

22/12/2021**FOB China HRC**

The index fell by \$7/t yesterday (21.12.21) to US\$760/t, MTD US\$768.80/t.

China will cut steel output by 20mn t in 2021 and stable industrial growth would be a top priority in 2022 to support the national economy, said the country's MIIT at a meeting held on Monday. But MIIT did not issue any targets for steel production cuts in 2022 at the meeting.

Traders cut offers for Chinese SS400 HRC to equivalent of \$760-790/t fob China. Some short sellers were even willing to receive orders at \$745-755/t fob China but failed to induce any buying. Over 10,000t of Indian SAE1006 grade coils were sold at \$775/t cfr Vietnam this week. Traders cut Indian SAE1006 grade coils offers to \$775-795/t cfr Vietnam. (Argus)

EU HRC

An Indian supplier was heard to have offered into Italy at far lower prices than sellers of other origins, emboldening buyers to seek lower prices.

The Argus daily Italian hot-rolled coil (HRC) index edged down yesterday by €0.75/t to €842.75/t ex-works, while the northwest EU index was stable at €900/t ex-works.

An Indian mill was heard to offer through a trader at €750/t cfr, significantly below other suppliers. Some mills had interest from buyers at €760/t cfr excluding duty, which would take the price to just under €780/t cfr including duty, but it was not accepted by the producer.

Material from east and southeast Asian suppliers was available at €760-780/t cfr levels, while it appears Turkey was keeping prices higher.

In the domestic market, there was talk of a sale at €800/t ex-works yesterday, which seemed far too low to most, but considering the Indian import offer, it would not be too far off some buyers' expectations.

Producers expect to close some sales ahead of the holidays at €830/t ex-works to large buyers, although some were heard to have accepted even lower prices. Deliveries are for February-March.

Italian mills appear to be closing deals to northern Europe at the equivalent of €880/t ex-works Italy, but higher transportation costs are keeping them from being more competitive. (Argus)

Turkish Scrap

Trade stays at low level

Buyers slightly more active

Lira shows strong gains

Turkish deepsea scrap remained in the doldrums amid low demand for Turkish steel and the Turkish lira's volatility. However, the mood in the market turned somewhat more positive after the Turkish lira bounced back up in response to the Turkish government's intervention.

The lira rallied around 40% Dec. 21, trading at about \$12.70, compared with over \$18 the previous day, according to S&P Global Platts data.

A stronger or at least stable lira was what scrap buyers were waiting to see first in order to have their confidence restored. However, one day of lira gains was not enough to persuade scrap buyers to start placing new orders, but if the positive signs continue, activity is likely to pick up during the week, sources said.

"There is an expectation of movement towards the end of the week," a Turkish trader said. "Turkish mills have to buy scrap. Sellers are aware of this." This also explained the ongoing resistance from scrap merchants to lower their prices. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	460.00	2.50	469.83
Steel Rebar FOB Turkey (\$/mt)	685.00	2.50	703.10
Argus HRC NW Europe (€/mt)	900.00	0.00	915.75
Argus FOB China HRC (\$/mt)	760.00	-7.00	768.80

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	575	585	580
Feb-22	585	595	590
Mar-22	585	595	590
Q1-22	582	592	587
Q2-22	568	578	573
Q3-22	528	538	533

US HRC USD/short ton			
	Bid	Ask	Value
Dec-21	1630	1650	1640
Jan-22	1445	1465	1360
Feb-22	1350	1370	1260
Q1-22	1460	1480	1470
Q2-22	1175	1195	1185
Q3-22	1048	1068	1058

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-21	900	910	905
Jan-22	875	885	880
Feb-22	870	880	875
Q1-22	872	882	877
Q2-22	867	877	872
Q3-22	890	900	895

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