

30/09/2022**FOB China HRC**

The index was stable yesterday (29.9.22) at US\$561/t, MTD US\$567.62/t.

HRC inventory held by traders and mills decreased by over 110,000t this week against a decline of 20,000t last week. But sentiment was not boosted by the data, as the decline was within market expectations since buyers usually book actively ahead of holidays. The seaborne market was quiet with no changes in offers as some market participants have already gone on holiday. Most mills or traders had stopped quoting as a result. Talks emerged that a large China mill had an offer at \$555/t fob China for SS400 HRC, but most participants were skeptical about that level, citing that the price was too low and only another smaller mill in north China was willing to sell at \$555/t fob China given its low domestic sales prices. Vietnamese buyers were silent, with offers stable at \$585-595/t cfr Vietnam for Chinese SAE1006-grade coils. Talks that an Indian mill sold SAE-grade coils at \$590/t cfr Vietnam this week were met with skepticism, as the market said that Indian mills were absent from the Vietnamese market. (Argus)

EU HRC

Prices fall on weak demand North European hot-rolled coil (HRC) prices fell yesterday as larger service centres continued to fight for tonnes. One producer reported sales around €750/t on an index equivalent basis, while another said bids were at a maximum of €760/t delivered from German buyers. There was so much stock in the system that there was no difficulty finding tonnages. Service centres could source sufficient material from their competitors to avoid buying larger cargoes from mills, if they had any holes in their inventories — but none appeared to have stock-outs, with too much material on the ground. Competition was fierce in the cut-to-length market, given high stock levels. A German service centre reported offers from Turkey just below €700/t cfr excluding duty, which it said was too high compared with domestic offers. A Visegrad-based mill was offering sheet at €800/t delivered, base coil-equivalent, but service centre sources said today this was too high. Argus' daily northwest EU HRC index slipped by €10.50/t to €752/t, after rising by €11.50/t on Wednesday. The Argus daily Italian HRC index fell by €3.25/t to €743.25/t ex-works today, while the twice-weekly cif Italy assessment fell by €15/t today to €680/t. A Japanese mill lowered prices this week to \$700/t cif Italy, with expectations it would be willing to accept \$680/t levels. Korea last closed sales below €700/t cif Italy and bids were at \$650/t cfr today. (Argus)

Turkish Scrap

Turkish deepsea import scrap prices remain rangebound

Restocking continues amid fresh Baltic deal

Alternative Indian bulk demand continues

Turkish import deepsea scrap prices remained largely rangebound on Sept. 29 as restocking continued, sources said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$368/mt CFR Sept. 29, down 50 cents on the day. A reported Baltic-origin deal was heard booked Sept. 28 with HMS 1/2 (80:20) below \$370/mt CFR Turkey. Some market sources said the deal level was around \$366-\$367/mt CFR, but this could not be confirmed by the 4:30 pm UK pricing deadline. "There is not much room for the scrap market to go up, and not much room for suppliers to accept lower — scrap is moving in a relatively tight spread between \$340—\$350/mt CFR where buyers return, and \$380-\$390/mt CFR, when scrap demand drops," a UK based trader said. A US-based supplier reported a US-origin bulk sale booked Sept. 28 at \$428/mt CFR Chennai for a mixed shredded and PNS cargo, highlighting the strong demand for higher quality cargoes in India. "Alternative destinations like India have demand, but they tend to enter the market more when Turkey is absent, and they tend to pull back when the Turks enter," a Turkish trader said, adding that mills were seeking premium HMS 1/2 (80:20) at \$365-\$370/mt CFR and were not keen to go above this level. The same trader said sellers were aiming for \$370-\$375/mt CFR, with Benelux-origin HMS 1/2 (80:20) workable at \$360-\$364/mt CFR. Turkish mills were heard still seeking some end-October shipments and early November shipments but were expected to wait before procuring later November shipment cargoes amid expectations of a natural gas price hike in either October or November, which would increase mill production costs. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	368.00	-0.50	363.99
Steel Rebar FOB Turkey (\$/mt)	682.50	0.00	672.25
Argus HRC NW Europe (€/mt)	752.00	-10.50	753.96
Argus FOB China HRC (\$/mt)	561.00	-2.00	567.62

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

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