

**11/03/2022****FOB China HRC**

The index fell by \$6/t yesterday (10.3.22) to \$870/t, MTD US\$857.25/t.

Chinese domestic steel prices extended declines yesterday but got a late-day boost to sentiment from a weekly drop in domestic steel inventories. China's steel inventories fell this week, marking the start of a seasonal drawdown for spring construction demand. Stocks typically rise to an annual peak in early March. Chinese mills were expected to resume production from next week after the end of the Paralympics.

A north China mill lowered its workable levels to \$880/t fob China for SS400 HRC after it sold around 10,000t SS400 HRC at \$895/t fob China earlier this week. Another Chinese mill sold coils at \$870/t fob China this week, but no details could be confirmed. Buyers' acceptable levels fell to \$830-840/t fob China. (Argus)

**EU HRC**

European coil prices surged again yesterday as fresh offers were circulated at €1,300/t (\$1,430/t), with just a couple of days of validity.

Argus' daily Italian index jumped by €52/t to a record high of €1,161.75/t. Argus' daily northwest EU HRC index rose by €46.50/t to a fresh record high of €1,262.50/t.

There has been acceptance of offers at €1,150/t ex-works/delivered from buyers in Italy, but it is unclear how much has been booked and it is unlikely mills would today take orders at these prices, especially after ArcelorMittal raised prices once again.

Today a deal was heard for Japanese material at \$1,200/t cfr Italy to a large buyer, which with an exchange rate of \$1.1:€1 would equate to around €1,090/t cfr. Bids were also heard at €1,140-1,150/t cfr, likely for a smaller volume or with extras included. A large buyer bid at \$1,000/t del for European slab and it appeared ready to pay more.

Yesterday, port stocks were being offered in Italy close to €1,300/t delivered too for a thousand tonnes. Vietnamese HRC was heard today offered at €1,100-1,130/t cfr, while Indian was at €1,080-1,100/t, but it is unclear if this price is still available. Turkish offers were heard at \$1,180-1,250/t fob. There were some offers at €1,200/t cfr inclusive of duties.

As with the bull run of last year, mills were only offering limited quantities and drip feeding tonnes into the market, which heightened buy-side concern about supply issues, even though stock levels were sufficient, if not high.

Futures continued to trade at higher levels on the CME Group's north European HRC contract. March traded today at €1,320/t, while an April-May strip traded at a strong €1,435/t. April and May both traded as high as €1,450/t on screen. (Platts)

**Turkish Scrap**

The Turkish Deepsea scrap imports became quieter, and prices temporarily stabilized March 10 before buyers return to purchase scrap cargoes for shipment in the second half of April, sources said.

On March 10, Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$650/mt CFR, 50 cents down day on day, according to S&P Global Commodity Insights.

There were no new deals reported on the day and for the time being, the premium HMS 1/2 (80:20) peaked at around \$650/mt CFR Turkey. Price expectations from market participants were mixed, as several buyers implied that the market already softened amid some lower offers and tradable values, while sell-side sources were expecting further rally.

A Turkish mill source said the market had gone up too fast in the first place and after reaching \$650/mt CFR is now heading for a downward correction. He added that some EU offers slipped to \$640/mt CFR from earlier \$660/mt CFR. Another mill source put a tradable value as low as \$620/mt CFR Turkey but this level was only confirmed for shortsea scrap. (Platts)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	650.00	-0.50	589.00
Steel Rebar FOB Turkey (\$/mt)	930.00	0.00	841.50
Argus HRC NW Europe (€/mt)	1262.50	46.50	1022.80
Argus FOB China HRC (\$/mt)	870.00	-6.00	846.40

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-22	875	905	890
Apr-22	905	935	920
May-22	905	935	920
Q2-22	912	922	917
Q3-22	898	908	903
Q4-22	848	858	853

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Mar-22	595	605	600
Apr-22	635	645	640
May-22	625	635	630
Q2-22	622	632	595
Q3-22	590	600	595
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
Apr-22	755	765	760
May-22	755	765	760
Jun-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	1090	1110	1100
Apr-22	1540	1560	1550
May-22	1610	1630	1620
Q2-22	1583	1603	1593
Q3-22	1577	1597	1587
Q4-22	1530	1550	1540

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-22	1310	1330	1320
Apr-22	1440	1460	1450
May-22	1440	1460	1450
Q2-22	1440	1450	1445
Q3-22	1370	1380	1375
Q4-22	1245	1255	1250

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