

## 30/9/2021

### FOB China HRC

The index was flat yesterday (29.9.21) at US\$909/t, MTD US\$909.19/t.

China's steel supply has turned tighter from output curbs from shutdowns or power cuts in more than 20 provinces and regions since late August. These cuts coupled with an expansion of the area covered by autumn and winter seasonal air pollution control plans for "important areas" would lead to more severe production cuts in coming months. The area affected by the suspension this year involves 6 provinces and 65 cities, an increase of 26 prefectures and cities over last year.

Certain traders actively invited bids at \$870-880/t cfr Vietnam for SS400 HRC, but those were for prompt shipment coils which have already arrived in Vietnam and could not represent the mainstream market level. Traders cut Indian SAE1006 grade coils offers to \$880/t cfr Vietnam from \$880-900/t cfr to induce buying, with some of them actively inviting bids at \$860-870/t cfr Vietnam. Some sellers were willing to receive orders lower at \$845-850/t cfr Vietnam for SAE grade coils produced by a Russian mill. (Argus)

### EHR CME

The European hot-rolled coil (HRC) market slipped further yesterday as buyers postponed purchases and mills looked to resell material previously destined for the automotive supply chain without dampening local prices.

Argus' daily northwest Europe HRC index slipped by €3.50/t to €1,028.50/t ex-works, while the daily Italian index fell by €0.50/t to €960.50/t ex-works.

In Italy, one scrap-fed producer was offering €1,000/t ex-works to some buyers, as it was in negotiations with automotive tier-suppliers and trying to keep spot prices stable. But some large buyers said they were able to procure at €930/t delivered. There are offers at €950/t ex-works from other Italian producers, or the same on a delivered basis from southern Italian sellers, and around €20/t or more lower from eastern EU mills. East European mills are the most aggressive into Germany and Benelux, making sales at €930-950/t delivered levels, whereas local mills are trying to sell an increasing surplus elsewhere to avoid cannibalising domestic prices and indexes.

With scrap prices on the decline, and iron ore-based producers at a relative advantage still, mills are finding it more difficult to convince customers that the market is not about to slip further. Sellers are looking at production cuts in China in expectation that this will lift global pricing while negotiating 2022 contracts, after the jump in prices in 2021. (Argus)

### US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,959.25/st EXW Indiana Sept. 29, up 75 cents from Sept. 28.

A Southern mill source said that they were targeting \$1,960/st for any spot availability. No other bid, offer or indications were heard. (Platts)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	435.00	2.00	440.06
Steel Rebar FOB Turkey (\$/mt)	660.00	0.00	665.57
Argus HRC NW Europe (€/mt)	1028.50	-3.50	1073.50
Argus FOB China HRC (\$/mt)	909.00	0.00	909.20

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	435	445	440
Nov-21	435	445	440
Q4-21	435	445	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	585	595	590
Nov-21	585	595	590
Dec-21	585	595	590
Q4-21	585	595	590
Q1-22	582	592	587
Q2-22	570	580	575

US HRC USD/short ton			
	Bid	Ask	Value
Sep-21	1930	1940	1935
Oct-21	1895	1905	1900
Nov-21	1765	1775	1770
Q4-21	1743	1753	1748
Q1-22	1371	1381	1376
Q2-22	1240	1250	1245

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-21	1071	1081	1076
Oct-21	995	1005	1000
Nov-21	965	975	970
Q4-21	962	972	967
Q1-22	885	895	890
Q2-22	842	852	847

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