

18/02/2022**FOB China HRC**

The index fell by \$1/t yesterday (17.2.22) to US\$805/t, MTD US\$795/t.

Steel prices fell yesterday, following the decline in iron ore and amid slower destocking in China. Rebar stockpiles in traders' warehouses increased by 1mn t this week, higher than the 840,000t increase last week. Export activity cooled down this week from last week as steel mills were optimistic that prices would regain strength with demand increasing. While buyers were either hesitating to place orders or targeting for much lower prices seeing the raw material risks.

A north China mill sold a total of 3,000t SS400 HRC at \$815/t fob China yesterday to South America and South Korea. The transaction quantity is small and most seaborne buyers in other countries could not accept that level yet. Traders cut offers to equivalent of \$785-835/t fob China on falling domestic prices. (Argus)

EU HRC

Liquidity remains low in the European hot-rolled coil (HRC) markets.

Argus' daily northwest EU HRC index rose by €1.75/t yesterday to €928.75/t, while the Italian index nudged down by €0.25/t to €891.75/t ex-works.

Italian mills are trying to bring prices up to €900/t ex-works, but so far there has been no uptake, with negotiations ongoing and deals expected over the next few weeks. Sales have been concluded at €880-890/t ex-works, but most buyers are not convinced by mills' latest target levels and are unclear whether they can hold on to those higher prices.

Vietnamese HRC was heard to have been offered to Europe at €845-860/t cfr, with an allocation of 30,000t. There is some concern that Vietnam's potential removal from the excluded developing list of countries will mean they will be subject to safeguard quotas, so some are not willing to risk purchasing.

Buyers reported offers from other suppliers from Asia at €860-870/t cfr. Other mills were offering up to and above €900/t cfr, but Turkish material was also heard to be available at €890/t cfr, including duties.

In the futures market, a third-quarter strip traded on CME at €920/t. (Argus)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was assessed at \$1,040/st ex-works Indiana Feb. 17, down \$20 from Feb. 16.

A mini-mill source made an offer at \$1,040/st for minimum tons with a mid-March lead time, according to one fabricator. The offer price was down from a similar mill offer at \$1,060/st on Feb. 17 which was meeting resistance from buyers. The assessment fell to the latest offer price which remained inside the wider range of tradable values provided by two different service center sources.

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	507.00	2.00	500.19
Steel Rebar FOB Turkey (\$/mt)	742.50	2.50	734.04
Argus HRC NW Europe (€/mt)	928.75	1.75	924.88
Argus FOB China HRC (\$/mt)	805.00	-1.00	789.46

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	965
Apr-22	955	975	955
Q2-22	947	967	957
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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