

17/11/2021**FOB China HRC**

The index fell by \$2/t yesterday (16.11.21) to US\$777/t, MTD US\$800.64/t.

China-US high-level talks did not bring up issues related to steel tariffs, adding to dull market sentiment. Cisa member mills' steel output rose by 3.7pc to 1.7995mn t/d over 1-10 November from the previous 10 days, but down by 16pc from a year earlier. North China's Tangshan government issued a Level II pollution warning from 15 November evening, asking its steel mills to adjust production lower.

A large Chinese mill sold 10,000t SS400 HRC at \$860/t cfr South Korea last week to long-term contract customers, a level that is not reflective of arm's length spot market levels. Vietnamese mill Hoa Phat's offers at \$834-838/t cif Vietnam are in line with the mainstream market level, but buyers need time to decide on purchases with traders inviting bids lower at \$810/t-820/t cfr Vietnam. Around 30,000t Chinese SAE1006 grade coils were heard sold at an equivalent of \$810/t cfr Vietnam over the past two weeks. (Argus)

Turkish Scrap

The Turkish Deepsea heavy melting scrap market has faced a more challenging price environment amid ongoing weakening of the Turkish lira against the US dollar, sluggish demand for finished steel products and anticipated lower steel output in January, industry sources said Nov. 16.

"The last four scrap deals showed the market was stable at \$500/mt CFR Turkey but if you ask me what's going on today in the scrap market it is quiet and mainly because the finished sales side – demand is not good enough," a Turkish mill source said. He added that HMS prices carried on at \$500/mt CFR as Turkish steelmakers still planned to keep stable steel production levels in December. "Now January offers started but it seems most of Turkish mills will stop for maintenance or cut production due to less [finished steel] demand so it will be quiet," he added. Last week he was still expecting five or six deals to conclude this week but the last two days worsened his outlook for the activity level in the Turkish market. (Platts)

EU HRC

European coil prices diverged yesterday, with Italy rising on the back of firmer indications, while northwest prices trended lower on concluded sales.

The daily Italian hot-rolled coil (HRC) index increased by €10.25/t to €883.50/t ex-works on higher market indications. Conversely, the northwest EU HRC index dropped by €3.50/t to €953/t ex-works, as larger mills concluded some sales at €950/t and smaller sellers strived to achieve this level.

In Italy, sheet prices were reported as still sliding, as service centres readjust stock levels before year-end and try to complete sales for balance sheet purposes. End-users have also pushed down sheet prices, after seeing the softening in coil. Purchasing from mills remains slow, with buyers waiting. Some participants expect prices to rise in the new year on higher energy costs, although mills have been making profits large enough to absorb the costs themselves. The overhang caused by surplus automotive material remains a major issue, especially in northern Europe. In some regions mills and service centres are competing for external warehousing space as their inventories are burgeoning — one automotive-facing buyer said its stock levels are 40pc too high. As inventories continue to grow, there is a real risk that mills may have to reduce production, and they are trying to force service centres to call off material to free up space. Finding storage for pickled and oiled coils, which cannot be left outside, is proving a real challenge in Germany. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	500.00	0.00	498.18
Steel Rebar FOB Turkey (\$/mt)	730.00	0.00	733.86
Argus HRC NW Europe (€/mt)	956.50	-16.75	979.48
Argus FOB China HRC (\$/mt)	779.00	-1.00	803.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-21	795	805	800
Dec-21	755	765	760
Jan-22	745	755	750
Q1-22	735	745	740
Q2-22	705	715	710
Q3-22	675	685	680

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Nov-21	490	500	495
Dec-21	465	475	470
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	685	695	690
Jan-22	675	685	680
Q1-22	665	675	670
Q2-22	635	645	640
Q3-22	605	615	610

BUSHELING			
	Bid	Ask	Value
Dec-21	625	635	630
Jan-22	625	635	630
Feb-22	605	615	610
Q1-22	610	620	615
Q2-22	598	608	603
Q3-22	585	595	590

US HRC USD/short ton			
	Bid	Ask	Value
Nov-21	1790	1810	1800
Dec-21	1660	1680	1670
Jan-22	1545	1565	1555
Q1-22	1460	1480	1470
Q2-22	1278	1298	1288
Q3-22	1093	1113	1103

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Nov-21	1015	1025	1020
Dec-21	970	980	975
Jan-22	975	985	980
Q1-22	963	973	968
Q2-22	932	942	937
Q3-22	855	865	860

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