

**29/09/2022****FOB China HRC**

The index fell by \$2/t yesterday (28.9.22) to US\$561/t, MTD US\$567.95/t.

Chinese currency accelerated to depreciate yesterday with its central parity rate against US dollar reported at 7.1107 on 28 September, down by 385 points, hitting the lowest since 2 June, 2020, according to Foreign Exchange Trade System. The off-shore exchange rate of the renminbi against USD fell to 7.23 on 28 September, hitting the lowest level since January 2008.

Traders cut offers to \$575/t cfr Vietnam for SS400 HRC. Major Chinese mills kept offers unchanged at and above \$575/t fob China. Vietnamese buyers bid at \$565/t cfr Vietnam at mos. Deals for Chinese SS400 HRC were heard concluded at \$565/t cfr Vietnam this week, but no further details could be confirmed. Most seaborne buyers from other countries were silent, fearing a further price fall soon.

A large Chinese mill cut its offer to \$590/t cfr Vietnam for SAE1006-grade coils, while sellers also lowered offers to \$585-600/t cfr Vietnam for SAE-grade coils from other Chinese mills. Vietnamese buyers expressed no buying interest for all those offers as they expected a further price fall from China and other countries in weak regional demand and continuous currency depreciation. (Argus)

**Turkish Scrap**

Turkish deep sea import scrap prices dip on fresh deals

Fresh US deals heard below \$370/mt CFR

Shortsea scrap prices drop in line

Turkish import deep sea scrap prices softened slightly Sept. 28, with two further US-origin cargoes heard in the latest bout of restocking, sources said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Sept. 28 at \$368.50/mt CFR, down \$3.50. A US-origin deal was heard by multiple sources to have been booked Sept. 27 by a Marmara mill, with HMS 1/2 (80:20) at \$369/mt CFR. The same mill was also heard to have booked a second US-origin deal Sept. 27, with HMS 1/2 (90:10) put around \$370-\$371/mt CFR. "The number of sellers increased now, so maybe they can sell at slightly below \$370/mt CFR Turkey," one Turkish agent source said. One Turkish mill source cited indicative offers for US-origin HMS 1/2 (80:20) at \$375/mt CFR, but cited no interest at this level.

Turkish producers are also expecting another near-term hike in natural gas prices and thus mill production costs, with the aforementioned mill source expecting a 15%-30% increase Oct. 1. Other mill sources expect any gas price hike to take place in November, however, but the expected increase may cause some mills to hold back from scrap purchasing until their costs are clearer. A second mill source said \$365/mt CFR was workable for Baltic origin HMS 1/2 (80:20) and cited an indicative offer for US-origin HMS 1/2 (80:20) at \$380/mt CFR. (Platts)

**EU HRC**

Markets diverge European hot-rolled coil (HRC) prices diverged yesterday, with the northwestern market firming further and Italy slipping slightly. Argus' daily northwest EU HRC index rose by €11.50/t (\$11.39/t) to €762.50/t, while the Argus daily Italian HRC index today edged down by €2/t to €746.50/t ex-works. In Italy several service centres said they do not need to buy any coils for the rest of the year, as have some pipemakers, as they need to reduce inventories and at lower average prices. There were reports of sheet prices available by certain mills at €830/t delivered. Yesterday a seller said they were quoting HRC at this price, but their offers were heard lower from the market too, as were their sheet prices. An offer was heard from Vietnam at \$700/t cfr Europe. There were again reports of Japanese and South Korean material being offered at €670-680/t cfr Italy, and cold-rolled coil (CRC) at €750/t cfr — these were heard as offered by traders with short positions. A South Korean HRC offer was heard at \$700-710/t cfr too today. (Argus)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	368.50	-3.50	363.78
Steel Rebar FOB Turkey (\$/mt)	682.50	2.50	671.71
Argus HRC NW Europe (€/mt)	762.50	11.50	754.07
Argus FOB China HRC (\$/mt)	561.00	-2.00	567.95

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-22	565	595	580
Oct-22	555	585	570
Nov-22	575	605	590
Q4-22	580	590	585
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	356	366	361
Q4-22	357	367	355
Q1-23	350	360	355
Q2-23	343	353	348

LME REBAR FOB TK			
	Bid	Ask	Value
Sep-22	675	685	680
Oct-22	670	680	675
Nov-22	659	669	664
Q4-22	663	673	668
Q1-23	648	658	653
Q2-23	620	630	625

BUSHELING			
	Bid	Ask	Value
Oct-22	395	405	400
Nov-22	405	415	410
Dec-22	410	420	415
Q4-22	403	413	408
Q1-23	417	427	422
Q2-23	438	448	443

US HRC USD/short ton			
	Bid	Ask	Value
Sep-22	789	809	799
Oct-22	775	795	785
Nov-22	760	780	770
Q4-22	768	788	778
Q1-23	792	812	802
Q2-23	815	835	825

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

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](http://freightinvestorservices.com)