

**12/11/2021****FOB China HRC**

The index rose by \$2/t yesterday (11.11.21) to US\$780/t, MTD US\$808.88/t.

There is market chatter that China's central government might relax rules for property developers that would make it easier for companies to acquire assets from indebted competitors. Steel futures jumped as more short sellers closed positions after mills said they would refuse to sell cargoes for the contract's physical settlement. More mills announced maintenance outages targeted at long steel output.

Most traders withdrew offers from the market in response to price jumps in China's paper and physical markets. Some sea-borne buyers were eager to place orders, but traders without cargoes on hand dared not to sell as they are unsure whether they can guarantee coils at prices below \$780/t fob China from Chinese mills. A deal for several thousand tonnes of Chinese SS400 HRC sold at \$790/t cfr Vietnam previous days, but it was for February shipment beyond the index assessment window and is not available amid the rising trend. (Argus)

**Turkish Scrap**

Mills estimated to require around 10 further December shipment cargoes

Volatility in Chinese futures and Turkish lira prompts caution

Turkish deepsea import ferrous scrap prices were stable Nov. 11, as recyclers continued to stay firm on their offers, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$498.50/mt CFR Nov. 11, unchanged on the day.

"There is no decrease [in scrap] but we need [finished steel] demand," a Turkish mill source said, citing an indicative tradable value for premium HMS 1/2 (80:20) at \$495-\$500/mt CFR.

A UK trader said \$502-\$503/mt CFR could be workable in the near-term for premium HMS 1/2 (80:20), should Chinese futures and physical steel prices remain positive following the Nov. 11 rebound.

The most actively traded January 2022 rebar contract on the Shanghai Futures Exchange (SHFE) closed at Yuan 4,443/mt (\$693/mt) Nov. 11, up Yuan 197/mt, or 4.6%, day on day. The rebound was spurred by reports that five mills in Tangshan in Hebei province would not support the delivery of billet futures for sales.

"The Turks look a lot at sentiment in China, so we need to see if there is a good finish to the week on the SHFE," the UK trader said. The Turkish lira weakened further against the US dollar, dampening sentiment in the domestic steel market. The lira weakened due to higher-than-expected US inflation data, as investors weighed a possible hike in US interest rates. (Platts)

**EHR HRC**

European hot-rolled coil (HRC) prices remained under pressure yesterday as producers still tried to offload stranded automotive tonnes.

Argus' headline Italian index dropped by €7.75/t to €882.25/t ex-works, while the northwest EU HRC index fell by €6.25/t to €979/t.

A large European producer was offering from a German plant into Italy at €930-935/t delivered base, despite official contract quotations still being tabled at €1,080/t and above. Italian buyers said for orders over 5,000t, €880-890/t delivered would be possible for January arrival. An Italian mill was heard quoting €900/t ex-works, but €880/t was possible too. Buyers deemed €850-870/t ex-works workable.

Import prices remain comparable to domestic sellers, and are not attracting interest. Turkey was heard at \$880-900/t fob, with freight reported in the \$50-55/t range, which in the most competitive instance would equate to €850/t cfr Italy inclusive of duty. The drop in the euro exchange rate against the US dollar is not making imports attractive either. Japan was heard at €890/t cfr, and an offer for cold-rolled coil (CRC) was heard at €980/t cfr. January-loading Brazilian HRC and CRC were offered into Antwerp at €910/t fca and €1,000/t fca.

A Slovak producer was selling small volumes into Germany at €920/t base delivered, up by €45-50/t from its most recent transactions with distributors, but still at competitive levels. Slovakia produces more cars per person than any other country in the world, and weakness in the sector has weighed on steel consumption. (Argus)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	498.50	0.00	497.78
Steel Rebar FOB Turkey (\$/mt)	730.00	-2.50	734.72
Argus HRC NW Europe (€/mt)	979.00	-6.25	982.72
Argus FOB China HRC (\$/mt)	780.00	2.00	808.88

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	470	480	475
Jan-22	455	465	460
Q1-22	455	465	452
Q2-22	447	457	452
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
Dec-21	620	630	625
Jan-22	620	630	625
Feb-22	605	615	610
Q1-22	608	618	613
Q2-22	598	608	603
Q3-22	585	595	590

US HRC USD/short ton			
	Bid	Ask	Value
Nov-21	1805	1825	1815
Dec-21	1665	1685	1675
Jan-22	1565	1585	1575
Q1-22	1472	1492	1482
Q2-22	1282	1302	1292
Q3-22	1038	1058	1048

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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