

11/10/2021**FOB China HRC**

The index was stable last Friday (08.10.21) at US\$908/t, MTD US\$908/t.

End users in China actively restock after a week-long holiday, expecting prices to rise further given tight supply. North China's Tangshan city required local independent rolling mills to suspend production from 7 October with the resumption date yet given, after some of them had just resumed production over the holiday. Weekly data showed Chinese steel inventories rose a modest amount and mills' production restarts were slower than expected. Chinese export trade is partly frozen by freight rates that exceed \$200/t to Latin America and \$100/t to the Middle East.

Indian offers rose to \$870-920/t cfr Vietnam for SAE1006 grade coils, likely on support from the country's domestic coal shortage. Some Vietnamese buyers also lifted bids to \$865-870/t cfr, with limited even bids higher at \$900/t cfr. But most other buyers held a cautious attitude as Vietnamese mills Formosa Ha Tinh and Hoa Phat will announce new monthly offers this week. A Russian mill was heard offering \$860-870/t cfr Vietnam for coils, but the January shipment is too far away to be considered for Vietnamese buyers. (Argus)

EHR CME

European hot-rolled coil (HRC) prices came under more pressure today, despite a slightly brighter outlook in external markets. The Argus daily Italian HRC index today fell by €13.50/t to €920/t ex-works, while the daily northwest EU marker was static at €987/t.

The buy-side perception is that the market is yet to bottom out, which is why purchases are being delayed, despite sufficient end-user demand. In Italy, many market participants are expected to buy in the coming weeks as some inventories have been drawn low and the end of the year is approaching. But market confidence is low and buyers are postponing. In the north of the country, service centres are covered for the rest of the year and continue to ignore an increasing volume of offers.

Mill have holes in their order books, created by auto cancellations, which is freeing up capacity that they need to sell quickly. The preference is to sell abroad, for Italians mostly to other EU countries, but some tonnages are being offered or purchased in the domestic market, and at varying but lower prices. One mill in Visegrad said bids are close to slab prices. Another mill in the region is resorting to exports, even of slab, to keep its rolling mills full, given the tepid demand across Europe.

Some say this is creating a discrepancy in the market, as this material is almost being sold as 'distressed', offered on short lead times and for specific tonnages, while others believe it clearly shows the market's weakness. Indeed, when Italian prices were soaring during the spring and early summer, any material offered on a short lead time would attract a hefty premium. (Argus)

Turkish Scrap

Hikes expected with focus on cargoes with ample shred, bonus scrap
Mills await export finished steel demand from Asia

Turkish deepsea import ferrous scrap prices continued to move up Oct. 8 as Turkish mills continued to cite higher workable levels, but few offers were heard, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Oct. 8 at \$457.50/mt CFR, up \$2.50/mt on day, the highest level since Aug. 10, when the index sat at \$459/mt CFR.

"Selling short is not easy today as you really need to know you have the material, and a lot of the recent second-half November shipment bookings speak to a lack of scrap availability," a Baltic recycler said, citing an indicative tradable value for Baltic-origin HMS 1/2 (80:20) at \$460/mt CFR minimum.

The market trend had been negative since May, so buyers perhaps are not as topped up and need material," the recycler added. One Turkish agent source said above \$455/mt CFR was the market level, while a UK trader said \$455-\$460/mt CFR for premium HMS 1/2 (80:20) was workable. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	457.50	2.50	447.50
Steel Rebar FOB Turkey (\$/mt)	680.00	7.50	669.58
Argus HRC NW Europe (€/mt)	987.00	0.00	992.13
Argus FOB China HRC (\$/mt)	908.00	0.00	908.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-21	895	905	900
Nov-21	905	915	910
Dec-21	900	910	905
Q4-21	900	910	905
Q1-22	892	902	897
Q2-22	887	897	892

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-21	455	465	460
Nov-21	475	485	480
Dec-21	475	485	480
Q4-21	468	478	480
Q1-22	475	485	480
Q2-22	465	475	470

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-21	680	690	685
Nov-21	705	715	710
Dec-21	700	710	705
Q4-21	695	705	700
Q1-22	698	708	703
Q2-22	693	703	698

BUSHELING			
	Bid	Ask	Value
Oct-21	590	600	595
Nov-21	605	615	610
Dec-21	605	615	610
Q4-21	600	610	605
Q1-22	600	610	605
Q2-22	587	597	592

US HRC USD/short ton			
	Bid	Ask	Value
Oct-21	1877	1887	1882
Nov-21	1782	1792	1787
Dec-21	1615	1625	1620
Q4-21	1758	1768	1763
Q1-22	1375	1385	1380
Q2-22	1207	1217	1212

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-21	980	990	985
Nov-21	930	940	935
Dec-21	910	920	915
Q4-21	940	950	945
Q1-22	882	892	887
Q2-22	838	848	843

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