

08/11/2021**FOB China HRC**

The index fell by \$24/t last Friday (5.11.21) to US\$798/t, MTD US\$831.25/t.

An east China mill sold around 50,000-60,000 HRC previous two weeks, with the latest transaction levels at \$790-800/t fob for SS400 HRC. Two other large China mills cut offers to around \$835/t fob, but only received bid at \$830/t cfr Vietnam. Offers into Pakistan were heard lower to \$860/t cfr. Sharp price cuts for Chinese exports weighed on offers from other countries. A South Korean mill cut its SS400 HRC offer to \$910/t cfr Vietnam after a long absence from the market.

A Chinese mill sold around 30,000t SAE1006 grade coils at \$850/t cfr Vietnam last week, down from deals it sold at \$860-870/t cfr Vietnam previous week. An Indonesian mill was heard to have sold 10,000t same grade coils at \$810/t cfr Vietnam last week. Sellers cut Indian SAE1006 grade coils offers to \$865/t cfr Vietnam and Japanese offers decreased to \$890/t cfr Vietnam. (Argus)

EU HRC

European hot-rolled coil (HRC) prices moved in different directions on Friday, with Italian prices firming on higher offers and a lack of competitive imports, while automotive tonnage continued to weigh on the northwestern market.

Argus' daily northwest EU HRC index slipped by €13.75/t, from €998.75/t to €985/t. The daily headline Italian index, conversely, rose by €9.75/t to €892.25/t.

In the north, auto-facing service centres were encroaching on the general industrial market to try and move material and generate cash. Sources suggest the German automotive sector is taking 25pc less steel than it has contracted at present, meaning there is a substantial surplus of material for those relying on the sector. This means some mills are still willing to sell below €1,000/t for chunky tonnages, and are looking to find additional storage space for coils earmarked for automotive. Central and eastern European producers have actually increased their prices somewhat, with one reporting deals at €950/t delivered Ruhr today for small tonnages, up by around €20-30/t. Another has offered at €925/t, up by around €50/t on its last deal.

One large European mill was reported to have sold into Turkey at \$850/t cfr, but this seems quite cheap, and was not confirmed by any Turkish buyer.

Traders said local mills were still willing to sell them December availability at competitive levels as long as the tonnes are sold outside Europe, to avoid impacting domestic indexes amid contract talks.

The bullish stance adopted by mills since the Blechexpo trade fair has increased liquidity somewhat, although mills are still not achieving their offer prices. And the expectation of a flurry of US sales after the Section 232 announcement has not yet manifested. Seeing the news, it is possible some stateside buyers will want a cut in offer prices from EU mills, as the 25pc duty will no longer be payable for quota tonnages after 1 January. (Argus)

Turkish Scrap

Turkish deepsea scrap pricing flat amid resistance from buyers to higher offers

Following some minor fluctuations during the week, Turkish deepsea scrap pricing stabilized on the back of resistance from buyers to accept further price increase, sources said Nov. 5. Two bookings, respectively US and Baltic origin, were reported earlier in the week at \$500/mt CFR Turkey.

This remained the highest level in a transaction even though offers for premium quality HMS were pegged at \$510-\$515/mt CFR Turkey, an agent source said. He added that Turks were still targeting to book at around \$500/mt CFR. "Mills hesitate to pay over \$500 I hear, but they will next week they say," a trader said. "No appetite at the moment to pay higher [than \$500/mt CFR]. Some believe the \$500/mt CFR purchase was an attempt by Turks to keep the prices stable," another trader said.

A Marmara mill source said he was aware of a booking at \$500/mt CFR, but he was not interested in the level. Turkish buyers would feel comfortable purchasing scrap at \$480-\$485/mt CFR for European cargoes and \$490/mt CFR for the US or Baltic cargoes but the market is more likely to stabilize at \$500/mt CFR (for premium quality HMS) or slightly lower, the mill source added. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	500.00	0.00	497.00
Steel Rebar FOB Turkey (\$/mt)	742.50	-7.50	737.00
Argus HRC NW Europe (€/mt)	985.00	-13.75	981.30
Argus FOB China HRC (\$/mt)	798.00	-24.00	831.25

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-21	795	805	800
Dec-21	775	785	780
Jan-22	770	780	775
Q1-22	765	775	770
Q2-22	757	767	762
Q3-22	748	758	753

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Nov-21	490	500	495
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	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	595	605	600
Dec-21	620	630	625
Jan-22	620	630	625
Q1-22	620	630	625
Q2-22	613	623	618
Q3-22	600	610	605

US HRC USD/short ton			
	Bid	Ask	Value
Nov-21	1780	1800	1790
Dec-21	1645	1665	1655
Jan-22	1560	1580	1570
Q1-22	1465	1485	1475
Q2-22	1235	1255	1245
Q3-22	1068	1088	1078

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Nov-21	1015	1025	1020
Dec-21	1005	1015	1010
Jan-22	995	1005	1000
Q1-22	985	995	990
Q2-22	945	955	950
Q3-22	855	865	860

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