

17/12/2021**FOB China HRC**

The index fell by \$1/t yesterday (16.12.21) to US\$766/t, MTD US\$769.92/t.

Steel inventory at Chinese traders' and producers' warehouses fell by 790,000t this week, a greater drop than last week's decrease of 780,000t. Shagang in eastern China is carrying out an overhaul of a blast furnace from 13 December till the end of the month, cutting HRC output by 165,000t. Some steel mills in Tangshan, Hebei were asked to prepare to cool blast furnaces from 20 December. While the Level II pollution warning was lifted from yesterday, metallurgical coking plants with C and D ratings were told to restrict production for the same pollution warning.

Deals totalling 14,000t of Chinese HRC were heard to be sold at \$770/t fob China this week, but no further details were available. Vietnamese mill Hoa Phat is expected to announce its HRC offer at \$760-780/t cif Vietnam soon. (Argus)

EU HRC

European hot-rolled coil prices slipped further yesterday in lethargic post-holiday trading.

Argus' daily northwest EU HRC index dropped by €1/t to €912.75/t (\$1,032.55/t) ex-works, while the Italian index nudged €0.75/t lower to €848.25/t ex-works. The weekly import assessment dropped by €15/t to €800/t cif Italy.

In Italy, a few offers have been heard at €860/t ex-works over the past couple of days, but it appears producers are bracing to take orders at lower prices, unless for small tonnages.

Activity is quiet on the coil side, but service centres are competing for orders to reduce inventory levels ahead of the year-end, which has dampened outsell prices for sheet. In Italy, some mills are also competing for orders to end-users.

On the import side, HRC from countries not subject to the safeguard or dumping measures, such as Egypt, was heard available at €820/t cif Italy. But India had been on the market with €800/t cif, and there were reports large buyers were bidding to different suppliers at €780-790/t cif. One Russian producer said it was not offering into Italy as prices were too low; a central and eastern European mill said it was receiving bids at €840/t cpt. (Argus)

Turkish Scrap

Tanking Turkish lira, poor rebar demand dent scrap sentiment

Offers kept stable despite no buying interest

Bearish sentiment weighs on pricing

Turkish mills in wait-and-see mode

Turkish deepsea heavy melting scrap import demand was dampened by the continued downtrend of the Turkish Lira and still low rebar. However, production during Dec. 1-10 was still 17% lower on the year, according to the CISA data.

An increase in production during the off-season would weigh on steel prices, but expectations of further monetary and fiscal easing in China may limit any significant price drop, market participants told S&P Global Platts.

While crude steel output remains lower on the year, China's combined finished steel inventories at steel mills and spot markets monitored by CISA, as of Dec. 10, were still 6.6% higher on the year, at 21.61 million mt. The rise in steel output in early December was mainly because of some major steel companies, such as Baowu Group, resuming steel production after they completed their mandatory steel cut requirements for the year, according to CISA. More steelmakers are expected to follow the suit in resuming production during the rest of December or in January, pushing China's steel output higher, sources said. While the steel output is seen rising, (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	465.00	0.00	471.88
Steel Rebar FOB Turkey (\$/mt)	690.00	-2.50	707.42
Argus HRC NW Europe (€/mt)	912.75	-1.00	918.50
Argus FOB China HRC (\$/mt)	766.00	-1.00	769.92

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-21	760	770	765
Jan-22	775	785	780
Feb-22	770	780	775
Q1-22	770	780	775
Q2-22	745	755	750
Q3-22	715	725	720

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	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
Jan-22	585	595	590
Feb-22	580	590	585
Mar-22	570	580	575
Q1-22	578	588	583
Q2-22	550	560	555
Q3-22	520	530	525

US HRC USD/short ton			
	Bid	Ask	Value
Dec-21	1630	1650	1640
Jan-22	1440	1460	1340
Feb-22	1330	1350	1250
Q1-22	1460	1480	1470
Q2-22	1160	1180	1170
Q3-22	983	1003	993

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-21	905	915	910
Jan-22	870	880	875
Feb-22	865	875	870
Q1-22	865	875	870
Q2-22	845	855	850
Q3-22	815	825	820

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