

02/11/2021

FOB China HRC

The index fell by \$21/t yesterday (2.11.21) to US\$859/t, MTD US\$859/t.

Coking coal and thermal coal prices fell sharply after China's main economic planning agency NDRC said coal prices remain much higher than mines' cost levels. Chinese reported 92 mainland Covid-18 cases on Sunday, with 59 locally transmitted. China's ministry of ecology and environment published the final winter pollution control plan requiring mill production curbs through March in more regions.

An east China mill cut offer by \$25/t to \$870/t fob for SS400 HRC in response to sharp falling Chinese domestic prices. Other major Chinese mills remained silent, but traders rushed to offer at \$860-890/t cfr Vietnam. Smaller mills are offering at equivalent of around \$830/t fob, providing lower-cost supply to traders so they can offer lower than major mills. Some traders may short sell at those low levels if they expect domestic prices to decrease further. Chinese SS400 HRC was heard sold at \$850-855/t cfr Vietnam, but participants could not confirm the deals and said those levels are too low to be accepted by sellers. (Argus)

Turkish Scrap

Market awaits November US domestic scrap market settlements
Sharp Turkish gas price hike supports demand for higher-quality scrap

Turkish deepsea import ferrous scrap prices were largely stable Nov. 1, as Turkish mills sought clarity on domestic steel demand and offers from US exporters, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Nov. 1 at \$496/mt CFR, down \$1 on the day. One Turkish mill source said perhaps below \$495/mt CFR was workable for premium HMS 1/2 (80:20), while a second mill source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$495/mt CFR.

"Due to Christmas holidays and the Orthodox Christmas holidays in the Baltic region, the loading of cargoes will be affected, so I don't expect a big drop in prices for December shipment," a third mill source said, citing \$495-\$505/mt CFR as workable for premium HMS 1/2 (80:20), depending on the cargo composition and quality. (Platts)

EHR CME

Northwest European hot-rolled coil (HRC) prices firmed yesterday in illiquid trade, with much of Europe on holiday in observance of All Saints' Day.

Market participants said the US implementation of a tariff-rate quota on European steel would provide an outlet for local mills and bolster their confidence, after a number of producers had already announced higher offers. Argus' daily NW EU HRC index increased by €24/t to €958.25/t ex-works.

Traders said they would be unable to source steel from tier-one European mills below €1,020/t on the back of the Section 232 announcement. Visegrad-based mills have also moved up, in line with leading producers' higher offers that were announced at BlechExpo last week.

The CME Group's North European HRC contract rallied aggressively in brisk screen trading, after the Section 232 deal was announced over the weekend. November traded €32/t higher on screen to €970/t, while December and January rose more strongly, by €59/t and €55/t, respectively, to €994/t and €970/t. February rose by €45/t to €945/t, while March increased by €34/t to €924/t. The curve has shifted into a contango on the prompt months, suggesting that the spot market is weak compared to the paper. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	496.00	-1.00	475.90
Steel Rebar FOB Turkey (\$/mt)	735.00	2.50	703.09
Argus HRC NW Europe (€/mt)	958.25	24.00	973.63
Argus FOB China HRC (\$/mt)	859.00	-21.00	909.15

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-21	835	845	840
Dec-21	835	845	840
Jan-22	830	840	835
Q1-22	818	828	823
Q2-22	797	807	802
Q3-22	795	805	800

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Nov-21	480	490	485
Dec-21	475	485	480
Jan-22	470	480	475
Q1-22	465	475	455
Q2-22	450	460	455
Q3-22	435	445	440

LME REBAR FOB TK			
	Bid	Ask	Value
Nov-21	720	730	725
Dec-21	715	725	720
Jan-22	710	720	715
Q1-22	705	715	710
Q2-22	690	700	695
Q3-22	675	685	680

BUSHELING			
	Bid	Ask	Value
Nov-21	605	615	610
Dec-21	630	640	635
Jan-22	625	635	630
Q1-22	623	633	628
Q2-22	620	630	625
Q3-22	600	610	605

US HRC USD/short ton			
	Bid	Ask	Value
Nov-21	1790	1810	1800
Dec-21	1645	1665	1655
Jan-22	1530	1550	1540
Q1-22	1428	1448	1438
Q2-22	1208	1228	1218
Q3-22	1075	1095	1085

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Nov-21	985	995	990
Dec-21	980	990	985
Jan-22	960	970	965
Q1-22	940	950	945
Q2-22	867	877	872
Q3-22	800	810	805

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