

24/9/2021

Good Morning,

FOB China HRC

The index was flat yesterday (23.9.21) at US\$911/t, MTD US\$909.24/t.

China's HRC inventories gained over 15,000t this week comparing to a decline of over 30,000t last week, with the output volume contracting by around 20,000t this week, participants said. Steel mills are making around Yn600/t profit for HRC now, but production remained subdued under energy control targets.

Major Chinese mills are silent on offers especially when domestic selling prices are not showing a clear trend after the holiday. Most seaborne buyers are also muted on bids with some of them shifting attention to lower-priced coils from Russia and India.

A Russian mill was reported to have sold 30,000t SAE1006 grade coils at \$850/t cfr Vietnam earlier this week. The Russian mill is heard to have 90,000t coils allocation in total to be sold to Vietnam this week. (Argus)

Turkish Scrap

Record-high freight costs support CFR Turkey prices

Market awaits reaction to Turkish Central Bank benchmark interest rate cut

Turkish Deepsea import ferrous scrap prices remained unchanged the week ended Sept. 23, as mills continued to hold back, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Sept. 23 at \$440/mt CFR, unchanged on day. "If it wasn't for record high freight rates, scrap prices would be in the \$300s/mt CFR," one Turkish mill source said, adding that \$440/mt CFR and lower was workable for premium HMS 1/2 (80:20).

Platts assessed the DBF Rotterdam Netherlands-Aliaga Turkey 30,000 mt Supramax freight rate at \$42/mt Sept. 23, unchanged on day at an all-time high. The DBF New Jersey US East Coast-Aliaga Turkey 40,000 mt Supramax freight rate was at \$37.75/mt Sept. 23, up 50 cents/mt on day.

An EU recycler cited an indicative tradable value for Benelux-origin HMS 1/2 (80:20) at \$435/mt CFR minimum, adding that "frankly, with higher freight rates even that [level] becomes more difficult by the day." However, the euro remained soft against the US dollar, maintaining some pressure on the US dollar-denominated CFR Turkey price for Eurozone sellers. Platts assessed the euro at \$1.1737/Eur1 at 4:30 pm London time Sept. 23, down from \$1.1759/Eur1 one week earlier, and from a recent peak of \$1.1879/Eur1 on Sept. 3. (Platts)

EU HRC

European hot-rolled coil (HRC) prices remained under pressure yesterday from quiet demand and weakening mill order books.

The Argus daily Italian HRC index yesterday fell by €9.00/t to €984.25/t ex-works, while the weekly cif Italy assessment declined by €20/t to €830/t. The daily northwest EU HRC index was unchanged at €1,029.75/t.

Even smaller buyers can purchase volumes at €970/t ex-works in some cases — a level that was available only to larger volumes at the end of last week. List prices remain above this level, but large buyers are getting closer to obtaining their target levels of €950/t ex-works.

Italian mills were under strain to fill their order books, as were eastern European mills, which have already dropped prices to the mid-€900s. Even if a major European producer has not announced price cuts, as it did for continuous increases over the first half of this year, it has been quoting Italian buyers lower prices of €1,020-1,030/t delivered northern Italy. Market participants say this is unlikely to generate interest, as lower-priced material is available from the import and domestic markets. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	440.00	0.00	441.60
Steel Rebar FOB Turkey (\$/mt)	666.50	-1.00	666.74
Argus HRC NW Europe (€/mt)	1029.75	0.00	1083.71
Argus FOB China HRC (\$/mt)	911.00	0.00	909.25

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-21	910	920	915
Oct-21	895	905	900
Nov-21	895	905	900
Q4-21	895	905	900
Q1-22	890	900	895
Q2-22	887	897	892

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Sep-21	440	450	445
Oct-21	438	448	443
Nov-21	438	448	443
Q4-21	438	448	440
Q1-22	435	445	440
Q2-22	433	443	438

LME REBAR FOB TK			
	Bid	Ask	Value
Sep-21	665	675	670
Oct-21	665	675	670
Nov-21	665	675	670
Q4-21	665	675	670
Q1-22	663	673	668
Q2-22	640	650	645

BUSHELING			
	Bid	Ask	Value
Oct-21	580	590	585
Nov-21	580	590	585
Dec-21	580	590	585
Q4-21	580	590	585
Q1-22	570	580	575
Q2-22	570	580	575

US HRC USD/short ton			
	Bid	Ask	Value
Sep-21	1925	1935	1930
Oct-21	1865	1875	1870
Nov-21	1715	1725	1720
Q4-21	1700	1710	1705
Q1-22	1363	1373	1368
Q2-22	1257	1267	1262

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-21	1080	1090	1085
Oct-21	1017	1027	1022
Nov-21	935	945	940
Q4-21	960	970	965
Q1-22	902	912	907
Q2-22	842	852	847

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