

27/09/2022

FOB China HRC

The index fell by \$2/t yesterday (26.9.22) to US\$563/t, MTD US\$568.61/t. The central parity of Chinese yuan against the US dollar was reported at 7.0298 on September 26, down by 378 points, depreciating to the lowest since July 7, 2020, according to the announcement by China Foreign Exchange Trading Center. Beijing announced yesterday that it will extend the policy of zero purchase tax for new energy vehicles till 31 December 2023. The extension was expected and as a result had limited effect on steel market. An east China mill cut its offer by \$10/t to \$575/t fob China for SS400 HRC, while a north China mill cut its offer by \$5/t to \$600/t fob. Two other Chinese mills cut or kept offers unchanged at \$570/t and \$580/t fob China, respectively. Traders lowered sales prices to equivalents of \$550-560/t fob China, but seaborne buyers were reluctant to give bids amid the falling trend. Sellers lowered offers to \$590-600/t cfr Vietnam for SAE1006-grade coils from China and Taiwan, inducing limited bids at around \$585/t cfr Vietnam. A Chinese mill sold 15,000t SAE-grade coils at \$582/t cfr Vietnam last week, but that was for coils with thickness at and above 3.9mm. A Japanese mill sold around 20,000t SAE1006-grade coils at \$610/t cfr Vietnam last week, which was too high to be accepted by Vietnamese buyers now. (Argus)

EU HRC

North moves up as some mills make sales North European hot-rolled coil (HRC) prices nudged up yesterday as mills reported bookings at slightly higher levels, reducing some of the holes in their order books. Argus' daily northwest EU HRC index rose by €6.50/t to €748/t. Large producers reported sales as high as €770/t base parity for a few thousand tonnes, although some other producers were at lower levels for sales of dry DD11. A big German service centre said it booked at €730/t for November delivery, against offers as high as €760/t. Another large service centre group had offers at €790- 800/t delivered but has not negotiated against them yet. Buyers are, in the main, turning away from imports in favour of domestic material on shorter lead times. Some suggest that this could provide upside should there be any change in underlying demand that sees more buyers return to the table at the same time. But German service centres are mainly focused on reducing inventories rather than building them, given the weak macroeconomic backdrop. The Argus daily Italian HRC index held stable today at €741.50/t ex-works. At current HRC offers, steel service centres (SSCs) said they would need to raise sheet prices to a minimum of €890/t delivered levels, but the market is in some instances up to €50/t lower. (Argus)

Turkish Scrap

Turkish deepsea import scrap prices jump on fresh Benelux sale
Restocking to support firmer scrap prices in short term

Strong US dollar value may cap price upside Turkish import deepsea scrap prices rebounded Sept. 26 as sources reported a fresh Benelux-origin cargo in the market. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$365/mt CFR Sept. 26, up \$12.50 on the day. A Turkish mill reportedly booked a Benelux-origin cargo on Sept. 23, with HMS 1/2 (80:20) around \$360/mt CFR. An EU-based recycler cited an indicative tradable value for Benelux origin HMS 1/2 (80:20) at \$360/mt CFR, but noted very low availability. HMS collection prices in the Benelux region reportedly increased to Eur300-320/mt delivered to the dock, up from Eur285-300/mt heard the week ended Sept. 23. "I definitely see alternative outlets to Turkey, this is why Turkey is pretty precarious and insecure," the EU-based recycler added. A Turkish mill source cited an indicative workable level for US-origin HMS 1/2 (80:20) at \$365/mt CFR and higher, but added that they, along with a number of mills, would wait to buy this week. A second mill source cited an indicative workable level for Baltic origin HMS 1/2 (80:20) at \$360/mt CFR and US-origin material at \$375- \$380/mt CFR. "I expect scrap to increase on immediate term mill restocking demand and relatively balanced supply fundamentals," a Turkish agent source said. Sellside sources continued to cite higher target levels. A second Turkish agent source cited an indicative seller tradable value for US-origin HMS 1/2 (80:20) at \$375/mt CFR minimum and heard a reported offer for US-origin HMS 1/2 (80:20) at \$365/mt CFR for an HMS-only cargo. A third agent said \$365/mt CFR and higher was possible. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	365.00	12.50	363.01
Steel Rebar FOB Turkey (\$/mt)	675.00	0.00	670.59
Argus HRC NW Europe (€/mt)	748.00	6.50	753.75
Argus FOB China HRC (\$/mt)	563.00	-2.00	568.61

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-22	565	595	580
Oct-22	560	590	575
Nov-22	575	605	590
Q4-22	582	592	587
Q1-23	627	637	632
Q2-23	657	667	662

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Sep-22	355	365	360
Oct-22	360	370	365
Nov-22	359	369	364
Q4-22	359	369	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	757	777	767
Nov-22	750	770	760
Q4-22	751	771	761
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	750	770	760
Nov-22	760	780	770
Q4-22	765	775	770
Q1-23	782	792	787
Q2-23	805	815	810

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