

09/11/2021**FOB China HRC**

The index kept flat yesterday (8.11.21) at US\$798/t, MTD US\$824.60/t.

Heavy snows in north China regions over the weekend has resulted in the closure of over 150 highway sections, Transportation Ministry said. The Chinese State Council launched an in-depth campaign against pollution, with guidance targeting an 18pc decline of carbon emission per unit of GDP by 2025 and fresh targets for cleaning air and water to ensure peak carbon emissions by 2030 and carbon neutrality by 2060 in China. The council also promoted the switch from blast furnace-converter steelmaking to electric arc furnace production.

Three Chinese mills re-entered the seaborne market with offers at \$840-855/t fob for SS400 HRC. Several large Chinese mills were heard to be allowed to receive exports orders for December and January shipments to ease the oversupply in domestic market amid weak domestic demand. But these orders would likely be counted as exports allocation for 2022. (Argus)

EHR CME

While European mills are still filling order books for December, with remaining volumes offered at competitive prices, producers are trying to lift 2022 prices.

The Argus daily Italian hot-rolled coil (HRC) index moved up by €5/t to €897.25/t ex-works, with the northwest EU index rising by €2.50/t to €987.50/t ex-works.

A lack of viable import opportunities, which will probably extend over the following months, and rising costs mean that market participants expect January-February prices to be higher, with several anticipating a €30-50/t increase. But sentiment is still shaky, as it is difficult to convince of an increase when the most recent tonnages for December have been selling at a discount.

Furthermore, prices have been on the decline, and buyers are uncertain about the price trend, so are not willing to stock up. Mills are utilising this time to catch up on delayed deliveries for orders that were placed over the summer when the market was at its peak. Deliveries of imported material are being delayed owing to port congestion, as it is taking an estimated four times longer to unload material. Costs for inland logistics have also been on the rise. (Argus)

Turkish Scrap

Turkish deepsea imported scrap prices lost upward momentum amid quiet trading and concerns about Turkish rebar export demand, sources said Nov. 8.

Last week, heavy melting scrap prices recovered to \$500/mt CFR Turkey as limited trades were reported, but the upside was short-lived.

"It seems that the mills were trying to stabilize the market at \$500/mt CFR on Thursday and tried to take the heat out of suppliers," a trader said. But later low-priced billet sales from Ukraine, the UAE and Brazil mentioned by a couple of sources "confirmed to [Turkish] mills that they might have to try to weaken the [scrap] market again rather than stabilize it," a trader in Turkey said.

A scrap importer said Turkish mills still had significant scrap import requirements for December shipment, but so far buyers resisted paying more than \$500/mt CFR Turkey for premium HMS 1/2 (80:20). He added that up to some point last week the market was bullish and it looked like the price hikes were going to continue, but subsequent billet bookings to Turkey at \$660/mt CFR, viewed as cheaper than expected, dampened the sentiment for scrap import. The S&P Global Platts daily HMS 1/2 (80:20) assessment was down \$1/mt to \$499/mt CFR Turkey Nov. 8. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	499.00	-1.00	497.33
Steel Rebar FOB Turkey (\$/mt)	732.50	-2.50	736.25
Argus HRC NW Europe (€/mt)	987.50	2.50	982.33
Argus FOB China HRC (\$/mt)	798.00	0.00	824.60

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	1795	1815	1805
Dec-21	1670	1690	1680
Jan-22	1550	1570	1560
Q1-22	1467	1487	1477
Q2-22	1267	1287	1277
Q3-22	1085	1105	1095

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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