

14/02/2022**FOB China HRC**

The index was flat last Friday (11.2.22) at US\$810/t, MTD US\$788.43/t.

China's major coil producer Baosteel lifted its HRC ex-works prices by Yn350/t for March deliveries from February basis, after two other mills raised prices by Yn300/t. A large Chinese mill was heard to have sold coils at around \$815/t fob last week, but no details on specification and quantity could be confirmed. Most market participants thought that deal could be for SAE grade coils as seaborne buyers could not accept \$815/t for SS400 HRC.

An Indian mill increased its offer to \$900/t cfr Vietnam after it sold out April shipment allocation to other markets. The mill was even considering to hike its offer to \$930/t cfr Vietnam, which was far above Vietnamese buyers' bids at \$810-820/t cfr Vietnam. Local buyers prefer to wait Vietnamese mills Formosa Ha Tinh and Hoa Phat's new offers this week. (Argus)

EU HRC

North European coil prices nudged up marginally Friday as spot sales were concluded at levels close to Argus' benchmark index.

A Visegrad producer sold 3,000t of dry and pickled and oiled coil into the Ruhr at €930/t base delivered. Another north European hot-rolled coil (HRC) producer was negotiating around similar levels, but had not concluded deals as of yet.

Larger mills were still talking about prices of €950/t and above, but there were no spot conclusions close to this level. Second-quarter contractual deals have been finalised around €980/t, however.

Some expected that Tata Steel's blast furnace maintenance next year could help tighten up the market, especially if automotive consumption picks up later this year — mills see an opportune time for maintenance given reduced offtake from their key customer base.

Liquidity did appear to be inching up in the north, with buyers expecting the market could be close to the bottom and unlikely to drop more. Firming global prices helped to underpin this belief.

Nevertheless, strong Turkish demand, which was one main drivers of the recent rally in CIS and Asian HRC prices, is starting to abate after rerollers sated their purchasing appetite somewhat.

CME futures, which cash-settle against Argus' daily NWE HRC index, have firmed in recent days following large jumps in some reference prices that are far removed from the spot market. Today, March traded at €955/t, while two March-April spreads traded at €955-945/t. A September-October spread traded at €925-920/t late on yesterday.

Argus' daily Italian index was static Friday at €884/t. (Argus)

US HRC

The US hot-rolled coil market was unchanged on Feb. 11 as service centers reported healthy demand but remained out of the spot market as they focused on mitigating oversupply. The daily Platts TSI US HRC index was flat at \$1,120/st on an ex-works Indiana basis. Activity remained minimal week on week as no bids, offers or transactions were reported on the day. Despite this, one service center reported feeling less pessimistic in terms of market outlook compared to others. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	506.00	0.50	497.61
Steel Rebar FOB Turkey (\$/mt)	737.50	2.50	730.83
Argus HRC NW Europe (€/mt)	931.25	0.50	926.31
Argus FOB China HRC (\$/mt)	810.00	0.00	781.89

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-22	820	830	825
Mar-22	820	830	825
Apr-22	815	825	820
Q2-22	810	820	815
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	505	515	510
Apr-22	495	505	500
Q2-22	489	499	465
Q3-22	460	470	465
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
Mar-22	525	535	530
Apr-22	535	545	540
May-22	540	550	545
Q2-22	538	548	543
Q3-22	532	542	537
Q4-22	527	537	532

US HRC USD/short ton			
	Bid	Ask	Value
Feb-22	1120	1140	1130
Mar-22	985	1005	990
Apr-22	980	1000	985
Q2-22	970	990	980
Q3-22	942	962	952
Q4-22	918	938	928

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-22	935	945	940
Mar-22	945	955	950
Apr-22	935	945	940
Q2-22	932	942	937
Q3-22	905	915	910
Q4-22	875	885	880

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