

**17/02/2022****FOB China HRC**

The index was flat yesterday (16.2.22) at US\$806/t, MTD US\$794/t.

Chinese domestic steel prices rose on renewed optimism for China's spring construction steel demand season that begins in March. Physical steel trades picked up as restocking demand is gradually returning with most construction steel projects started after Chinese Lantern Festival yesterday. Chinese mills and trader kept offers unchanged at \$795-850/t fob China for SS400 HRC. Traders offered at the lower end dared not to cut prices further to induce buying as they could not guarantee steel supply from mills amid the uncertain price outlook.

Vietnamese mill Hoa Phat announced a price increase for April shipments, up on month by \$92-93/t to \$828-832/t cif Vietnam for SS400 and SAE1006 grade coils. Those offers were within market expectations and in line with the mainstream offers. (Argus)

**EU HRC**

Liquidity slowed in Italy's hot-rolled coil (HRC) market, with large buyers delaying their purchases, although there are expectations they will return in the next two weeks. Some have fulfilled their requirements until May, and will evaluate import options, although these look to be few and far between given rising international prices.

The German and Benelux markets remain largely quiet. Some buyers primarily dealing in dry/black HRC can still obtain sub-€900/t from contract-heavy mills with surplus supply, although such prices are only open to a few large buyers. But they have forced some buyers to step back from the market, or intensify negotiations with other suppliers.

More spot-focused producers have pushed prices up to €925-940/t, while a large mill has obtained €955/t for a relatively small tonnage. A north European mill sold into Italy at €905/t delivered.

The Argus daily Italian HRC index rose by €0.50/t to €892/t ex-works yesterday, while the northwest Europe HRC index increased by €2/t to €927/t ex-works.

An east European supplier received bids from Italy, likely to be from service centres and for small volumes, at €910/t delivered. But large buyers were not considering such levels, and some sellers were not seeing interest at €880-900/t delivered from the bigger players. The mill said there was no apparent demand in Germany, as buyers had sufficient stocks. There are some March delivery tonnages available still, although most mills' availability is now for April.

Some mills have been indicating prices this week as high as €940-950/t ex-works, but these prices are not backed by any specific tonnage offerings, or attracting any demand — rather these would be based on increased import prices and the usual spread with local values.

Import offers sit well above €900/t cfr, but negotiations with large buyers are likely to be below this level. Some offers were heard last week from Turkish suppliers at \$930-945/t fob. (Argus)

**US HRC**

The daily Platts TSI US HRC index fell \$40 to \$1,060/st on an ex-works Indiana basis. Prices have been under constant pressure for more than five months after hitting a record all-time high last September.

The market was flirting with heading back to \$1,000/st as mills continue to struggle to find orders as buyers sit on the sidelines. Still, the precipitous decline since last year has started to push domestic pricing closer to import prices, leaving buyers disinterested in sourcing any more foreign steel. (Platts)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	505.00	-1.00	499.63
Steel Rebar FOB Turkey (\$/mt)	740.00	-2.50	733.33
Argus HRC NW Europe (€/mt)	927.00	2.00	924.56
Argus FOB China HRC (\$/mt)	806.00	0.00	788.17

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	1110	1130	1120
Mar-22	960	980	768
Apr-22	758	778	965
Q2-22	884	904	894
Q3-22	937	957	947
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

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