# Balli Steel Reports Global Steel Market Experiencing Sharp Rises Since Chinese New Year

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Author: **Balli Steel**
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Balli Steel, one of the world's largest privately owned independent commodity traders, highlights that steel markets across the globe have experienced sharp price rises since mid- February 2010. The first six weeks of the year had seen a flat market with the majority of commentators believing that prices would most likely fall back to November 2009 levels, however conversely, prices started to rise sharply coinciding with Chinese New Year (14th February).

Balli Steel reports that the price has largely been driven upwards by restrictions in the availability of raw materials and by steel mills maintaining a tighter control over supply. Balli Steel anticipates that prices are likely to continue to rise in the short term, however, there is the possibility that the market may start to show signs of fatigue in the third quarter, especially if the steel mills fail to retain supply restrictions.

Balli Steel reports that prices have risen by approximately US $200 per tonne since the start of the year regardless of their base level, equating to increases of approximately 35-40%.

Nasser Alaghband, CEO of Balli Steel commented: "Contrary to the views of most commentators at the beginning of the year, we have seen a strong rally in steel prices over the past six weeks, albeit based on relatively thin trading volumes. We anticipate that prices are likely to grow more conservatively over the rest of the year, although prices may come under pressure in the third and fourth quarters if steel mills decide to increase production."

Although steel prices have risen across the board, there remain significant regional market variations. The Chinese market remains key, accounting for significant global demand and over 50% of worldwide production, however despite surpluses, China has not been an aggressive exporter. Elsewhere in the Asian market, demand from India has also remained very strong with significant imports made in the first quarter of 2010.

The picture in the Middle East market remains far less clear cut. Demand remains very low in parts of the UAE, which are still feeling the effects of the global downturn and Dubai's credit crisis, however oil rich states such as Abu Dhabi and Saudi Arabia are pushing forward with extensive inward investment programmes, which generate significant steel demand.

Prices in the European markets have kept pace with the global increases, however, demand in the region remains particularly low. Government expenditure has been cut in many countries which will have a significant impact on infrastructure projects. The steel industry of the PIIGS nations of Portugal, Ireland, Italy, Greece and Spain have been particularly hard hit.

Notes for Editors:

**About Balli Holdings:**
Balli Holdings is a large private, multi-national corporation, headquartered in London, with offices in Dubai and other key business hubs around the world.

Balli was established in 1982 and operates a number of affiliated companies specialising as commodity traders alongside industrial, real estate and private equity operations in over 20 countries. Together with its affiliated companies, Balli group employs over 2,000 people worldwide.

Balli Steel is the company's principal operating subsidiary, and is one of the largest independent steel trading companies in the world. Balli Steel provides raw materials and steel to a number of market segments including steel mills, steel service centres, pipe and tube makers, the oil and gas industry and other designated end-user segments such as the packaging products industry.

**For further press information, please contact:**
Alex Lawrie
TTA Group
7 Hertford Street
Mayfair
London
W1J 7RH
020 7886 0300
www.balli.co.uk

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