

**09/02/2022****FOB China HRC**

The index rose by \$16/t yesterday (8.2.22) to US\$795/t, MTD US\$773/t.

Some steel mills in Henan, Shandong and Hebei provinces were asked to intensify production restrictions from 6pm yesterday to reduce pollutions, with heavy diesel trucks not allowed in Tangshan. The restriction would last till 11-12 February. China's central economic planning agencies MIIT and NDRC published guidance for steel and industrial high-quality development on 7 February that requests that the steel industry achieve peak carbon before 2030 and more than 80pc steel capacity rated for ultra-low emissions.

An east China mill pushed up its workable level to \$800/t fob after it sold around 40,000t SS400 HRC at \$790/t fob to the Middle East. A large northeast China mill returned to export markets after months of absence with a weekly offer at \$810/t fob for SS400 HRC. Four other major Chinese mills offered at the same level, while other mills offered at \$820-825/t fob.

Mills and traders increased offers to \$850-860/t cfr Vietnam for SAE1006 grade coils from China and India. An Indonesia-based mill also pushed up offer to \$860/t cfr Vietnam. A Japanese mill was mulling to hike offers to \$900-950/t cfr southeast Asia. (Argus)

**EU HRC**

European hot-rolled coil (HRC) prices diverged significantly today as prices in Germany and the Benelux fell, while Italy reacted more quickly to the tightening global dynamic.

Argus' daily Italian HRC index increased by €14/t to €865.25/t ex-works, while the northwest EU HRC index dropped by €7.25/t to €925/t. Sales have been concluded in Italy at the equivalent of €880/t delivered, with mills now pushing even higher towards €900/t delivered. Ex-works offers were heard at €880/t from at least two producers, and a third is offering limited amounts at the same price, but on delivered basis. Most offers are for April deliveries, although some tonnages may still be available for March.

Pickled and oiled material was heard offered at €920-930/t ex-works. Cold-rolled coils (CRCs) were offered at €1,100-1,120/t ex-works from a reroller, and €20-30/t lower from integrated producers. A north EU offer was heard at €1,170/t delivered.

Producers are preferring to steadily increase prices, testing the market with each round of rises, mostly incentivised by the lack of lower-priced import offers and higher production costs. But they are still open to negotiate, unlike last year, when prices were soaring and their selling strategy was "take it or leave it".

An Indian mill was heard to consider offering to Italy today at \$960-980/t cfr, while South Korea is targeting €900/t cfr.

Turkish HRC was offered this week at €880-900/t cfr inclusive of duties and heard offered on fob basis at \$920-930/t fob. Japan is understood to have filled a vessel for Europe, with some sales done at \$960-970/t cfr Italy, but is now seeking prices closer to \$1,000/t cfr. Indonesia was last week offering at €860/t cfr for end of March shipment. (Argus)

**US HRC**

The S&P Global Platts TSI US hot-rolled coil index was assessed at \$1,140/st ex-works Indiana Feb. 8, unchanged from Feb. 7.

The assessment remained at the latest repeatable tradable value based on one service center sources' reported tradable value at \$1,140/st for orders exceeding 200 st. A Midwest service center indicated offers were coming in below \$1,100/st for larger-ton orders, while another service center in the same region indicated tradeable value was at \$1,100/st for orders of 1,000 st. A different Midwest service center reported his recent transactions were between \$1,180-\$1,200/st. (Platts)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	500.00	0.00	494.17
Steel Rebar FOB Turkey (\$/mt)	735.00	0.00	728.33
Argus HRC NW Europe (€/mt)	925.00	-7.25	925.00
Argus FOB China HRC (\$/mt)	795.00	16.00	768.33

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-22	805	815	810
Mar-22	815	825	820
Apr-22	810	820	815
Q2-22	807	817	812
Q3-22	793	803	798
Q4-22	765	775	770

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-22	495	505	500
Mar-22	495	505	500
Apr-22	490	500	495
Q2-22	482	492	460
Q3-22	455	465	460
Q4-22	425	435	430

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-22	730	740	735
Mar-22	740	750	745
Apr-22	730	740	735
Q2-22	722	732	727
Q3-22	668	678	673
Q4-22	615	625	620

BUSHELING			
	Bid	Ask	Value
Feb-22	510	520	515
Mar-22	520	530	525
Apr-22	520	530	525
Q2-22	530	540	535
Q3-22	560	570	565
Q4-22	560	570	565

US HRC USD/short ton			
	Bid	Ask	Value
Feb-22	1155	1175	1165
Mar-22	985	1005	960
Apr-22	950	970	945
Q2-22	935	955	945
Q3-22	908	928	918
Q4-22	897	917	907

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-22	935	945	940
Mar-22	945	955	950
Apr-22	940	950	945
Q2-22	930	940	935
Q3-22	900	910	905
Q4-22	870	880	875

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