

22/09/2022

FOB China HRC

The index fell by \$4/t yesterday (21.9.22) to US\$560/t, MTD US\$569.53/t.

The onshore exchange rate of the renminbi against the US dollar is down by about 10.7 percent this year to 7.05 as of 21 September, the lowest level since July 2020. The local government of Fengrun district in Tangshan city announced to extend local Covid lockdown restrictions till 23 September, dampening local demand further. A deal for small quantity of Chinese SS400 HRC was done at \$565-570/t fob China yesterday. Another deal for a small tonnage of Chinese SS400 HRC was concluded at \$567/t cfr Vietnam this week. That deal should be short selling by traders who expected prices to fall soon on scant buying and yuan depreciation, participants said. Offers were almost unchanged at \$590-600/t cfr Vietnam for Chinese SAE1006-grade coils, but sellers lowered sales prices to \$575/t cfr Vietnam for coils produced by an east China mill on sluggish buying. Offers were much higher at \$610-620/t cfr Vietnam for coils produced by a Japanese mill, and bids were at \$590-595/t cfr Vietnam. An Indonesian mill offered \$585/t cfr Vietnam for SAE-grade coils, but that was for coils with thickness at and above 2.1mm. (Argus)

EU HRC

Prices move in opposite directions European hot-rolled coil (HRC) prices yesterday moved sideways, as the market is still seeking direction, amid bearish demand projections, sluggish SSC activity and high production costs. The Argus daily Northwest EU HRC index moved up by €2.25/t to €744.25/t ex-works today. The Italian index fell by €8.50/t to €752.50/t ex-works. It is becoming clearer that SSCs are finding it hard to move material, with some market participants estimating a 30pc drop in order intake by certain SSCs this month. SSC stocks across Europe are reported to be still high and mills are not able to sell much material to them. Although some offers remain relatively firm, buyer bids are reported at €720-750/t ex-works in Italy, and there were reports today that bids for imported material at €670-680/t cfr to Asian suppliers had been withdrawn. Some bids were heard at €650/t cfr from SSCs today. Traders said that there are no buyers willing to pay €700/t cfr. Offers were heard as high as \$730/t cfr. Meanwhile, demand at €750/t ex-works Italy for anything but smaller lots was hard to find. That said, certain sellers have sold tiny lots at offer level for back-to-back business. Market participants have been wondering recently if northern EU mills are not exporting some material abroad, and there was talk that some sales might have been concluded into the US. Italian flat steel production dropped 31pc on the year in August, Italian steel association Federacciai said this week, to reach 378,000t. This is the lowest level on record. In comparison, German hot-rolled production is down only 4.3pc in August, German steel federation WV Stahl said today. (Argus)

Turkish Scrap

Turkish deepsea import scrap prices edge up

Baltic-origin deal booked Sept. 19 heard at \$350/mt CFR Iskenderun

Shortsea deals heard for Romanian A3 at \$334.50-\$335/mt CFR Turkish import deepsea scrap prices inched up Sept. 21 as sellers held firm in their target levels, while some buyers indicated slightly higher workable levels. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Sept. 21 at \$352/mt CFR, up \$3/mt day on day. A Baltic-origin cargo booked Sept. 19 by an Iskenderun mill was heard by Platts late Sept. 20, with HMS 1/2 (80:20) at \$350/mt CFR, but some mills said a higher workable level was possible Sept. 21. One Turkish mill source cited an indicative tradable value for Baltic origin HMS 1/2 (80:20) at \$350-\$352/mt CFR and for EU-origin HMS 1/2 (80:20) at \$345-\$350/mt CFR. "The Indian mills and Bangladesh paying more and have a more aggressive demand than Turkey," the mill source said. "I'm still expecting a drop in scrap prices in one-two months due to the high energy costs, although we can't project how it'll be in November and December." A second Turkish mill source said \$340-\$345/mt CFR was workable for EU-origin HMS 1/2 (80:20), and \$345-\$350/mt CFR for Baltic-origin HMS 1/2 (80:20). The second mill source said a seller target for US-origin HMS 1/2 (80:20) at \$375/mt CFR was too high. One Turkish agent source reported an indicative bid level for Baltic origin HMS 1/2 (80:20) at \$350-\$352/mt CFR but reported no offers. US recyclers reported alternative demand was heard to target prices close to \$370/mt CFR Turkey and above, making US-origin cargoes unviable for Turkish buyers. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	352.00	3.00	364.55
Steel Rebar FOB Turkey (\$/mt)	670.00	0.00	669.64
Argus HRC NW Europe (€/mt)	744.25	2.25	755.80
Argus FOB China HRC (\$/mt)	560.00	-4.00	569.53

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-22	565	595	580
Oct-22	570	600	585
Nov-22	585	615	600
Q4-22	595	605	600
Q1-23	635	645	640
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	355	365	360
Q4-22	352	362	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	668	678	673
Nov-22	665	675	670
Q4-22	664	674	669
Q1-23	648	658	653
Q2-23	620	630	625

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	785	805	795
Q4-22	783	793	788
Q1-23	807	817	812
Q2-23	857	867	862

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