

03/11/2021**FOB China HRC**

The index fell by \$13/t yesterday (2.11.21) to US\$846/t, MTD US\$852.50/t.

Cold weather is forecasted for most regions in China, focusing attention to the winter slowdown in construction activity. Handan city in Hebei province intensified its mills' production restrictions, with the local output cuts over a wide range of 0-100pc depending on the mill rating from 1-7 November. China reported 71 mainland Covid cases on Monday, with 54 locally transmitted.

Some traders cut offers to \$850-860/t cfr Vietnam for SS400 HRC, expecting Chinese mills to cut export offers soon as domestic selling prices in Shanghai have fallen below \$800/t. Traders also actively invited bids at \$845-855/t cfr Vietnam for Chinese SAE grade coils. Some of them offered as low as \$765/t cfr Vietnam for April shipment. The prospect of more price declines sidelined Vietnamese buyers. Indian mills also cut offers to \$900/t cfr Vietnam. (Argus)

Turkish Scrap

Mills continue to target \$490-\$495/mt CFR levels

Uncertainty continues over impact of energy costs, US-EU tariff deal

Turkish deepsea import ferrous scrap prices softened Nov. 2, as sell-side sources cited lower workable levels. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Nov. 2 at \$494/mt CFR, down \$2/mt on the day.

Lower-priced deals booked last week were circulated, with a UK-origin cargo booked Oct. 29 by a Marmara mill, with HMS 1/2 (80:20) at \$489/mt CFR. The deal was confirmed by the sell side for December shipment.

A US recycler was heard selling a Puerto Rico-origin cargo on Oct. 28 to a Marmara mill, with 12,000 mt HMS 1/2 (80:20) at \$494/mt CFR and 10,000 mt shredded scrap at \$514/mt CFR. Some market sources said material ex-Puerto Rico was \$3-\$5/mt below US-origin HMS 1/2 (80:20), while others suggested there was no differential.

"Most of them (US and Baltic recyclers) are still waiting for sunny days over \$500/mt CFR," one Turkish agent source said, adding that US/Baltic-origin HMS 1/2 (80:20) could soon be workable at \$495-\$500/mt CFR.

A second Turkish agent cited an indicative tradable value for US-origin HMS 1/2 (80:20) at \$495-\$500/mt CFR, with \$490/mt CFR likely to be possible in the near term. (Platts)

EHR CME

European coil prices diverged today. Prices in the north gained on the back of the EU-US deal on Section 232 tariffs, as mills there had been the biggest European exporters to the US before Section 232 came into force.

Italian mills sold just 124,657t of wide hot-rolled coil (HRC) into the US in 2015-17, an average of 41,552 t/yr. Conversely, Dutch mills sold 781,461t into the country, at an average of 260,487 t/yr.

Argus' daily Italian HRC index fell by €3.75/t to €877.75/t ex-works, while the daily northwest Europe index rose by €6.75/t to €965/t ex-works.

Market participants are trying to assess market direction in Italy, as prices have not moved much in recent weeks despite market-moving developments. There are numerous factors that could push prices in either direction across Europe — the Section 232 deal, weakening Chinese prices, continued automotive weakness and potential supply constraints caused by tight magnesium availability.

In Italy, there were offers at €880-920/t ex-works for HRC, and some indications were heard for cold-rolled coil (CRC) at €1,100-1,120/t. Sellers were reluctant to put forward price indications, buyers reported, especially for the first quarter, as they were unclear on direction.

Traders said light restocking is happening, especially in the downstream market, but market participants are generally acting cautiously, waiting to see whether the US deal will result in a firmer stance from mills.

With Italy's exposure to imports, buyers are interested in the implications of the Section 232 deal on the EU's own safeguard, with some expecting an eventual relaxation. European steel association Eurofer said it is assessing the implications of the deal. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	494.00	-2.00	475.90
Steel Rebar FOB Turkey (\$/mt)	737.50	2.50	703.09
Argus HRC NW Europe (€/mt)	965.00	6.75	973.63
Argus FOB China HRC (\$/mt)	846.00	-13.00	909.15

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-21	815	825	820
Dec-21	810	820	815
Jan-22	805	815	810
Q1-22	800	810	805
Q2-22	792	802	797
Q3-22	783	793	788

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Nov-21	465	475	470
Dec-21	465	475	470
Jan-22	463	473	468
Q1-22	460	470	455
Q2-22	450	460	455
Q3-22	435	445	440

LME REBAR FOB TK			
	Bid	Ask	Value
Nov-21	725	735	730
Dec-21	705	715	710
Jan-22	700	710	705
Q1-22	695	705	700
Q2-22	680	690	685
Q3-22	665	675	670

BUSHELING			
	Bid	Ask	Value
Nov-21	605	615	610
Dec-21	645	655	650
Jan-22	645	655	650
Q1-22	630	640	635
Q2-22	620	630	625
Q3-22	600	610	605

US HRC USD/short ton			
	Bid	Ask	Value
Nov-21	1770	1790	1780
Dec-21	1640	1660	1650
Jan-22	1520	1540	1530
Q1-22	1425	1445	1435
Q2-22	1203	1223	1213
Q3-22	1075	1095	1085

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Nov-21	1015	1025	1020
Dec-21	1025	1035	1030
Jan-22	1005	1015	1010
Q1-22	988	998	993
Q2-22	918	928	923
Q3-22	855	865	860

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