

21/09/2022**FOB China HRC**

The index fell by \$5/t yesterday (20.9.22) to US\$564/t, MTD US\$570.21/t.

Steel demand is expected to remain subdued ahead of US Federal Reserve's interests rate hike this week. Blast furnace steel mills in China were now operating at losses of around Yn300/t for HRC, and were trying to transfer the cost pressure to feedstock. Major sellers cut offers to equivalents of \$595/t fob China for SS400 HRC because of the falling Chinese domestic sales prices and sluggish seaborne buying. Only limited Vietnamese buyers expressing buying interest at \$565/t cfr Vietnam. Traders cut offers to \$582-600/t cfr Vietnam for Chinese SAE1006-grade coils and were more willing to negotiate prices for firm bids, Vietnamese participants said. Vietnamese mill Hoa Phat kept its November shipment monthly offers unchanged at \$595/t cif Vietnam for both SS400 and SAE1006 grades coils, inducing little buying interest. Weak buying from Europe also made Vietnamese buyers cautious about placing orders. (Argus)

EU HRC

Italy nudges up, north static Italian hot-rolled coil (HRC) prices nudged up yesterday on slightly higher import offers. The Argus daily Italian HRC index increased by €2/t to €761/t ex-works, while the cif Italy HRC assessment today edged up by €5/t to €690/t. The weekly cold-rolled coil (CRC) assessment was unchanged at €875/t ex-works Italy. The northwest EU HRC and CRC markers both were stable on quiet trade, with participants concerned about the prospect of the EU imposing sanctions on Russian slab. Buyers are trying to push down domestic offers, citing ArcelorMittal's reduction to its November offer. Buyers' price ideas in Italy were €720-750/t delivered. One German service centre said it was hoping to buy at €660/t for a large quantity of spot HRC, but this was way below offers, which remained more than €750/t. Another service centre said it was still easily possible to buy under old agreements at €740-750/t. The market has actually interpreted ArcelorMittal's new offer as either a €10/t rise on October deliveries, or €40/t down on previous November delivery targets. While it is indeed both, it is more testimony to the company admitting its €100/t increase for November was too ambitious. It does not appear that the producer has found acceptance, at least in Italy, at €800/t delivered levels. But new import offers were made today and on 19 September. A Japanese mill offered HRC for November shipment at \$730/t cif Italy and CRC at \$800/t cif. A South Korean supplier, surprisingly, has also come to the market with limited allocations, seeking €700/t cfr for HRC and €830-840/t cfr for CRC. Both of these mills' offers were deemed too high by buyers and most trading companies. Taiwanese HRC was heard to have booked to Antwerp at about \$710/t cfr late last week. Another Japanese mill today offered CRC in south Europe at €780/t cfr for December shipment. An Egyptian mill was heard to be offering HRC at \$700/t fob and at \$730/t cif. Turkish producers were at \$660-680/t fob. There were conflicting reports as to whether \$650/t fob would still be achievable. (Argus)

Turkish Scrap

Turkish deepsea scrap import prices remain sideways amid buyer-seller standoff

Turkish scrap prices stable

New EU booking closed

Turkish deepsea scrap import activity was slow as cautious and risk averse buyers were reluctant to book and scrap dealers were resisting further price cuts. Turkish scrap importers were reluctant to purchase premium quality heavy melting scrap above \$350/mt CFR amid uncertainties over the future energy cost and demand for finished steel. At the same time, scrap suppliers were looking for alternative markets or were not offering. A trader said that the scrap dealers were not "in a panic mood" to sell despite generally low demand. He believed that some buyers may still be willing to pay \$350-\$355/mt CFR for premium HMS 1/2 (80:20) but had doubt that the US sellers would be ready to lower their prices so much. The trader added that US scrap merchants were not making firm offers but were indicating some interest to sell at \$360-\$370/mt CFR Turkey. "If Turks can pay \$350-\$370/mt CFR there might be bookings but if not, suppliers will shift to other destinations," the trader said. According to one scrap seller, the offers for premium HMS 1/2 (80:20) cargoes should be minimum \$355/mt CFR Turkey considering that other markets are even higher. The only new deal reported on the day was still closed in the week to Sept. 16, while no later deals were heard by the market players. The deal was for Benelux-origin 18,000-20,000 mt HMS 1/2 (80:20) at \$344/mt Izmir. It also included 10,000-12,000 mt shred and 10,000 mt bonus, both at \$364/mt CFR. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	349.00	0.00	365.52
Steel Rebar FOB Turkey (\$/mt)	670.00	0.00	669.62
Argus HRC NW Europe (€/mt)	742.00	0.00	756.69
Argus FOB China HRC (\$/mt)	564.00	-5.00	570.21

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	345	355	350
Nov-22	350	360	355
Q4-22	350	360	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	655	665	660
Nov-22	652	662	657
Q4-22	652	662	657
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	790	810	800
Nov-22	800	820	810
Q4-22	798	818	808
Q1-23	838	858	848
Q2-23	878	898	888

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-22	790	810	800
Oct-22	760	780	770
Nov-22	780	800	790
Q4-22	780	790	785
Q1-23	807	817	812
Q2-23	857	867	862

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