

10/12/2021**FOB China HRC**

The index decreased by \$1/t yesterday (9.12.21) to US\$774/t, MTD US\$771.57/t.

Chinese coils inventory held by traders and mills increased by nearly 15,000t this week against a decline of 35,000t last week, reflecting further weakening of physical demand and dampening market sentiment. Shaoxing city in east China's Zhejiang province will shut down all outdoor construction sites in one of its districts to contain the spreading of Covid-19.

Traders cut offers and workable levels to \$800-820/t cfr Vietnam for SAE1006 grade coils from India and China, inducing bids at \$780-790/t cfr Vietnam. Vietnamese market sentiment is extremely weak this week especially after witnessing two consecutive days of price falls in the Chinese physical and paper markets. (Argus)

EU HRC

An Italian producer appears to be withholding hot-rolled coil (HRC) from the market, as it has been focusing on downstream sales.

Argus' daily Italian HRC index slipped by €1.75/t to €857, while the daily northwest Europe HRC index was static at €921.50/t.

The mill expects sentiment to strengthen after the holidays, enabling it to move those tonnages at higher prices, which it had been quoting at around €900/t ex-works.

While some do expect demand and prices to increase after Christmas, others believe the market could deteriorate further, which would mean the mill would have more material to sell, potentially on shorter lead times.

As it stands, spot negotiations were on hold between buyers in Italy and mills, as the former are concerned that prices might collapse, after import offers fell. In particular, Indian offers at €780-800/t cfr Europe, heard offered direct by mill and through traders, have unsettled market participants. (Argus)

Turkish Scrap

Mills seek \$460-\$465/mt CFR for premium HMS 1/2 (80:20)
Kardemir cuts rebar list price to \$700/mt EXW

Turkish mills deepsea import ferrous scrap prices continued to soften Dec. 9, as mills held back in search of lower workable levels amid poor finished steel sentiment, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Dec. 9 at \$467.50/mt CFR, down \$2.25/mt on the day.

One US trading source said below \$470/mt CFR was workable for US-origin HMS 1/2 (80:20), while a second US trader said this level was likely to be accepted by US sellers in the near-term.

"There is some US seller resistance at \$470/mt CFR, but there was some interest at \$465/mt CFR from buyers - the Baltic exporters could consider \$465/mt to sell but would have to lower if the US drop," a Turkish trading source said. "On the EU side, \$460-\$465/mt CFR is workable as collection prices are firm, the Euro is around \$1.13 and freight rates have been firmer in the last 10-15 days."

Dock prices for HMS material in the Benelux region were still largely cited above Eur360/mt delivered to the dock, with tonnages of 500-1,000 mt now achievable around Eur357-360/mt delivered. Platts assessed the euro at \$1.1281 at 4.30pm London time Dec. 9, down from \$1.1331 on Dec. 8. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	467.50	-2.00	474.61
Steel Rebar FOB Turkey (\$/mt)	707.50	-5.00	714.50
Argus HRC NW Europe (€/mt)	921.50	0.00	921.25
Argus FOB China HRC (\$/mt)	774.00	-1.00	771.57

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	685	695	690

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-21	460	470	465
Jan-22	455	465	460
Feb-22	445	455	450
Q1-22	445	455	423
Q2-22	418	428	423
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	603	613	608
Jan-22	580	590	585
Feb-22	570	580	575
Q1-22	572	582	577
Q2-22	545	555	550
Q3-22	515	525	520

US HRC USD/short ton			
	Bid	Ask	Value
Dec-21	1600	1620	1610
Jan-22	1450	1470	1360
Feb-22	1350	1370	1255
Q1-22	1460	1480	1470
Q2-22	1150	1170	1160
Q3-22	1033	1053	1043

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-21	920	930	925
Jan-22	885	895	890
Feb-22	875	885	880
Q1-22	875	885	880
Q2-22	845	855	850
Q3-22	815	825	820

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