

**13/10/2022****FOB China HRC**

The index fell by \$4/t yesterday (12.10.22) to US\$555/t, MTD US\$560.13/t.

China's excavator sales increased by 5.49pc on the year to 21,181 units in September, but total January-September sales fell by 28.3pc on year to 200,292 units, China construction machinery association data showed.

Major Chinese mills held offers unchanged at \$570-595/t fob China for SS400 HRC. Some traders actively cut offers to \$550/t cfr Vietnam. But only few Vietnamese buyers expressed buying interest at \$545/t cfr Vietnam. Some sellers were heard inviting bids at \$570/t cfr Africa for SS400 HRC. But that level was too low to represent the mainstream market as major sellers were reluctant to take orders at that level.

Offers decreased to \$585/t cfr Vietnam for Chinese SAE1006-grade coils. Traders were willing to sell SAE-grade coils produced by a Japanese mill at \$575-580/t cfr Vietnam, although the mill officially were reluctant to take orders below \$590/t cfr Vietnam. A Taiwanese mill also lowered offers to \$590-595/t cfr Vietnam. All those offers were far above indications from Vietnamese buyers. Demand was so weak that Vietnamese mill Hoa Phat was pushed to cut its domestic sales prices for its products, including pipes and tubes, a Vietnam-based trader said. (Argus)

**EU HRC**

Sentiment continued to deteriorate in the European coil market yesterday, as mills aggressively sought to book orders amid weak demand and lower gas costs. Argus' daily northwest EU hot-rolled coil index dropped to €690.50/t today, down by €18.50/t and below €700/t for the first time since 13 January 2021. The Italian index slipped by €6.50/t to €711.50/t under the weight of northern offers. Offers from north European producers into the south were around €700/t delivered, and in some cases below. One mill said it had sold around €710/t base into Italy, while buyers said they were getting offers that were closer to €650/t on an ex-mill basis. A central European trader said buyers were holding out for €650/t delivered, closer to import parity levels. While northern offers were impacting sentiment, with buyers using them and expectations of further declines as leverage with local producers, demand for deliveries over the rest of this year was scant.

Even the smallest buyers were seeking €730/t delivered prices from Italian producers, which have some October deliveries available, as well as full November and December availability. Offers from elsewhere in Europe were around €700/t delivered. In the import market, bids from bigger buyers were around €620/t cif, although they were not accepted. A Japanese mill was willing to accept \$650/t (€669/t) cfr today. Turkish offers were tabled at \$660/t fob, which was unworkable.

Turkish cold-rolled coil was also offered at \$760-780/t fob, which was again uncompetitive. One north European mill account manager said a competitor was "begging" a customer to take an order by reducing prices just hours after submitting its initial offer. Warehouses in the Hagen area of Germany, where a number of cold-rollers and service centres are located, remain very full, predominantly with material stored by steelmakers. This explains the reluctance of north European buyers to take tonnes at present. Contractual-focused buyers said they were anticipating €200/t declines in January-June contracts, from levels around €1,000/t, given the severe contraction in spot prices of recent months. On the CME Group's north European hot-rolled coil futures contract, January-June traded at €730/t today in the brokered market, but only for 1,800t. December traded at €690/t, while November traded down to €683/t, before a November-December strip later traded at €685/t. Prices also slipped on screen, with February, March and April trading €10/t, €15/t and €20/t lower, respectively. (Argus)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	372.00	0.00	371.03
Steel Rebar FOB Turkey (\$/mt)	695.00	0.00	692.50
Argus HRC NW Europe (€/mt)	690.50	-18.50	727.69
Argus FOB China HRC (\$/mt)	555.00	-4.00	560.13

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-22	558	588	573
Nov-22	550	580	565
Dec-22	560	590	575
Q4-22	566	576	571
Q1-23	587	597	592
Q2-23	610	620	615

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-22	362	372	367
Nov-22	350	360	355
Dec-22	352	362	357
Q4-22	355	365	361
Q1-23	356	366	361
Q2-23	355	365	360

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-22	682	692	687
Nov-22	660	670	665
Dec-22	658	668	663
Q4-22	667	677	672
Q1-23	653	663	658
Q2-23	648	658	653

BUSHELING			
	Bid	Ask	Value
Nov-22	370	380	375
Dec-22	375	385	380
Jan-23	385	395	390
Q1-23	390	400	395
Q2-23	432	442	400
Q3-23	475	485	415

US HRC USD/short ton			
	Bid	Ask	Value
Oct-22	740	760	750
Nov-22	695	715	730
Dec-22	690	710	740
Q4-22	708	728	718
Q1-23	718	738	760
Q2-23	762	782	795

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-22	690	710	700
Nov-22	665	685	675
Dec-22	675	695	685
Q4-22	682	692	687
Q1-23	700	710	705
Q2-23	733	743	738

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