

01/12/2021**FOB China HRC**

The index fell by \$2/t yesterday (30.11.21) to US\$768/t, MTD US\$785.76/t.

China plans to impose requirements in Shandong for new energy intensive projects' to secure carbon-reduction swaps as part of their approval process. A trial run of the policy for new projects in the steel and chemical sector will be implemented by June 2022, before extending to six key energy intensive sectors. China's NDRC reiterated its policy of strictly implementing steel capacity swap measures with a ban on expanding production capacity beyond the scheme for privately-owned steel makers.

An east China mill offered at an equivalent of \$780/t fob for SS400 HRC after a long absence from the seaborne market. Traders cut offers or workable levels to equivalent of \$745-760/t fob to induce buying. Vietnamese buyers cut bids to \$805-810/t cfr Vietnam for SAE1006 grade coils, significantly lower than offers at \$825-860/t cfr Vietnam from China and Japan. (Argus)

EU HRC

Northwest European hot-rolled coil (HRC) prices edged up yesterday, while the Italian market softened marginally. The daily northwest European HRC index rose by €4.50/t to €925/t, while the Italian index slipped by €1.75/t to €874.75/t.

Prices in both regions have stabilised. In Italy, the market has been hovering at €870-880/t for almost the whole of November, while the northwest appears to be under a little less downward pressure, although producers are still competing for business.

One Italian mill was heard quoting HRC at a premium price — with some offers heard above the €900/t mark — and allocating only limited tonnages. It is focusing on higher-value sheets, cold-rolled coil and hot-dip galvanised sales instead, and communicating back to the market HRC base prices netted back from sales for other products. But buyers cannot secure such prices for base-quality HRC.

There have been sales at €860-880/t ex-works this month, with some bids from the largest customers heard at €850/t ex-works again. Some sell-side sources report that towards the end of the month there was limited interest at even €860-870/t ex-works. Buyers say they have €880-900/t delivered options available from Italian and other EU sellers.

Competition for sheet between service centres and some mills is intense — several market participants said €1,050/t delivered was available at this point, up to €1,070/t. (Argus)

Turkish Scrap

Further weakening in Turkish lira dampens sentiment

US, Baltic sellers seek \$30/mt premium for shredded scrap over HMS 1/2 (80:20)

Turkish deepsea import ferrous scrap prices softened Nov. 30, as Turkish mills held back amid negative market sentiment, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Nov. 30 at \$488/mt CFR, down \$2/mt on the day. "Recently, I am not sure if any mill will pay \$490/mt CFR [for Baltic-origin HMS 1/2 (80:20)] as scrap and steel markets are weaker than last week," a Turkish agent source said.

A Turkish trading source cited a tradable value for premium HMS 1/2 (80:20) at \$485-\$490/mt CFR, with higher possible depending on the cargo composition. The trader added that Baltic exporters were ready to accept \$490/mt CFR for HMS 1/2 (80:20), while mills were targeting \$480-\$485/mt CFR. "Mills can hold back and wait this week to buy for January shipment, but I think we can see one or two deals this week," the trader said. "If the cargo has more shred, you can get a higher price, but I'm not sure if mills are so keen to pay extra - it's too big a gap now." (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	488.00	-2.00	495.77
Steel Rebar FOB Turkey (\$/mt)	720.00	0.00	726.32
Argus HRC NW Europe (€/mt)	925.00	4.50	954.81
Argus FOB China HRC (\$/mt)	768.00	-2.00	775.06

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

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-21	470	480	475
Jan-22	450	460	455
Feb-22	440	450	445
Q1-22	442	452	430
Q2-22	425	435	430
Q3-22	410	420	415

LME REBAR FOB TK			
	Bid	Ask	Value
Dec-21	695	705	700
Jan-22	685	695	690
Feb-22	675	685	680
Q1-22	675	685	680
Q2-22	645	655	650
Q3-22	615	625	620

BUSHELING			
	Bid	Ask	Value
Dec-21	615	625	620
Jan-22	595	605	600
Feb-22	585	595	590
Q1-22	583	593	588
Q2-22	560	570	565
Q3-22	545	555	550

US HRC USD/short ton			
	Bid	Ask	Value
Dec-21	1600	1620	1610
Jan-22	1445	1465	1380
Feb-22	1370	1390	1260
Q1-22	1460	1480	1470
Q2-22	1167	1187	1177
Q3-22	1007	1027	1017

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-21	915	925	920
Jan-22	900	910	905
Feb-22	895	905	900
Q1-22	895	905	900
Q2-22	877	887	882
Q3-22	855	865	860

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