managed flexibility' regime of exchange rate. Clients see that the prices are at the bottom now and there is a risk of an increase as a gradual devaluation seems inevitable. Thus, additional discounts are mostly out of the question now," a market player stated.

Metinvest-SMC is yet to comment on the possible rise in flat steel prices amid the absence of clear currency rate changes. However, the prices will be correspondingly revised if the hryvnia weakens. Nonetheless, the export markets remain weak and the attempts to increase flat steel prices are unsuccessful in Turkiye and the EU so far. On top of that, there are still some concerns over local demand prospects due to the forthcoming off-season and the threat of intensified attacks on Ukraine's power infrastructure.

In these conditions, traders expect stockists' sheets prices to flatten next week. Furthermore, even if no signs of flats price increase are seen shortly, which might happen only because of the devaluation, prices will not drop either amid stronger demand (including the speculative one) and the possible rise in prices for November volumes.

Kyiv: traders' prices
UAH/t, VAT included, * - market expectations



Source: Metal Expert

KYIV: STOCKISTS' MARKET PRICES

(UP TO 20-TONNE LOTS, UAH/T, WITH VAT, SELLER'S WAREHOUSE)

Product	28.09.2023	05.10.2023	Change
HR flats, 2-8 mm	32500-33350	32500-33350	0%
HR flats, 10-20 mm	35100-36500	35100-36500	0%
CR flats, 0.5 mm	39300-40160	39300-40160	0%
CR flats, 0.8-1.5 mm	38400-39500	38400-39500	0%

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Zaporizhstal to inch down flat steel shipments

Zaporizhstal plans to ship some 183,000 t of flat steel in October, down 4% month-on-month.

Hot-rolled steel shipments will decrease by 3% to 145,000 t, driven by the domestic market figure (–15% to 41,000 t). Exports will increase by 2% to 104,000 t.

Shipments of cold-rolled sheet and coil are expected at 38,000 t (–8%): 28,000 t for Ukrainian buyers (+11%) and 10,000 t to foreign ones (–38%).

In January-September, Zaporizhstal shipped about 1.4 million t of flat steel (+30% y-o-y): 1.1 million t of hot-rolled products (+33%), and more than 300,000 t of cold-rolled products (+19%).

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Coated flats

Module to maintain high production in October
Module produced and shipped some 6,500 t of coated steel in September. Of that amount, 2,500 t of HDG was shipped domestically, about 1,000 t was supplied to Metinvest-SMC under cooperation on tolling terms; and another 3,000 t accounted for PPGI. The mill keeps production quite high due to regular coil feedstock supplies resulting from the optimization of shipments from Zaporizhstal and active local demand, which is especially evident in the HDG segment. Module targets the production of some 6,000 t in October. The output is supposed to be gradually cut by 500-1,000 tpm in November-December amid seasonal demand slowdown.

Despite quite favourable market fundamentals, Module might change October coated steel prices. The company is currently setting its offered price. HDG and PPGI prices are likely to fall by some UAH 1,200/t and UAH 1,000/t, respectively. Such changes mostly have to do with the price revision by Metinvest-SMC in late September and, consequently, the threat of significant inflow of import analogues from Turkiye. The price decrease is a preventive measure to protect Module's market share. Meanwhile, the mill says CRC prices have remained stable for the past six months, making the room for a drop in finished product prices much smaller due to relatively high production costs. Thus, the domestic margins of Module's coated steel will come close to minimal, whereas exports are economically unviable.

Module produced 41,000 t of coated steel in January-September 2023 (+31% year-on-year). Of that amount, HDG and PPGI output reached 30,400 t (+36%) and 10,600 t (+16%), respectively.

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Heavy Metal to increase PPGI production, shipments in October
Heavy Metal cut PPGI production in September, sources say. The mill originally planned to make 3,000 t of PPGI. However, the output reached only 1,700 t due to the issues with HDG supplies to Heavy Metal as feedstock shipment terms from Turkiye changed amid intensified shelling of the Ukrainian port infrastructure. "September results were well below the expected figures due to feedstock shortage. Our ships are now in the Black Sea, and they cannot enter the ports due to the congestion and operation disruptions. Thus, we expect the arrival of two ships that are about to enter the port with some 3,000 t of HDG. Plus, one more ship is now being loaded in Turkiye. This will let us raise PPGI output in October-November," a mill representative said.

Thus, Heavy Metal plans to make some 3,500 t of PPGI in October as it receives feedstock. Local buyers have already purchased almost the entirety of that figure. Prices for October volumes remain unchanged. A greater part of 0.42 mm coils (Zn140) was sold at UAH 65,000-66,000/t with VAT depending on the volume and shipment terms. Exports remain minimal due to limited demand, oversupply in the EU and insufficient competitiveness of the mill's offered price.

Heavy Metal might change its PPGI prices due to stiffer competition and increased competitiveness of at least one local producer along with that of import analogues from Vietnam, South Korea and other countries from Southeast Asia. The market requirement of the mill’s product is likely to remain within 3,000-4,000 t in November, making it possible for the producer to keep the output at the level of October.

Heavy Metal says its PPGI shipments reached some 18,000 t in January-September 2023 (+55% year-on-year).

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Tube & pipes

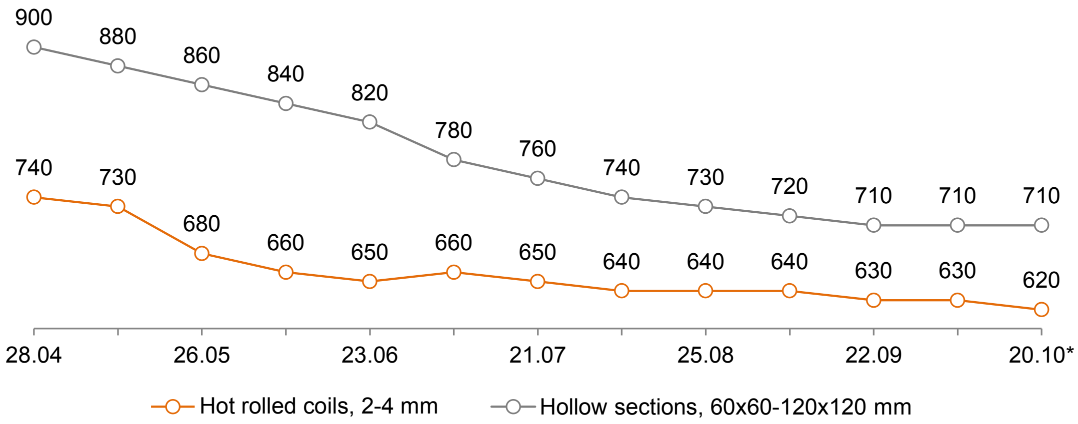
Poland: Traders do not support mills' attempts to start raising welded pipe prices so far

The mills' welded pipe market in Poland continues to operate on the verge of surplus at the beginning of October. With coil prices expected to stabilise, pipe mills are making attempts to raise prices for October volumes. According to players, a slight sales recovery in September helped to improve production figures. At the same time, the market recovery after the summer holiday period did not fully meet expectations; distributors increased inventories to two-month shipment levels, which seems optimal, given the seasonality, and remain flexible in their decisions related to the placement of new orders. In these circumstances, traders did not support the suppliers' attempts made in late September to raise the prices for October pipe volumes. Relatively low capacity utilisation at mills and the absence of speculative sentiment in the secondary market allow buyers to have the upper hand.

Producers report that EUR 620-630/t (ex-VAT, CPT) is being discussed in talks with ArcelorMittal on November and December feedstock prices, which translates into a EUR 20-30/t decline relative to September deals. Some major mills preventively cut pipe prices last month to stimulate sales and expand their order books in anticipation of higher prices in October. In particular, the minimum mill prices for 60x60-120x120 mm pipe sections made of S235JRH steel decreased to EUR 700-710/t (excl. VAT, EXW), while most mills maintained the levels of EUR 720-740/t, according to Metal Expert data. However, according to market maker plants, attempts to adjust the minimum prices upwards have so far been unsuccessful, and preserving September tags is a prerequisite for maintaining output at last month's level.

Market players do not expect any noticeable changes in welded pipe prices in the near future. Steelmakers are trying to rebalance the flat-rolled segment by reducing supply to maintain prices throughout Q4, which is unlikely to promote speculative sentiment and the formation of a new uptrend. In these circumstances, distributors will only place orders for pipes in amounts necessary to maintain inventories in line with current demand. Mid-November could be the next favourable period for growth, as the results of negotiations between pipe makers and mills on HRC prices for delivery in January-February become known amid preparation for the new season and the high pipe output for construction.

Poland: producers' prices for hot rolled coils and hollow sections,
EUR/t, VAT excluded, * - market expectations



Source: Metal Expert

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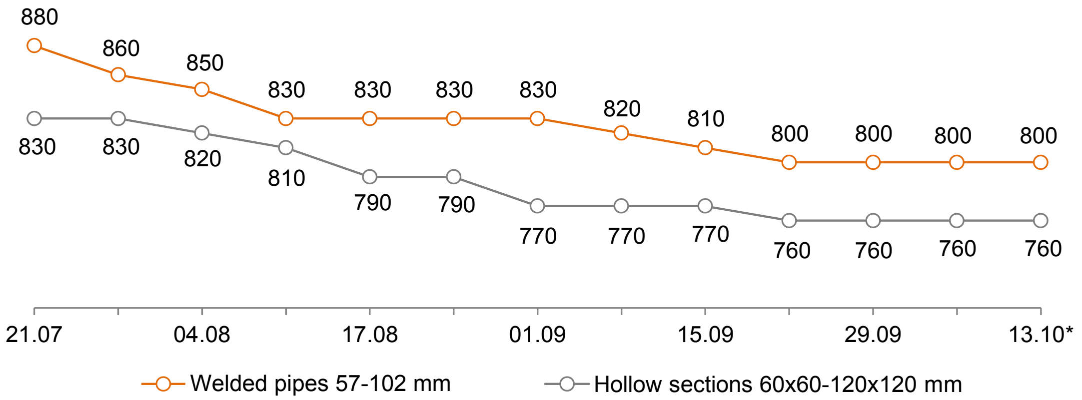
Warsaw: Stockists' welded pipe prices untouched

In the first week of October, the secondary market for welded pipes of small and medium cross-section in Warsaw remained in balance due to weakening of price pressure from major distributors: the minimum prices for 60x60-120x120 mm pipe sections made of S235JRH steel from regional suppliers were at EUR 760/t (ex VAT, CPT Warsaw), and for 57-102 mm welded line pipes made of P235TR1 steel – at up to EUR 800/t, unchanged since last week. The average transaction prices for most of the volumes are EUR 780-790/t and EUR 820-840/t for profile and line pipes respectively.

Large traders chose a wait-and-see tactic in late September and early October, taking a pause in price revision. According to traders, the caution in pricing is due to the uncertainty in the primary welded pipe market. In September, some pipe mills overestimated the likelihood of lower prices for feedstock, and shipped pipes at an atypically low markup, according to Metal Expert data. At the end of the month, after consultations with ArcelorMittal, it became obvious that HRC will not fall below EUR 620/t (ex VAT, CPT) in the coming weeks, which forced price makers to make unsuccessful attempts to adjust prices upwards – minimum mill prices for pipe sections remained unchanged during the week at EUR 700/t (ex VAT, EXW). As a result, the market faces a situation in which some pipe suppliers are not giving up their attempts to offset September discounts and are unable to form final price lists for October volumes, while coil buyers are optimistic about securing moderate discounts from mills.

Metal fabricators' demand for welded pipes remains average after a moderate recovery in September. During the summer months, traders optimised their pipe stocks in response to downward price trends, and at the beginning of October, market participants describe the stocks as optimal. In this situation, traders see no need for further sell-offs. At the same time, the continuing high degree of mixed competition between producers and distributors trying to improve their financial performance at the end of the year, as well as stagnation in the flat steel segment, are unlikely to allow for higher margins.

Warsaw: traders' prices for welded tubes,
EUR/t, VAT excluded, * - market expectations



Source: Metal Expert

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EU antidumping duties on Ukrainian seamless pipes expire

The European Commission has reported that antidumping duties on seamless pipes imported from Ukraine expired on October 3.

The restrictive measures on the supplies from Ukrainian manufacturers were in effect for more than 20 years and were extended numerous times after revisions based on antidumping and special investigations as well as legal disputes initiated by Interpipe to determine a fair amount of duty. The expired measure was introduced in 2019 as an 8.1% antidumping duty on Interpipe's products and 25.7% on other suppliers. The duties were put on pause on June 4, 2022, to support Ukrainian suppliers amidst an aggressive war waged by Russia.

In recent years, Interpipe mills were essentially the sole suppliers of Ukrainian seamless pipes from low-carbon and low-alloy steels. After complete decommissioning of rolling equipment at Dnipropetrovsk Pipe Works and Iutist as well as the closure of Vallourec Niko Tube, a JV between Interpipe and France's Vallourec S.A., there is only one active manufacturer of hot-rolled carbon steel pipes in Ukraine. Also, previously active manufacturers of cold-deformed pipes that could potentially send their products to the EU are not operating now. The inability to source pipe feedstock from the domestic market and barrier measures on Chinese pipe supplies prevent this group of mills from maintaining competitive production, forcing them to leave the market.

Despite absence of actual changes after the duty expiry, the market environment in the EU has improved for the Ukrainian supplier. In September, Vallourec closed its pipe mill in Mulheim an der Ruhr operating 175,00 tpy seamless pipe rolling equipment. The German seamless pipe market is still the biggest in the EU and next only to the US globally for Interpipe. The commissioning of a large mill will considerably boost demand from German consumers for the Ukrainian manufacturer's products.

According to Metal Expert data, Interpipe exported some 93,000 t to the EU during January-August, up 25% year-on-year. Shipments amounted to 109,000 t in 2022.

UKRAINE: SEAMLESS PIPE* SHIPMENTS TO THE EU

'000 T

	2022	Jan-Aug '22	Jan-Aug '22	Y-o-y
Germany	23.2	16.8	20.3	21%
Italy	18.0	14.0	16.9	21%
Poland	20.9	14.1	14.9	6%
Romania	15.3	10.8	11.5	7%
France	1.9	1.2	6.9	5.9 times
Spain	8.2	4.9	6.5	33%
Czech Republic	2.3	1.0	4.7	4.8 times
Bulgaria	6.5	4.6	3.2	–30%
Netherlands	2.0	1.2	1.4	21%
Others	10.4	5.6	6.2	11%
Total	108.6	74.1	92.6	25%

** excluding stainless steel pipes*

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Interpipe decreases large ERW, seamless pipe prices

On October 2, Interpipe decreased the prices for welded pipes above 152 mm by UAH 1,800/t VAT-inclusive. The company says this is a response to cheaper coils and looming competition from small businesses that can roll flat steel. Prices for small and medium-sized welded pipes have been unchanged since September 25.

In addition, Interpipe decreased seamless pipe prices by UAH 1,000/t VAT-inclusive to eliminate the difference with import offers. Chinese products, which are in growing supply on the Ukrainian market, exert the most pressure on the pricing, but the supplier is not trying to equalize the prices with Chinese analogues, citing the quality difference and risks associated with imports. The mill does not plan additional adjustments in the seamless pipe prices in the near term.

INTERPIPE: BASE PRICES FOR PIPES*

(UAH/T, EX-WAREHOUSE IN DNIPRO, COMMERCIAL STEEL GRADES)

Standard	Size, mm	25.09	02.10	Change
GOST 8732(31)	32-38x3-6	75,100	74,100	–1,000
	42-51x2.5-6	71,700	70,700	–1,000
	57-89x3-12	71,200	70,200	–1,000
	95-159x4-12	71,200	70,200	–1,000
	168-325x6-16	71,200	70,200	–1,000
	351-377x9-16	77,200	76,200	–1,000
	426x10-16	77,200	76,200	–1,000

Standard	Size, mm	25.09	02.10	Change
GOST 8639, 8645	17x17-20x20x2	38,900	38,900	0
	25x25-60x40x2	38,650	38,650	0
	17x17-60x40/50x50x2.5-5	38,900	38,900	0
	80x40/60x60-90x90/100x80x2-5	39,400	39,400	0
GOST 3262	10	41,150	41,150	0
	15-20	40,050	40,050	0
	25-50	39,650	39,650	0
GOST 10704(05)	32-114x2-4.5	39,650	39,650	0
	152-159x4-8	54,000	52,200	–1,800
	219x4-6	55,500	53,700	–1,800
	219x7-10	58,000	56,200	–1,800
	273-325x5-10	61,000	59,200	–1,800
	355.6-426x6-10	61,000	59,200	–1,800
	508-530x7-10	65,200	63,400	–1,800

** – according to market participants*

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Raw materials

Liberty Ostrava commences coke battery shutdown
Liberty Ostrava started the shutdown of coke battery No. 11, having started the process of decommissioning in the second half of September; the work will continue for several more months. The company views this decision as a step towards the transition to environmentally friendly steel production, and the closure of inefficient overcapacity will also allow it to optimise costs.

The shutdown will not affect the operation of the only blast furnace functioning at the company, Liberty Ostrava stressed in its press release, but it makes restoring blast furnace utilisation virtually impossible, as Metal Expert reported. Only BF No.3 (1 million t) is currently in operation, while BF No.2 (1.1 million t) was stopped for modernisation in July last year due to weak demand and high production costs and has not resumed operation, and BF No.1 has not been in operation since about 2008.

Liberty Ostrava aims to achieve full carbon neutrality by 2030, among other things by phasing out upstream operations. A key element of the project is the transition to steelmaking in hybrid EAFs: a contract for the installation of two units with a total capacity of 3.5 million tpy has been awarded to Danieli in summer 2022. In addition, the investment programme includes the construction of a new ultra-high voltage line, as well as a large-scale modernisation of rolling mills. Over the next eight years, Liberty Steel estimates the total investment in the company at CZK 8.6 billion (EUR 352 million, EUR 1 = CZK 24.44).

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Ukraine proceeds with resumption of iron ore exports by sea
Ukrainian iron ore producers continue to work on shipments from the Black Sea ports. In early October, the Ying Hao bulker carrying 70,000 t of Metinvest's concentrate exited Pivdennyi Port (Odesa region, Ukraine). Metal Expert hears that the entire raw material volume was made in September, and it is destined for sale in China. This is the second bulker carrying iron ore in the past month to exit Ukraine's sea ports after an 18-month break. The Ying Hao bulker was among the first large-tonnage ships to enter Pivdennyi Port and dock for loading after the grain deal came to an end. The Ying Hao bulker is currently docked at Istanbul Port (Turkiye).

Yet another successful transportation via the temporary corridor brings some optimism over a possible full return of Ukrainian iron ore suppliers to the global market. "Obviously, it's too early to talk about the resumption of sea shipments on a daily basis because this type of transportation is still associated with high risks amid the continuous threat of civilian vessels shelling by Russia. At the same time, a successful track record of such shipments is a confident step towards the recovery of the main export channel, which is imperative for the Ukrainian metallurgical industry on the whole," a source familiar with the situation said. Market players do not rule out the possibility of new sea shipments (of the raw material that was made recently) till the end of October. According to updated data, Metinvest's iron ore volumes that were blocked at Ukrainian ports earlier were fully taken out. All of the pre-war obligations to foreign buyers were met (the Ocean Courtesy bulker carrying 172,000 t of iron ore concentrate from the company's GOKs exited Pivdennyi Port in early September). The Poltava Mining and Processing Plant unloaded its production sites back in 2022 as the facility took out its raw material by rail.

The resumption of sea shipments is crucial for Ukrainian iron ore suppliers because the logistics issues remain among the main factors to weigh on the industry. Sea shipments accounted for more than half of Ukraine's iron ore export before the war. Ukraine has lost a lot of its export potential because of the ports blockade. It is impossible to fully regain the export potential balance with rail and river shipments. On top of that, limited access to sea transportation causes a surge in delivery costs and narrows the sales markets. The EU has basically been the only export destination for Ukrainian market players in the last 18 months. Given the current weakening in the EU metallurgical markets, this poses a significant threat for Ukraine's mining industry. Ukraine's iron ore exports may fall by as much as 20% to 1.2 million t in October without the resumption of handling via local sea ports, Metal Expert estimates. Ukraine's iron ore shipments have not exceeded 35-40% of the pre-war figures since the start of Russia's military invasion, accounting for up to 70% of Ukraine's total shipments.

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Ferrexpo boosts Q3 operational results

Ferrexpo showed higher production results in July-September 2023 in a sequential comparison, despite the ongoing logistical challenges. The company plans to keep capacity utilization in Q4 if no negative changes to the economic and operational environment happen.

The company produced a total of 1.35 million t of iron ore products in Q3, 15% up quarter-on-quarter. The pellet output amounted to 1.25 million t, increasing by 17% q-o-q, Metal Expert has learnt. The whole volume of pellets consisted of premium products with 65% Fe, and there was no production of 62% Fe pellets or 67% Fe (DR pellets). In the meantime, Ferrexpo decreased the output of commercial concentrate by 8% over a quarter to 98,000 t. “The Group has successfully operated between one and two pelletising lines (out of four) during the quarter, alternating product quality depending on demand from customers and available logistics routes,” the company said in the official report.

Over the first nine months of 2023, the total volume of iron ore products amounted to 3.47 million t compared to 5.72 million t in the same period last year. The Russian invasion of Ukraine, which led to the closure of access to the Black Sea ports, and therefore, overloaded railway traffic, became one of the main reasons for such a drop.

In the last quarter of this year, Ferrexpo plans to keep stable operations. “For the remainder of the year, the Group intends to operate between one and two pelletising lines, assuming no further material changes to the operating environment and logistics availability in Ukraine,” the producer stated.

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Zaporizhstal maintains pig iron output

Zaporizhstal maintained blast furnace production in September, with pig iron output reaching 257,000 t (258,000 t in August). By Metal Expert's estimate, merchant pig iron accounted for about 13% of that figure, while the rest was used in steelmaking.

The mill made 1.9 million t of pig iron in January-September 2023 (+23% year-on-year), including 351,000 t of merchant pig iron (–26%). After the start of the all-out war in Ukraine, the capacities were put into hot idling. The BF shop partially resumed operation in April 2022. Zaporizhstal has four BFs with an aggregate designed capacity of about 4.4 million t per year, of which three furnaces (3.4 million tpy) have been in operation since March 2023. The three furnaces are running at about 90% of their capacity utilization.

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Prices

POLAND, EUR/T, EX. VAT

Longs	Supplier	Terms	6 Oct
Rebar, 10 mm	Local mills	CPT Warsaw	600-610
Rebar, 12-32 mm	Local mills	CPT Warsaw	585-605
Rebar, 10 mm	Warehouse market	CPT Warsaw	600-610
Rebar, 12-32 mm	Warehouse market	CPT Warsaw	595-605
Rebar, 12-32 mm	Import, Italy	CPT Warsaw	595-610
Rebar, 12-32 mm	Import, Germany	CPT Warsaw	595
Angle 50-75	Local mills	CPT Warsaw	740-745
Angle 50-75	Warehouse market	CPT Warsaw	720-730
Channel UPN 8-12	Local mills	CPT Warsaw	720-735
Channel UPN 8-12	Warehouse market	CPT Warsaw	820-825
HEB 160	Local mills	CPT Warsaw	765-780
HEB 160	Warehouse market	CPT Warsaw	755-770

Flats	Supplier	Terms	6 Oct
HR coil	Local mills	CPT Warsaw	620-645
HR sheet 2-8 mm	Local mills	CPT Warsaw	650-685
HR sheet 8-20 mm	Local mills	CPT Warsaw	780-795
HR sheet 2-8 mm	Warehouse market	CPT Warsaw	690-700
HR sheet 10-20 mm	Warehouse market	CPT Warsaw	830-835
HR coil 2-3 mm	Import, Ukraine	CPT Warsaw	620-630
CR sheet 1,5-2 mm	Local mills	CPT Warsaw	-
CR sheet 1 mm	Warehouse market	CPT Warsaw	800

Wire rod & wire products	Supplier	Terms	6 Oct
Wire rod, 6,5-8 mm	Local mills	CPT Warsaw	610-630
Wire rod, 6,5-8 mm	Warehouse market	CPT Katovice	585-600
Wire rod, 6,5-8 mm	Import, Italy	CPT Warsaw	595
Wire for g/p, t/unp, 4-5 mm	Local mills	CPT Warsaw	640-650
Wire for g/p, t/unp, 4-5 mm	Warehouse market	CPT Warsaw	650-670
Wire for g/p, t/p, 1,2 mm	Warehouse market	CPT Warsaw	770-790
Wire for g/p, t/p, 4-6 mm	Warehouse market	CPT Warsaw	720-740
Wire for g/p, t/unp, 4-5 mm	Import, Ukraine	EXW	560-570
Wire for g/p, t/p, 4-6 mm	Import, Ukraine	EXW	620-635
Galvanized wire for g/p, t/unp, 2 mm	Warehouse market	CPT Warsaw	800-820
Galvanized wire for g/p, t/unp, 2,5-4 mm	Import, Ukraine	EXW	700-710
Galvanized wire for g/p, t/unp, 2,5-4 mm	Import, China	CIF Baltic Sea ports	680
Construction nails, 4x100 mm	Import, Ukraine	EXW	690-710
Steel wire fiber, 1x50 mm	Import, Ukraine	EXW	715-725
Steel wire fiber, 1x50 mm	Import, Moldova	EXW	710-715
Steel wire fiber, 1x50 mm	Import, China	CIF Baltic Sea ports	650

Tubes and Pipes	Supplier	Terms	6 Oct
Hollow sections 60x60-120x120 mm	Local mills	EXW	710-730
Hollow sections 60x60-120x120 mm	Warehouse market	CPT Warsaw	770-790
Hollow sections 60x60-120x120 mm	Import, Ukraine	CPT Warsaw	700-710
ERW pipe 60.3-114.3 mm EN 10217-1	Local mills	EXW	740-770
ERW pipe 60.3-114.3 mm EN 10217-1	Warehouse market	CPT Warsaw	810-830
ERW pipe 60.3-114.3 mm EN 10217-1	Import, Ukraine	CPT Warsaw	720-740

EAST EUROPE COUNTRIES, EUR/T, EX. VAT

Longs	Supplier	Terms	6 Oct
Rebar, 12-32 mm	Warehouse market	CPT Bucharest	600-630
Rebar, 12-32 mm	Warehouse market	CPT Sofia	610-630

Flats	Supplier	Terms	6 Oct
HR sheet 2-8 mm	Warehouse market	CPT Bucharest	750-760
HR sheet 10-20 mm	Warehouse market	CPT Bucharest	850-870
CR sheet 1 mm	Warehouse market	CPT Bucharest	840-860
HR sheet 2-8 mm	Warehouse market	CPT Sofia	-
HR sheet 10-20 mm	Warehouse market	CPT Sofia	-
CR sheet 1 mm	Warehouse market	CPT Sofia	-

Wire rod & wire products	Supplier	Terms	6 Oct
Wire rod, 6,5-8 mm	Warehouse market	CPT Bucharest	580-585
Wire rod, 6,5-8 mm	Warehouse market	CPT Sofia	-
Wire rod, 6,5-8 mm	Warehouse market	CPT Budapest	600-630
Wire rod, 6,5-8 mm	Warehouse market	CPT Bratislava	-
Wire rod, 6,5-8 mm	Warehouse market	CPT Vilnius	590-605
Wire rod, 6,5-8 mm	Import, Ukraine	CPT Vilnius	600-620
Wire rod, 6,5-8 mm	Import, Italy	CPT Vilnius	635
Steel wire fiber, 1x50 mm	Local mills	CPT Budapest	850-855
Steel wire fiber, 1x50 mm	Local mills	Lithuania, EXW	870-875
Steel wire fiber, 1x50 mm	Import, Ukraine	CPT Budapest	800-810
Steel wire fiber, 1x50 mm	Import, Moldova	CPT Budapest	800-810
Galvanized wire for g/p, t/unp, 2 mm	Warehouse market	CPT Budapest	925-950
Wire for g/p, t/p, 1,2 mm	Warehouse market	CPT Budapest	870-890
Wire for g/p, t/p, 1,2 mm	Warehouse market	CPT Kishinev	900-905
Wire for g/p, t/p, 4-6 mm	Warehouse market	CPT Budapest	800-830
Wire for g/p, t/unp, 4-5 mm	Local mills	Lithuania, EXW	660-670
Wire for g/p, t/unp, 4-5 mm	Warehouse market	CPT Kishinev	935-940

Tubes and Pipes	Supplier	Terms	6 Oct
Hollow sections 60x60-120x120 mm	Local mills	Romania, EXW	700-730
Hollow sections 60x60-120x120 mm	Local mills	Bulgaria, EXW	720-740
ERW pipe 60.3-114.3 mm EN 10217-1	Local mills	Romania, EXW	730-750
ERW pipe 60.3-114.3 mm EN 10217-1	Local mills	Bulgaria, EXW	720-740
Hollow sections 60x60-120x120 mm	Import, Turkey	CPT Bucharest	700-730
ERW pipe 60.3-114.3 mm EN 10217-1	Import, Turkey	CPT Bucharest	740-770

UKRAINE, EUR/T, EX. VAT

Longs	Supplier	Terms	6 Oct
Rebar, 12-32 mm	Local mills	CPT Kyiv	685
Angle 20-100 mm	Local mills	CPT Dnipro	765
Channel №14-20	Local mills	CPT Dnipro	1235
Rebar, 12-32 mm	Warehouse market	CPT Kyiv	680-695
Angle 20-100 mm	Warehouse market	CPT Kyiv	780-800
Channel №14-20	Warehouse market	CPT Kyiv	1170-1250

Flats	Supplier	Terms	6 Oct
HR sheet 2-8 mm	Local mills	CPT Kyiv	770-810
CR sheet 1,5-2,0 mm	Local mills	CPT Kyiv	900-945
HR sheet 2-8 mm	Warehouse market	CPT Kyiv	790-810
HR sheet 10-20 mm	Warehouse market	CPT Kyiv	855-890
CR sheet 0,8-1,0 mm	Warehouse market	CPT Kyiv	940-960

Wire rod & wire products	Supplier	Terms	6 Oct
Wire rod, 6,5-8 mm	AMKR	EXW	665
Wire rod, 6,5-8 mm	Metinvest-SMC	CPT Dnipro	630
Wire rod, 6,5-8 mm	Warehouse market	CPT Kyiv	695-720
Wire for the RCC, 4-5 mm	Local mills	EXW	685-700
Wire for g/p, t/unp, 4-5 mm	Local mills	EXW	700-710
Wire for g/p, t/p, 1,2 mm	Local mills	EXW	815-840
Wire for g/p, t/p, 4-6 mm	Local mills	EXW	780-790

Tubes and Pipes	Supplier	Terms	6 Oct
Hollow sections 25x25-40x40 mm	Kominmet	EXW	940-945
ERW pipe 57-108 mm GOST 10704(5)	Kominmet	EXW	965

OTHER COUNTRIES, $/T

Products	Supplier	Terms	29 Sep
Square billet	Russia	FOB Black Sea, $/т	480-500
Square billet	Russia	FOB Far East, $/т	475-480
HR coil 2-8 mm	Russia	FOB Black Sea, $/т	580-590
Rebar, 12-32 mm	Turkey	FOB Black Sea, $/т	565-580
Wire rod, 6,5-8 mm	Turkey	FOB Black Sea, $/т	580-600
HR coil 2-8 mm	Turkey	FOB Black Sea, $/т	640-660

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