

15/09/2022**FOB China HRC**

The index was flat yesterday (14.9.22) at US\$575/t, MTD US\$570.50/t.

Shanghai issued orange alert for typhoon Muifa and suspended outdoor projects. Physical trade was subdued as some warehouses in Shanghai and areas around suspended operations during the day. Steel market sentiment was also negatively affected by the expectations that the US would increase interest rate further.

The seaborne market was silent with sellers and buyers on the sidelines after the drop in Chinese domestic prices. Seaborne buyers were shocked by the falling Chinese domestic sales prices. South Korean buyers would still need to import coils from China as it would take longer for Posco to resume its hot-rolling lines. Posco's Pohang Works resumed production of slabs through the normal operation of a total of 5 units, including three blast furnaces and 2 FINEX units, the company said on 14 September. Offers were stable at \$605-630/t cfr Vietnam for Chinese SAE1006-grade coils. Major Vietnamese buyers were silent awaiting local mill Formosa Ha Tinh's new monthly offers before taking further actions. (Argus)

Turkish Scrap

Turkish deepsea import scrap market in buyer-seller standoff

Recyclers hold offer levels high on alternative demand

Mills wait for lower prices amid production cost uncertainty

Turkish import deepsea scrap prices remained stable on Sept. 14 as recyclers held back amid alternative demand, while mills continued to wait for lower levels amid slow finished steel demand. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$349.50/mt CFR Sept. 14, unchanged on the day. "Even if someone offered to us at \$330-\$340/mt CFR we would not buy, but there are no offers at that level anyway, they are much higher," one Turkish mill source said. "The difficulty is expecting what the production costs will be [into Q4 2022]." Turkey's Energy Market Regulatory Authority already raised electricity prices for industrial use by 50% from Sept. 1, while natural gas distributor Botas raised gas prices for industrial use by 50.8%. A second Turkish mill source cited an indicative workable level for US/Baltic-origin HMS 1/2 (80:20) around \$340/mt CFR. "US suppliers are currently not following the downtrend [in Turkey], but if they do, then the near-term price drop will be large, and if they hold back, then drop will be smaller," the same Turkish mill source added. A Turkish agent source said there were not any offers below \$350/mt CFR, citing a seller target for US-origin HMS 1/2 (80:20) at \$370/mt CFR, amid alternative demand. The agent said the US was unlikely to sell to Turkey when product could be sold to the US East Coast or elsewhere at \$360/mt. Recyclers were heard resisting dropping workable levels amid alternative demand for bulk cargoes from Southeast Asia and talk of interest from Latin America, while some also focused on lowering their collection costs. (Platts)

US HRC

The daily Platts TSI US hot-rolled coil index was assessed at \$805/st on an ex-works Indiana basis Sept. 14, unchanged from the previous assessment.

A trader source reported one mini-mill selling at \$810/st, while other mills were transacting at \$800/st. A Canadian service center also reported two transactions in the \$800-\$810/st range, each for 1,000 st, from separate Canadian mills. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	349.50	0.00	370.48
Steel Rebar FOB Turkey (\$/mt)	670.00	0.00	669.50
Argus HRC NW Europe (€/mt)	750.00	0.00	760.65
Argus FOB China HRC (\$/mt)	575.00	0.00	570.50

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-22	565	595	580
Oct-22	575	605	590
Nov-22	595	625	610
Q4-22	605	615	610
Q1-23	640	650	645
Q2-23	657	667	662

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Sep-22	360	370	365
Oct-22	340	350	345
Nov-22	350	360	355
Q4-22	348	358	361
Q1-23	356	366	361
Q2-23	359	369	364

LME REBAR FOB TK			
	Bid	Ask	Value
Sep-22	675	685	680
Oct-22	645	655	650
Nov-22	655	665	660
Q4-22	653	663	658
Q1-23	640	650	645
Q2-23	612	622	617

BUSHELING			
	Bid	Ask	Value
Oct-22	410	420	415
Nov-22	415	425	420
Dec-22	425	435	430
Q4-22	417	427	422
Q1-23	462	472	467
Q2-23	498	508	503

US HRC USD/short ton			
	Bid	Ask	Value
Sep-22	800	820	810
Oct-22	810	830	820
Nov-22	825	845	835
Q4-22	823	843	833
Q1-23	847	867	857
Q2-23	878	898	888

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-22	790	810	800
Oct-22	780	800	790
Nov-22	800	820	810
Q4-22	802	812	807
Q1-23	842	852	847
Q2-23	862	872	867

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