

13/10/2021**FOB China HRC**

The index was stable yesterday (12.10.21) at US\$910/t, MTD US\$908.50/t.

China's largest mills reduced output to the lowest since 2008 in late September, but output is bouncing back after provinces met third-quarter targets. Jiangsu mills' production recovered to 20-50pc of the normal level with both EAF and blast furnace mills resuming operations. Its EAF mills are only allowed to produce at night as overall power supply remains tight.

Baosteel will conduct maintenance on a blast furnace for 36 days from 19 October, cutting 10,000t/d hot metal and Bengang will work on a blast furnace for 45 days from 15 October, reducing 450,000t hot metal output and overhaul a HRC production line in the same month for 15 days, cutting HRC output by 75,000t.

Traders are inviting bids at \$855/t cfr Vietnam for Russian SS400 HRC. A deal for Russian SAE1006 grade coils was heard to be sold by traders at \$843/t cfr Vietnam, but no further details could be confirmed. (Argus)

Turkish Scrap

Recyclers pull back offers
Domestic semis, finished steel demand strong

Turkish deepsea import ferrous scrap prices continued to climb Oct. 12, but offers were scarce as recyclers held back, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Oct. 12 at \$467.50/mt CFR, up \$4.50/mt on day, the highest level since July 29, when the index sat at \$469.50/mt CFR. The index has risen \$34.50/mt since Sept. 28.

"The market is going up and we will see the top if all the sellers come into the market," one Turkish mill source said, estimating the peak of the current uptrend could be at \$470-\$480/mt CFR for premium HMS 1/2 (80:20).

"For the Far East, current rebar pricing does not work -- the Turkish domestic market is stronger," the mill source added.

Some mills hiked FOB offers closer to \$715-\$725/mt FOB amid upward pressure from CFR scrap prices and improved domestic billet and rebar demand, but little export activity was heard. Domestic rebar prices were heard around \$700-\$705/mt EXW, while billet deals were heard between \$670-\$680/mt EXW. (Platts)

EHR CME

There was some divergence in European hot-rolled coil prices today. A firmer tone in Turkey and the CIS filtered into the spot-focused Italian market, while the contract-heavy northwest was still struggling under the weight of surplus tonnes previously destined for automotive.

The *Argus* daily Italian HRC index nudged up by €1.25/t (\$1.44/t) to €921.25/t ex-works today, while the daily NW EU HRC index slipped €2.25/t to €984.75/t.

There are some signals in the market indicating Italian mills may refuse to lower offers further, which could potentially stop the decline in prices.

Aggressively low import prices appear to be disappearing slowly, with offers pulled by sellers. One major importer is understood to be planning to raise offers into Italy by €30-40 to €800/t cif, despite a major buyer having bid over the past 10 days at around €700/t.

Turkish re-rollers, having pulled offers at the end of last week, have restarted this week with increases of \$30-40/t for cold-rolled and galvanised coils. Turkish mills have received big orders from re-rollers since Friday, and have this week raised domestic prices by around \$20-25/t and over. They are expected to increase export offers as well, although export demand is not strong. EU buyers are mostly still in a wait-and-see mode. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	467.50	4.50	451.94
Steel Rebar FOB Turkey (\$/mt)	695.00	0.00	675.94
Argus HRC NW Europe (€/mt)	984.75	-2.25	990.56
Argus FOB China HRC (\$/mt)	910.00	0.00	909.00

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
Nov-21	610	620	615
Dec-21	600	610	605
Jan-22	600	610	605
Q1-22	598	608	603
Q2-22	587	597	592
Q3-22	575	585	580

US HRC USD/short ton			
	Bid	Ask	Value
Oct-21	1895	1905	1900
Nov-21	1790	1800	1795
Dec-21	1630	1640	1635
Q4-21	1772	1782	1777
Q1-22	1378	1388	1383
Q2-22	1218	1228	1223

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-21	980	990	985
Nov-21	945	955	950
Dec-21	930	940	935
Q4-21	952	962	957
Q1-22	882	892	887
Q2-22	838	848	843

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