

08/12/2021**FOB China HRC**

The index rose by \$5/t yesterday (7.12.21) to US\$775/t, MTD US\$770.40/t.

The PBOC lowered the refinancing rate by 0.25 points for small commercial banks from yesterday after injecting as much as Yn1.2 trillion of liquidity into the market by lowering the required reserve ratio the day before. China Iron and Steel Association member mills' steel output stood at 1.7169mn t/d over 21-30 November, down by 2.61pc from the previous 10 days.

A deal for small quantity of Chinese SS400 HRS was sold at \$795-800/fob this week. Sellers lifted offers for Chinese SS400 HRC to \$780-820/t fob China and were reluctant to receive orders below \$770-780/t fob after witnessing rising Chinese domestic prices. Traders pushed up offers for Chinese SAE1006 grade coils to \$810-840/t cfr Vietnam. Vietnamese mill Hoa Phat was heard to be mulling dropping offers to \$760-780/t cif Vietnam next week. (Argus)

Turkish Scrap

US exporters target wider premium for shredded and prime scrap over HMS
Mills continue to target \$450s/mt CFR in the near-term

Turkish deepsea import ferrous scrap prices continued to fall Dec. 7, as scrap exporters cited lower workable levels, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 80:20 Dec. 7 at \$470/mt CFR, down \$5/mt on day to reach its lowest level since Oct. 12, when the index was at \$467.50/mt CFR.

A US recycler cited an indicative tradable value for premium HMS 1/2 80:20 at \$470/mt CFR. "I think some [US exporters] may [accept \$470/mt CFR], but they aren't in a rush. The problem isn't the HMS 1/2 80:20 price to Turkey, but the shred and prime price," the US recycler said. "Turkey needs to pay \$520/mt CFR minimum to match the US domestic market."

US domestic scrap prices are expected to remain at largely unchanged levels on month for December delivery, with sources noting the possibility for some lower-priced deals as any later sales could face a softer market.

A UK trader said \$470/mt CFR for premium HMS 1/2 80:20 was only possible in full-HMS cargoes, with cargoes containing higher Fe-yield grades likely to achieve firmer pricing for the HMS 1/2 80:20 in the cargo. (Platts)

EU HRC

Sentiment has deteriorated further in the European hot-rolled coil (HRC) market, with liquidity very low as few buyers need tonnes.

A carmaker said semiconductor availability is loosening in the second quarter, but is not properly normalising and might not lead to an increase in automotive steel appetite in January-March. Some carmakers have been calling off more tonnes than necessary to fulfil their demand and are contemplating continuing to do this to reduce the amount of coil they need to buy under new higher-priced deals for 2022. As they believe semiconductor supply is unlikely to normalise until 2023, carmakers are prioritising production of higher-margin vehicles, which can contain aluminium rather than steel in the body-in-white. As a result, they are not bullish on their forecast steel demand.

In the north, one HRC and hot-dip galvanised producer was selling at around €920-930/t to Benelux-buyers, while Visegrad producers were still willing to sell January production at €900-920/t delivered Ruhr. Argus' daily northwest EU HRC index slipped by €4.50/t yesterday to €917.25/t, while the Italian index dropped by €4/t to €860.75/t ex-works. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	470.00	-5.00	477.00
Steel Rebar FOB Turkey (\$/mt)	712.50	-2.50	716.30
Argus HRC NW Europe (€/mt)	921.75	-4.50	921.15
Argus FOB China HRC (\$/mt)	775.00	5.00	770.40

ME 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	595	605	600
Feb-22	575	585	580
Q1-22	578	588	583
Q2-22	545	555	550
Q3-22	515	525	520

US HRC USD/short ton			
	Bid	Ask	Value
Dec-21	1610	1630	1620
Jan-22	1455	1475	1365
Feb-22	1355	1375	1285
Q1-22	1460	1480	1470
Q2-22	1143	1163	1153
Q3-22	1008	1028	1018

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-21	920	930	925
Jan-22	900	910	905
Feb-22	895	905	900
Q1-22	897	907	902
Q2-22	890	900	895
Q3-22	862	872	867

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