

14/01/2022**FOB China HRC**

The index kept flat yesterday (13.1.22) at US\$744/t, MTD US\$745.67/t.

Chinese coils inventory was declining ahead of the lunar new year, a trend that has not often been seen in previous years. Chinese mills were reluctant to cut offers to induce buying given the firm domestic prices. But the spread of around \$30/t between bids and offers left no chance for Chinese coils sales.

Vietnamese mill Formosa Ha Tinh cut its monthly offers for March shipment SAE1006 grade coils by around \$70/t to \$745-750/t cif Vietnam. Another local mill, Hoa Phat also cut its monthly offers by around \$60/t yesterday to \$735-740/t cif Vietnam. Those levels were very competitive compared with the much higher Chinese offers at around \$795/t cfr Vietnam and Indian workable levels above \$750/t cfr Vietnam. (Argus)

EU HRC

More European steelmakers have increased prices in the past two days following a move by market leader ArcelorMittal.

A Slovakian producer that had initially signalled it would be €20/t lower for February production increased its offer by €50/t across hot-rolled (HRC), cold-rolled (CRC) and hot-dip galvanised (HDG) coil in the past day or two. A Belgian producer increased its HDG offer by €50/t to €1,100-1,150/t for spot business and to more than €1,200/t for automotive buyers — it opted to leave its HRC offer unchanged at €920-930/t.

Mills seem more reluctant to increase HRC prices because of continued low demand and pressure from competitive imports. Liquidity remains scant across the coil suite as most buyers have ample stocks in their yards and at ports. There has been some uptick in automotive demand, but it is only slight. An auto manufacturer told Argus that its steel demand would be 6pc higher this quarter than it was in the low months of November and December. Certain auto manufacturers are pulling in material under their existing 2021 deals to reduce the amount they will need to procure under higher-priced 2022 deals.

Some service centres specialising in cut-to-length material said they had been able to raise prices by about €10/t as competition seemed slightly lower, but it remained to be seen whether a slight uptick in demand in the past few days would be sustainable. Many service centres were concerned about Covid-19, as an increase in infections of the Omicron variant has affected staffing levels. Some are saying they cannot take any material in the next two weeks as they have insufficient staff to handle and process the material. (Argus)

Turkish Scrap

Four offers heard, including two from Baltics, one from US, one from UK
Firmer rebar demand may support scrap levels

Turkish deepsea import ferrous scrap prices were unchanged Jan. 13, as both mills and recyclers expected further market activity around current prices, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Jan. 13 at \$470/mt CFR, unchanged on day.

"Scrap prices may be flat or even creep up a bit as on sales side, [rebar] prices are creeping up a bit - previously we were around \$685-\$690/mt FOB and now it's mostly \$700/mt FOB," one Turkish mill source said, citing an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$465-\$470/mt CFR, with Benelux-origin HMS 1/2 (80:20) considered workable at \$460/mt CFR.

A second Turkish mill source said over \$470/mt CFR was workable for premium HMS 1/2 (80:20), while a third mill source cited an offer for Benelux-origin HMS 1/2 (80:20) at \$465/mt CFR, noting weaker bulk freight rates. Platts assessed deepsea bulk scrap freight rates for the Rotterdam Netherlands-Aliaga Turkey route for a 30,000 mt Supramax at \$30.50/mt Jan. 13, up 50 cents/mt on day but down \$2.75/mt on week. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	470.00	0.00	467.72
Steel Rebar FOB Turkey (\$/mt)	700.00	0.00	698.75
Argus HRC NW Europe (€/mt)	908.75	4.25	903.78
Argus FOB China HRC (\$/mt)	744.00	0.00	745.67

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-22	750	760	755
Feb-22	745	755	750
Mar-22	740	750	745
Q1-22	745	755	750
Q2-22	727	737	732
Q3-22	712	722	717

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-22	460	470	465
Feb-22	458	468	463
Mar-22	453	463	458
Q1-22	457	467	428
Q2-22	423	433	428
Q3-22	410	420	415

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-22	705	715	710
Feb-22	695	705	700
Mar-22	675	685	680
Q1-22	692	702	697
Q2-22	645	655	650
Q3-22	615	625	620

BUSHELING			
	Bid	Ask	Value
Feb-22	540	550	545
Mar-22	555	565	560
Apr-22	565	575	570
Q2-22	570	580	575
Q3-22	575	585	580
Q4-22	568	578	573

US HRC USD/short ton			
	Bid	Ask	Value
Jan-22	1430	1450	1440
Feb-22	1250	1270	1095
Mar-22	1085	1105	1060
Q1-22	1460	1480	1470
Q2-22	1022	1042	1032
Q3-22	950	970	960

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-22	890	900	895
Feb-22	870	880	875
Mar-22	860	870	865
Q1-22	873	883	878
Q2-22	843	853	848
Q3-22	832	842	837

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