

**07 / 12 / 2021****FOB China HRC**

The index kept flat yesterday (6.12.21) at US\$770/t, MTD US\$769.25/t.

Chinese steel market sentiment was affected to some extent by Evergrande's announcement on 13 Dec, that there was no guarantee it would have enough funds to meet debt repayments. The People's Bank of China said late yesterday it would lower the reserve requirement ratio for financial institutions by 0.5 percentage points on 15 Dec, excluding financial institutions that have implemented the 5% reserve ratio.

Two Chinese mills announced offers unchanged at \$790-800/t fob for SS400 HRC. Traders cut offers to \$810-815/t cfr Vietnam for SAE1006 grade coils from China and India after a large Chinese mill sold 20,000t SAE coils at around \$820/t cfr Vietnam last week. \$820/t cfr Vietnam is no longer available as some traders were even inviting bids at \$800-802/t cfr Vietnam for Chinese coils. (Argus)

**EU HRC**

The European hot-rolled coil (HRC) market was quiet yesterday, and it seems that trading will be subdued until the new year unless there is a surprise result in automotive contractual settlements.

Argus' daily northwest EU HRC index rose by €0.50/t today to €921.75/t, while the Italian index fell by €3.75/t to €864.75/t. A Visegrad producer sold sheet into Germany at around €900/t delivered, and a Russian producer sold pickled and oiled coil at a base price equivalent of €900/t cfr, excluding duty, into Antwerp. Technical problems at two independent pickling lines, plus a high backlog of work, have reduced pickling availability, according to buyers.

Automotive service centres remain fully stocked given lower demand, which, alongside the impending year-end and seasonal destock, is pressuring prices. There are some signs that the semiconductor shortage that has reduced automotive output could be easing, with certain carmakers gradually increasing production. Some participants suspect pent-up demand for steel from the auto supply chain — with lead times for cars increasing — could lead to another period of supply tightness next year.

Most participants are awaiting guidance from annual automotive settlements before making further purchases, and high stocks have reduced their need to procure. At the same time, low water levels on the Rhine, coupled with some logistical challenges caused by increased Covid-19 cases and restrictions in Europe, are disrupting removal of tonnage from ports. (Argus)

**US HRC**

USEC HMS dock prices at \$380/lt delivered

Mills target \$450s/mt CFR in the near-term

Turkish deepsea import ferrous scrap prices continued to slide Dec. 6, as Turkish buyers held back in search of lower workable levels, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 80:20 Dec. 6 at \$475/mt CFR, down \$2.50/mt on day.

A reported Baltic-origin cargo was heard by multiple sources to have been booked the week ended Dec. 3 by a Marmara mill, with HMS 1/2 80:20 at \$475/mt CFR. The deal however was not officially confirmed. There was also market chatter about a Benelux-origin cargo said to have been booked by an Iskenderun mill, with HMS 1/2 80:20 at \$467/mt CFR but that was denied by the sell-side.

"For me, the question is: will many sellers accept the \$460/mt CFR levels that mills are aiming at? And will prices bounce back if sellers do not accept? It depends who loses their head first," an EU recycler said. A number of Turkish mills are expected to undergo maintenance during January, which may partially limit cargo demand, although mills are seeking cargoes for second half January shipment. A Turkish agent source cited an indicative tradable value for Baltic-origin HMS 1/2 80:20 at \$475/mt CFR, adding that continental EU-origin HMS 1/2 80:20 is workable below \$470/mt CFR. (Platts)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	475.00	-2.50	478.75
Steel Rebar FOB Turkey (\$/mt)	715.00	-2.50	717.25
Argus HRC NW Europe (€/mt)	921.75	0.50	922.13
Argus FOB China HRC (\$/mt)	770.00	0.00	769.25

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-21	760	770	765
Jan-22	755	765	760
Feb-22	745	755	750
Q1-22	745	755	750
Q2-22	715	725	720
Q3-22	678	688	683

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-21	460	470	465
Jan-22	440	450	445
Feb-22	435	445	440
Q1-22	433	443	422
Q2-22	417	427	422
Q3-22	410	420	415

LME REBAR FOB TK			
	Bid	Ask	Value
Dec-21	695	705	700
Jan-22	675	685	680
Feb-22	665	675	670
Q1-22	668	678	673
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	1605	1625	1615
Jan-22	1450	1470	1370
Feb-22	1360	1380	1260
Q1-22	1460	1480	1470
Q2-22	1165	1185	1175
Q3-22	1003	1023	1013

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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