

21/01/2022**FOB China HRC**

The index rose by \$2/t yesterday (20.1.22) to US\$749/t, MTD US\$745.64/t.

Chinese central bank rate cut supported domestic steel prices and this led to minimum workable price level for SS400 HRC from Chinese state-owned mills at \$770/t fob with mainstream offers known at \$775-790/t fob. Private mills would be seeking for higher prices as they were low on inventory with no urgency to sell. Interest were limited from overseas buyers with no new deal known. Offer from China to Vietnam were limited after Vietnam local producer Formosa Ha Tinh concluded large volume to domestic market last week. Indian mills lifted their offers into Vietnam to \$780-790/t cfr Vietnam and interested buyers were bidding at around \$745/t. Deal are unlikely to happen as workable level are around \$770/t cfr Vietnam. (Argus)

EU HRC

European hot-rolled coil (HRC) prices dropped yesterday as some mills discounted prices to make sales, given the continued tepid demand.

Argus' daily NW EU HRC index slipped by €12.75/t to €907/t, while the daily Italian index nudged down by €1.25/t to €833/t.

Deals were concluded below €900/t delivered in the important Ruhr and Maastricht regions, as some mills reduced their prices to increase liquidity and to try and fill their rolling programmes. There has been some uptick from automotive, but it is still tentative and mills still have surplus material that they are quietly selling to larger buyers at a discount. An Italian producer sold a small quantity of S355 material into Benelux at the equivalent of €920/t base delivered for mid-February arrival. Larger quantities were closer to €900/t delivered.

Indian HRC was offered into Antwerp at €750/t cfr for April arrival, meaning the material will be able to access residual quotas. In Italy, offers were tabled at €820-850/t ex-works, with northern European mills offering €850/t delivered. There was talk that Vietnamese material was sold to Italy at €730/t cfr for a large tonnage, but traders said offers were higher at \$880-890/t cif Italy. At the same time, Japan was heard to offer at €780/t cfr — some said the seller was collecting bids and was unclear how much it would allocate to Italy. India is understood to still be available at €750-760/t cfr. (Argus)

Turkish Scrap

Mills hold back amid natural gas supply concerns
US recyclers continue to target above \$470/mt CFR

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

A Turkish mill source cited an indicative tradable value for premium HMS 1/2 (80:20) around \$470/mt CFR, while a second mill source said \$465-\$470/mt CFR was workable. "We also have to see the situation with natural gas - this was surprise of the day," the second mill source said, adding that it could mean planned maintenance stoppages over late January and February, announced by three Iskenderun mills on Jan. 19, could be extended by three or four days. "February is only 28 days long. If you want to buy a February shipment cargo next week, most probably you will have a latest shipment date of March 5-10," the second mill source added.

Turkish steelmakers face having to reduce crude steel output after state gas distributor Botas issued an urgent call late Jan. 19 for major gas consumers to cut consumption by 40% due to a halt in Iranian gas imports for 10 days from Jan. 20 due to a "technical failure." (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	469.75	0.00	468.58
Steel Rebar FOB Turkey (\$/mt)	700.00	1.00	699.15
Argus HRC NW Europe (€/mt)	907.00	-12.75	909.06
Argus FOB China HRC (\$/mt)	749.00	2.00	745.64

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-22	750	760	755
Feb-22	765	775	770
Mar-22	760	770	765
Q1-22	758	768	763
Q2-22	750	760	755
Q3-22	720	730	725

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-22	460	470	465
Feb-22	465	475	470
Mar-22	460	470	465
Q1-22	462	472	453
Q2-22	448	458	453
Q3-22	418	428	423

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-22	705	715	710
Feb-22	705	715	710
Mar-22	705	715	710
Q1-22	705	715	710
Q2-22	693	703	698
Q3-22	662	672	667

BUSHELING			
	Bid	Ask	Value
Feb-22	530	540	535
Mar-22	540	550	545
Apr-22	542	552	547
Q2-22	548	558	553
Q3-22	563	573	568
Q4-22	559	569	564

US HRC USD/short ton			
	Bid	Ask	Value
Jan-22	1430	1450	1440
Feb-22	1220	1240	1030
Mar-22	1020	1040	985
Q1-22	1223	1243	1233
Q2-22	958	978	968
Q3-22	915	935	925

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-22	905	915	910
Feb-22	910	920	915
Mar-22	900	910	905
Q1-22	905	915	910
Q2-22	870	880	875
Q3-22	832	842	837

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