

19/01/2022**FOB China HRC**

The index kept flat yesterday (18.1.22) at US\$744/t, MTD US\$745.25/t.

Asia-Pacific steel prices generally stabilized today specifically in China as most participants are preparing to withdraw from the market for Lunar New Year holidays.

North China's Tangshan government published production restriction policy for period through March 2022. Local steel mills need to cut crude steel output by at least 30pc from the same period last year, with exemption for A-rating mills and electric arc furnace mills, which need to control steel output no more than the same period last year.

Chinese HRC export market was relatively quiet as Chinese offers lost competitiveness compared with coils from countries like India. Offers decreased marginally to \$745-750/t cfr Vietnam for Indian SAE1006 grade coils, \$775/t cfr Vietnam for Japanese coils and \$795/t cfr Vietnam for Chinese SAE grade coils. Most Vietnamese buyers kept silent on bids as they have purchased enough stock especially from local mills Hoa Phat and Formosa Ha Tinh for operations during the lunar new year holiday. (Argus)

Turkish Scrap

Spread between deepsea and shortsea prices narrows
Benelux collection prices remain firm

Turkish deepsea import ferrous scrap prices inched down Jan. 18, as mills held back from the deepsea market, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Jan. 18 at \$469.75/mt CFR, down 50 cents/mt on day.

"There is demand for shortsea [scrap], but the deepsea market is silent," a Turkish mill source said, citing an indicative tradable value for premium HMS 1/2 (80:20) around \$470/mt CFR. "Ukraine and Russia cannot export because of the high export tax so the gap between shortsea and deepsea [prices] will narrow."

Platts assessed A3 shortsea scrap at \$455/mt CFR Turkey Jan. 18, down 50 cents/mt on day. The spread between the Platts A3 shortsea scrap and deepsea premium HMS 1/2 (80:20) assessments remained at \$14.75/mt on Jan. 18, down from \$28/mt two weeks earlier on Jan. 4.

"The Turkish mills need material but are saying they don't, in order to push down the market, but other markets have caught up," a trading source said, citing a deal for 25,000 mt Venezuela-origin HMS 1/2 (80:20) booked Jan. 18 to Bangladesh, with a price equivalent to \$475/mt CFR Turkey. (Platts)

EU HRC

European hot-rolled coil prices diverged today, with the northwest market softening while Italy gained slightly. Liquidity has picked up somewhat in Germany and the Benelux, but there is still a wide gap between buy- and sell-side expectations. One mill offered a service centre dry HRC around €920/t (\$1,042/t) delivered base, but the buyer said it had bought below €900/t effective delivered from a north European producer.

A large German service centre said it was offered domestic material around €900/t base ex-works, but was waiting to pay €800-850/t, so turned to imported material instead. The buyer reported procuring imports from a number of origins at €780/t fca Antwerp. Traders said they were being bid below €800/t for small clips of portside material. One producer said it had sold around 10,000t at €920-925/t ex-works Ruhr, and that demand had increased somewhat. The mill also inked more annual automotive contracts around €1,020-1,050/t.

Argus' daily NW EU HRC index slipped €6.25/t to €917/t yesterday. (Argus)

Market Rates

| Indices | Price | Change | MTD |
|---|--------|--------|--------|
| Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) | 469.75 | -0.50 | 468.36 |
| Steel Rebar FOB Turkey (\$/mt) | 699.00 | -1.00 | 699.09 |
| Argus HRC NW Europe (€/mt) | 917.00 | -6.25 | 908.27 |
| Argus FOB China HRC (\$/mt) | 744.00 | 0.00 | 745.25 |

| LME HRC FOB TIANJIN CHINA USD/mt | | | |
|----------------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Jan-22 | 750 | 760 | 755 |
| Feb-22 | 755 | 765 | 760 |
| Mar-22 | 745 | 755 | 750 |
| Q1-22 | 750 | 760 | 755 |
| 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 | 460 | 470 | 465 |
| Mar-22 | 453 | 463 | 458 |
| Q1-22 | 458 | 468 | 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 | 535 | 545 | 540 |
| Apr-22 | 550 | 560 | 555 |
| Q2-22 | 550 | 560 | 555 |
| Q3-22 | 573 | 583 | 578 |
| Q4-22 | 568 | 578 | 573 |

| US HRC USD/short ton | | | |
|----------------------|------|------|-------|
| | Bid | Ask | Value |
| Jan-22 | 1420 | 1440 | 1430 |
| Feb-22 | 1215 | 1235 | 1015 |
| Mar-22 | 1005 | 1025 | 980 |
| Q1-22 | 1460 | 1480 | 1470 |
| Q2-22 | 955 | 975 | 965 |
| Q3-22 | 900 | 920 | 910 |

| 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 | 870 | 880 | 875 |
| Q3-22 | 832 | 842 | 837 |

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