

US rebar prices rise to eight-year high, surpassed by imports

Domestic rebar prices rose to their highest point since 2012 on Dec. 24 as sources indicated mills' price increases from the previous week had been absorbed by the market, but were overshadowed by markedly higher import prices.

On Dec. 24, Platts' weekly Southeast US rebar assessment rose to \$725-\$740/st, up from \$685-\$700/st the previous week. Platts' weekly Midwest US rebar assessment increased to \$730-\$740/st, up from \$690-\$700/st the previous week.

Rebar prices moved higher after major mills announced \$40/st price increases during the previous week, surpassing previous highs reached in 2019 due to the Section 232 tariffs. The last round of price hikes has pulled the midpoints of both domestic rebar prices to their highest level since March 2012.

Several market sources indicated mills were holding firm to the latest price increases, which were being supported by tight supply and expectations for firm scrap pricing in January. Rebar prices would continue rising in the near term, according to the sources.

"I do feel there is more room for increased rebar pricing in the new year," said a Southern fabricator, noting a tradable value at \$725-\$740/st. "A bit more demand for fabricated rebar in the Southeast and things could get interesting."

A Southern distributor confirmed domestic mills were sticking to the price increases. "[They] will be raising their prices again in January, I would bet on it," the source added.

The bullish sentiment was shared by a Midwest fabricator and distributor, with the distributor citing a tradable value at \$730/st at the mill.

The weekly Platts rebar import price jumped to \$770/st Dec. 24 on a DDP Houston basis, up from \$610/st the previous week. Import offers had been limited for several weeks amid rapidly rising Turkish export rebar prices and the preliminary dumping margins assigned to Turkish rebar exports into the US.

Still, a trader cited one Turkish offer at \$770/st DDP Houston, which was confirmed by multiple sources.

"\$770/st would be a bargain since the material will be arriving to Houston. It will be easy to sell the tons at pricing higher than domestic since the Houston market will be short on tons in the first quarter," said the Southern distributor.

Offers from Europe were "completely out of the question," according to the trader. "They could say it's \$3000 and it is the same. We can do nothing with that."

While import offers needed to be below domestic prices to generate interest under normal market conditions, current market conditions were changing that dynamic, said the trader. "Today we are under very different circumstances. Imports could be the same as domestic or above, because domestic availability is limited. Customers are willing to pay more than domestic now."