

**02 / 12 / 2021****FOB China HRC**

The index kept flat yesterday (1.12.21) at US\$768/t, MTD US\$768/t.

Tangshan's production easing plan released earlier this week had upgraded the ratings of ten mills from D level to C level from 1 December and would have allowed the mills to reduce their production restriction ratio to 50pc. But the plan failed to secure approval from local authorities.

Tangshan will issue heavy pollution warnings from 3 December, and local transportation, particularly via heavy diesel trucks would be disrupted from 2 December. The previous Level II pollution warning was only lifted on 30 November. A new round of environmental protection inspections kicked off in four provinces, including Heilongjiang, Guizhou, Shaanxi and Ningxia. The on-site inspections would last for a month.

Seaborne buyers were silent on bids although Chinese domestic prices rose and traders withdrew offers below \$765/t fob China for SS400 HRC. Offers were almost unchanged at \$820-860/t cfr Vietnam for SAE1006 grade coils from China and Japan. (Argus)

**EU HRC**

There is a growing sense that the northwest European HRC market is close to bottoming, with demand expected to increase at some point in the first quarter.

A number of automakers suggest semiconductor shortages will lessen in the second quarter, which means the wider supply chain will place more volumes during January-March than it has in recent months. This could entice the general industrial market to purchase more, too, although inventories remain an issue. With availability of semiconductors varying depending on carmaker, there is unlikely to be a huge demand boom, some market participants said.

Service centres have high stocks, and most are not buying much as a result. A smaller service centre dealing in higher grades said it was struggling to get Maastricht service centres to hold any more of its stock as their inventories were so high — logistical problems and port congestion mean there are still some inventory gaps, however. (Argus)

**US HRC**

The S&P Global Platts TSI US hot-rolled coil index was assessed at \$1,750/st EXW Indiana Dec.1, down \$10 from Nov. 30.

The wide range between reported mill selling prices and offers, compared with buyers' indicative bids, continued. The assessment moved lower to reflect a midpoint of repeatable indicative bids at \$1,700 from buyers and the general minimum offer of \$1,800 reported by sellers. Firm bids, offers and transactions remained absent.

Two additional service centers indicated a willingness to bid at a maximum of \$1,700 while a third service center source said most mills were still offering at \$1,800.

One Midwest buyer said mills were still transacting at \$1,800 but for quantities below 100 st, the minimum to be included in the Platts assessment. (Platts)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	482.50	-5.50	482.50
Steel Rebar FOB Turkey (\$/mt)	719.00	0.00	719.00
Argus HRC NW Europe (€/mt)	924.25	-0.75	924.25
Argus FOB China HRC (\$/mt)	768.00	0.00	768.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-21	760	770	765
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	460	470	465
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	605	615	610
Jan-22	585	595	590
Feb-22	575	585	580
Q1-22	575	585	580
Q2-22	545	555	550
Q3-22	515	525	520

US HRC USD/short ton			
	Bid	Ask	Value
Dec-21	1585	1605	1595
Jan-22	1405	1425	1335
Feb-22	1325	1345	1220
Q1-22	1460	1480	1470
Q2-22	1125	1145	1135
Q3-22	990	1010	1000

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-21	930	940	935
Jan-22	930	940	935
Feb-22	915	925	920
Q1-22	918	928	923
Q2-22	882	892	887
Q3-22	855	865	860

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