

**09/03/2022****FOB China HRC**

The index kept flat yesterday (8.3.22) at \$880/t, MTD US\$852/t.

Chinese domestic steel prices fell yesterday on bearish sentiment from talks that Beijing held meetings yesterday afternoon with its major coal enterprises, aiming to bring coal prices into reasonable level. China's top economic planning agency the NDRC set a lower price cap for domestic coal supplied under mid- and long-term contracts, as a way to reduce power generation costs and support the economy.

Chinese domestic price falls did not reflect in the seaborne market, with most participants bullish on global steel prices given existing tight supply and high feedstock prices. Vietnamese buyers lifted bids to \$900-910/t cfr Vietnam as they could no longer guarantee any lower-priced coils from other countries. (Argus)

**EU HRC**

European hot-rolled coil (HRC) prices jumped again today, as buyers with exposure to Russian material rushed to replace their lost tonnages and the whole supply chain saw continued cost escalation. Argus' daily northwest EU HRC index jumped by €49.75/t to €1,102/t, while the headline Italian index increased by €31.50/t to €1,053.75/t.

One large mill has pulled back from the market to reassess the situation and is expected to move its offer on from €1,150t. Other mills suggest they are achieving these levels, for smaller tonnages, in northern Europe.

Costs are climbing every day. The cost of blast furnace production has risen by more than \$130/t in the past week, based purely on coking coal and iron ore. Energy prices are also increasing strongly — the further downstream the product, the higher the gas price experienced by the producers.

Downstream product prices are rising in line with HRC, and the whole supply chain is pushing prices up in response to higher costs. In Italy, mills are targeting €1,100-1,150/t, but buyers anticipate quotations moving to €1,200/t next week. Italian mills are rationing supplies to buyers again, often responding to bids with a third of the amount required. Availability is obviously tight and import offers have moved up. Taiwanese cold-rolled coil was offered above €1,200/t fca today. (Argus)

**US HRC**

A service center source said previous transactions had been around \$1,000/st and lower prices were no longer available in the market. The assessment was reflective of a minimum repeatable value of \$1,000/st. Mills moved offers higher with two sell-side sources indicating new offer levels of at least \$1,200/st. No deals were confirmed at the higher levels. (Platts)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	647.50	12.50	589.00
Steel Rebar FOB Turkey (\$/mt)	925.00	25.00	841.50
Argus HRC NW Europe (€/mt)	1102.00	49.75	1022.80
Argus FOB China HRC (\$/mt)	880.00	0.00	846.40

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-22	875	905	890
Apr-22	955	985	970
May-22	955	985	970
Q2-22	962	972	967
Q3-22	925	935	930
Q4-22	848	858	853

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Mar-22	595	605	600
Apr-22	675	685	680
May-22	655	665	660
Q2-22	655	665	600
Q3-22	595	605	600
Q4-22	560	570	565

LME REBAR FOB TK			
	Bid	Ask	Value
Mar-22	855	865	860
Apr-22	945	955	950
May-22	935	945	940
Q2-22	938	948	943
Q3-22	915	925	920
Q4-22	892	902	897

BUSHELING			
	Bid	Ask	Value
Mar-22	695	705	700
Apr-22	755	765	760
May-22	755	765	760
Q2-22	755	765	760
Q3-22	755	765	760
Q4-22	745	755	750

US HRC USD/short ton			
	Bid	Ask	Value
Mar-22	1055	1075	1065
Apr-22	1350	1370	1360
May-22	1450	1470	1460
Q2-22	1408	1428	1418
Q3-22	1385	1405	1395
Q4-22	1337	1357	1347

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-22	1240	1260	1250
Apr-22	1300	1320	1310
May-22	1290	1310	1300
Q2-22	1295	1305	1300
Q3-22	1265	1275	1270
Q4-22	1235	1245	1240

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