

18/01/2022**FOB China HRC**

The index kept flat yesterday (17.1.22) at US\$744/t, MTD US\$745.36/t.

China's January-December real estate sector investment rose by 4.4pc from a year earlier, slower than the growth of 6pc through November. China's GDP grew by 8.1pc in 2021, but with signs of weakness in early 2022, its central bank yesterday cut borrowing costs of its medium-term loans for the first time since April 2020.

Physical trade in China's steel markets is slowing down with more construction projects closing ahead of the lunar new year in early February. Most Chinese mills have not announced new weekly offers yet. Limited ones kept offers unchanged or fell at \$765-780/t fob China, still much higher than seaborne buyers' acceptable levels at \$700-750/t fob China. Some traders offered \$745/t cfr Vietnam for Indian SAE1006 grade coils, inducing bids at \$735/t cfr Vietnam. (Argus)

EU HRC

More European producers have increased their hot-dip galvanized (HDG) offers, following increases by ArcelorMittal and other mills last week as market participants expect a squeeze in supply over the next few months.

The Argus daily Italian hot-rolled coils (HRC) index moved up today by €6/t to €831/t ex-works, while the northwest European index increased by €2.75/t to €923.25/t ex-works.

The HRC market is somewhat being propped by expectations that downstream product prices will increase further, as the safeguard quotas are exhausted and as anti-dumping measures are expected to be imposed on Turkish and Russian HDG.

In Italy, HDG offers were heard at €1,040-1,120/t delivered today, with one mill expected to raise prices further, although its supply issues may hold it back. The latter is expected to restart one of its blast furnaces, which was taken down in December for an investigation into technical issues. But market participants say it is unlikely to restart by 20 January, when it was originally scheduled to. One producer, which has been facing financial issues, was heard offering HDG at €1,080-1,120/t. (Argus)

Turkish Scrap

No new bookings reported

Several cargoes likely to trade in the week

HMS 1/2 (80:20) prices keep stable

Turkish deepsea scrap import was quiet and prices were rangebound with no fresh deals heard on the day, but the activity may pick up during the week as Turkish near-term scrap requirements were not fully covered yet, sources said Jan. 17.

A Turkish market observer estimated that another six scrap cargoes for February loading were still needed by Turkish buyers. He saw five potential Turkish buyers for those cargoes. He was unsure about further price upside this week as Turkish steel producers should be focused on maximizing the sales of billet and finished steel first. Scrap merchants were pushing for prices above \$470/mt CFR Turkey, following last week's deals closed at \$470/mt CFR. An agent source quoted a US offer at \$477/mt CFR Turkey. This was the highest quotation heard on the day. "Mills still need cargoes, but they don't want to pay above \$470/mt CFR," the agent added. He reckoned that \$470/mt CFR was still achievable. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	470.25	0.00	468.23
Steel Rebar FOB Turkey (\$/mt)	700.00	-1.00	699.10
Argus HRC NW Europe (€/mt)	923.25	2.75	907.40
Argus FOB China HRC (\$/mt)	744.00	0.00	745.36

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	555	565	560
Q2-22	555	565	560
Q3-22	578	588	583
Q4-22	585	595	590

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	895	905	900
Feb-22	915	925	920
Mar-22	905	915	910
Q1-22	905	915	910
Q2-22	875	885	880
Q3-22	832	842	837

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