

**26/09/2022****FOB China HRC**

The index rose by \$1/t last Friday (23.9.22) to US\$565/t, MTD US\$568.94/t.

China iron and steel association member mills' crude steel output rose to 2.145mn t/d during 11-20 September, up by 2.23pc from 1-10 September. Market talks emerged that Wu'an city in Hebei province was planning to roll out production restrictions for steel mills in October. The policy will depend on weather conditions in October, sources from both mills and trading firms said. Traders lifted offers by around \$5/t to \$585/t cfr Vietnam for SS400 HRC. Major seaborne buyers held bids unchanged at \$565-575/t cfr Vietnam. Around 20,000t Chinese SS400 HRC was sold at \$570/t cfr Vietnam earlier last week, but that level was no longer available after prices rose. Offers rose by around \$5/t to \$610-620/t cfr Vietnam for Chinese SAE1006-grade coils.

A Japanese mill kept offers unchanged at \$620/t cfr Vietnam, attracting little buying interest. South Korea's Posco may resume one of its hot-rolling lines in early October, and that may shrink its demand for imported coils. The steelmaker plans to start cold-rolled and some electric sheet operations this month while hot-rolled and plate factor operations are expected to start next month, it said last week. (Argus)

**EU HRC**

Market slips in sluggish trade European hot-rolled coil (HRC) prices slipped Friday during quiet activity. Argus' daily Italian HRC index fell by €4.25/t to €741.50/t ex-works, while the north European HRC index dropped by €1.50/t to €741.50/t. In Italy, mills were hungrier and ready to sell at €750- 760/t ex-works, with some offers coming in around €770- 780/t delivered north Italy. Some official offers were still €780-800/t ex-works, but buyers say this level is unworkable and prices would need to drop to closer to €700/t to attract interest. Transactions so far this month appear very scant.

"It is not easy for mills to fine-tune the price — if you decrease the price, you will reaffirm buyers' feeling and scare them; if you increase, you will stop the market," a market participant said. On the import side, there were reports that a Japanese mill was considering cutting offers back to previous levels, after it was unable to find demand in the market at higher prices this week. Some traders were pushing down on prices as well, offering lower to buyers to attract firm bids and go back to mills to negotiate the price further down. Cold-rolled coil offers were heard at €780-800/t cfr. Some sales have been reported concluded in this range. One offer was heard at €770/t cfr from an Asian supplier. One offer for HRC was heard at €690/t inclusive of duty.

End-users are still in a wait-and-see mode, expecting that the longer they wait, the lower prices will get. In northern Europe, sellers agreed the market was quiet, although some suggest they have slightly better order books than a few weeks ago, which was enabling them to be more patient. A mill-owned distributor said its parent company had made sales around €750/t in the past few weeks, so had less gaps in its rolling programmes than before. Activity picked up a touch in eastern Europe, meaning Visegrad-based producers were focusing on their local markets and offering less into the north. (Argus)

**US HRC**

Platts assessed the daily TSI US hot-rolled coil index at \$790/st on an ex-works Indiana basis Sept. 23, down \$10 from the previous assessment. A Southern service center source reported receiving an offer at \$800/st for 200 st. A source from a different service center indicated value in a range of \$780-\$800/st. Platts is part of S&P Global Commodity Insights. No data was excluded from the assessment. (Platts)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	325.50	2.50	362.89
Steel Rebar FOB Turkey (\$/mt)	675.00	0.00	670.31
Argus HRC NW Europe (€/mt)	741.50	-1.50	754.11
Argus FOB China HRC (\$/mt)	565.00	1.00	568.94

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	355	365	360
Oct-22	352	362	357
Nov-22	355	365	360
Q4-22	355	365	367
Q1-23	362	372	367
Q2-23	370	380	375

LME REBAR FOB TK			
	Bid	Ask	Value
Sep-22	675	685	680
Oct-22	660	670	665
Nov-22	659	669	664
Q4-22	660	670	665
Q1-23	648	658	653
Q2-23	620	630	625

BUSHELING			
	Bid	Ask	Value
Oct-22	410	420	415
Nov-22	405	415	410
Dec-22	405	415	410
Q4-22	407	417	412
Q1-23	417	427	422
Q2-23	445	455	450

US HRC USD/short ton			
	Bid	Ask	Value
Sep-22	800	820	810
Oct-22	755	775	765
Nov-22	750	770	760
Q4-22	750	770	760
Q1-23	749	769	759
Q2-23	744	764	754

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-22	790	810	800
Oct-22	730	750	740
Nov-22	740	760	750
Q4-22	745	755	750
Q1-23	775	785	780
Q2-23	805	815	810

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