

26/01/2022**FOB China HRC**

The index rose by \$4/t yesterday (25.1.22) to US\$756/t, MTD US\$747/t.

Chinese mills offered SS400 HRC at \$790/t fob, with limited room for negotiation as mills showed little interest for export before lunar new year holiday. Some buyers from Vietnam raised target prices for hot-rolled sheet to \$815-823/t cfr. An HRC deal, involving a cargo heading to Myanmar, closed at \$770/t fob late last week. The mill has already closed offer after sales.

Workable level of traders' positional Indian SAE1006 grade HRC increased to \$770/t cfr Vietnam. Indian mills' direct offers and workable levels stood at \$800/t cfr Vietnam. A north China mill was heard to have sold similar-grade HRC with the base price at \$750-760/t fob. Most Vietnamese buyers stayed on the sidelines and may come back for bookings after the holiday as local supply was insufficient to feed all demand. (Argus)

EU HRC

Northwest European hot-rolled coil (HRC) prices slipped today as German producers sold dry material at lower levels, with automotive demand still slow. Argus' daily benchmark NW EU HRC index dropped by €11.00/t to €900.50/t ex-works. Some smaller mills are trying to raise prices on the back of tighter import availability and higher offers, but larger producers were quietly discounting to avoid building too much surplus stock.

There was still a huge spread in the market, with some buy-side expectations as low as €850/t, while some mill-tied service centres estimated tradeable value at €100/t higher. There remained a large gap between dry and pickled and oiled prices. One mill claimed to have sold at €970/t cpt base for pickled, which was more than €100/t more than some deals submitted for dry material, even without pickling extras. Serbian material was offered into Germany and Austria at €840-850/t delivered. Cold-rolled coil (CRC) again was at a big spread to HR substrate, with the daily assessment static at €1,062.50/t ex-works Ruhr.

The Omicron variant of Covid-19 was a big problem for German service centres, which were struggling to retain sufficiently healthy staff to keep their lines rolling. This was causing a further inventory build-up at a time when stocks were already high relative to demand. At the same time, some were expecting mills to manage their output to avoid producing too much surplus material. With carbon emissions allowances trading at more than €80/t, some suggested mills might throttle back and sell certificates rather than produce material they could not sell. (Argus)

Turkish Scrap

Mills hold back from deepsea market
Deepsea exporters hold offers firm

Turkish deepsea import ferrous scrap prices were largely unchanged Jan. 25, as buyer and seller expectations remained apart, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Jan. 25 at \$468/mt CFR, up 50 cents/mt on day.

One Turkish mill source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$465/mt CFR. Several Turkish electric-arc furnace-based (EAF) steel producers announced three-day crude steel production stoppages Jan. 24, due to electricity cuts in the country caused by temporary natural gas supply shortages from Iran. A number of mills also have planned maintenance stoppages scheduled over later January and February.

"Mills can't see what will happen tomorrow, so they are suspicious to buy new cargoes. It makes prices weaker because of more supply and low demand," a Turkish agent source said, citing an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at below \$470/mt CFR. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	468.00	0.50	468.50
Steel Rebar FOB Turkey (\$/mt)	700.00	5.00	699.00
Argus HRC NW Europe (€/mt)	900.50	-11.00	908.83
Argus FOB China HRC (\$/mt)	756.00	4.00	747.00

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	469	479	474
Mar-22	467	477	472
Q1-22	465	475	455
Q2-22	450	460	455
Q3-22	418	428	423

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-22	705	715	710
Feb-22	721	731	726
Mar-22	721	731	726
Q1-22	716	726	721
Q2-22	702	712	707
Q3-22	662	672	667

BUSHELING			
	Bid	Ask	Value
Feb-22	530	540	535
Mar-22	525	535	530
Apr-22	535	545	540
Q2-22	542	552	547
Q3-22	563	573	568
Q4-22	559	569	564

US HRC USD/short ton			
	Bid	Ask	Value
Jan-22	1420	1440	1430
Feb-22	1220	1240	975
Mar-22	965	985	945
Q1-22	1202	1222	1212
Q2-22	913	933	923
Q3-22	883	903	893

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-22	905	915	910
Feb-22	910	920	915
Mar-22	905	915	910
Q1-22	907	917	912
Q2-22	887	897	892
Q3-22	842	852	847

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com