

18/10/2021**FOB China HRC**

The index rose by \$5/t last Friday (15.10.21) to US\$913/t, MTD US\$908.73/t.

Another wave of power outages and production curbs hit in Shandong province, China's production center of HDG and PPGI, with mills receiving notices to operate 3 or 5 days a week to reduce electricity consumption. Shougang in north China maintained ex-works prices of most of its flat steel products unchanged for November deliveries from October basis.

Major Chinese mills are reluctant to receive orders below \$915/t fob China for SS400 HRC, which is a breakeven level for most mills compared with domestic selling prices. Seaborne buyers expressed no interest as they have many options at lower prices from other countries including Russia.

Vietnamese buyers focused attention to local mill Hoa Phat sales after it cut offers by \$8/t to \$889-892/t cif Vietnam. Some buyers still held a cautious attitude as Hoa Phat's offers are not competitive with offers at \$860-880/t cfr Vietnam for SAE1006 grade coils from Russia and India. (Argus)

Turkish Scrap

Further US, Benelux and Baltic deepsea scrap cargoes booked
USEC-Turkey bulk freight rate hits \$50/mt for 40,000 mt

Turkish deepsea import ferrous scrap prices moved closer to \$500/mt CFR, with further deepsea cargoes booked, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Oct. 15 at \$497.50/mt CFR, up \$7.50/mt on day, to reach the highest level since July 6, when the index also sat at \$497.50/mt CFR. The index has risen \$64.50/mt since a recent low Sept. 28.

One Turkish agent source said, \$500/mt CFR is a psychological level -- we have seen the market decrease from this level many times, but if it jumps over \$500/mt CFR, it can go further up, depending on rebar [demand." The agent source cited an indicative tradable value for Benelux-origin HMS 1/2 (80:20) at \$485-\$490/mt CFR, and for premium HMS 1/2 (80:20) at \$495-\$500/mt CFR.

One Turkish mill source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$495-\$500/mt CFR, while a second mill source said \$495/mt CFR maximum was the workable level for premium HMS 1/2 (80:20), pending further finished steel sales. (Platts)

EHR CME

Northwest European hot-rolled coil (HRC) prices slipped Friday as spot-focused Visegrad mills offered at lower prices but failed to make sales.

Argus' daily NW EU HRC index slipped by €19/t to €966.50/t ex-works. The daily Italian HRC index was unchanged at €903.50/t. Offers from some mills were as low as €900/t, but buyers were not interested. A Russian producer has increased its price on firmer levels in the CIS and Turkey. Its offer rose to around €850/t fca Antwerp from around €820/t fca.

Some are still not interested in dry HRC imports, given continued difficulties finding pickling capacity. Some eastern European mills have withdrawn offers as the week has progressed as they do not want to lower prices further to try and stimulate demand.

Some buyers suggested that the impact of lower automotive production could be felt more strongly in the first quarter, as the automotive supply chain is still taking material at lower 2021 annual prices. But mills said they are getting pushback from automakers and suppliers given reduced output.

There is still talk of one leading producer contemplating a €50/t increase to offset higher energy costs, but this was unconfirmed. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	497.50	7.50	462.11
Steel Rebar FOB Turkey (\$/mt)	725.00	15.00	685.91
Argus HRC NW Europe (€/mt)	966.50	-19.00	987.68
Argus FOB China HRC (\$/mt)	913.00	5.00	909.14

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-21	905	915	910
Nov-21	915	925	920
Dec-21	915	925	920
Q4-21	912	922	917
Q1-22	905	915	910
Q2-22	888	898	893

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-21	455	465	460
Nov-21	485	495	490
Dec-21	485	495	490
Q4-21	475	485	483
Q1-22	478	488	483
Q2-22	468	478	473

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-21	680	690	685
Nov-21	735	745	740
Dec-21	735	745	740
Q4-21	717	727	722
Q1-22	723	733	728
Q2-22	698	708	703

BUSHELING			
	Bid	Ask	Value
Nov-21	620	630	625
Dec-21	620	630	625
Jan-22	620	630	625
Q1-22	620	630	625
Q2-22	608	618	613
Q3-22	598	608	603

US HRC USD/short ton			
	Bid	Ask	Value
Oct-21	1895	1905	1900
Nov-21	1775	1785	1780
Dec-21	1640	1650	1645
Q4-21	1770	1780	1775
Q1-22	1392	1402	1397
Q2-22	1217	1227	1222

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-21	985	995	990
Nov-21	970	980	975
Dec-21	930	940	935
Q4-21	962	972	967
Q1-22	888	898	893
Q2-22	838	848	843

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