

**17/10/2022****FOB China HRC**

The index fell by \$3/t last Friday (14.10.22) to US\$550/t, MTD US\$558.40/t.

A Chinese mill was willing to receive SS400 HRC orders at \$550/t fob China, although other major mills were silent. Traders lowered offers to \$550-558/t cfr Vietnam. Only a few Vietnamese buyers bid at \$545/t cfr Vietnam. Some Chinese HRC mills were now operating at Yn50-100/t losses while others were just at breakeven level.

Vietnamese mill Formosa Ha Tinh cut its December shipment monthly offers to \$593-597/t cif Vietnam for SS400 and SAE grades coils, citing weak steel demand and currency depreciation. Those levels were not competitive as other sellers were willing to take orders lower at \$580-590/t cfr Vietnam for SAE1006-grade coils from China and Japan. (Argus)

**Turkish Scrap**

Turkish deepsea import scrap market quiet as mills pull back

Shortsea scrap prices drop

Market participants expect near-term softening

The Turkish import deepsea scrap market remained bearish Oct. 14 as Turkish buyers held back in search of lower prices. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Oct. 14 at \$369.50/mt CFR, down 50 cents/mt day on day. "The Turks are not stressed about buying, while slow scrap inflows are holding up the price, and bulk freights are also up, so it's a difficult situation — we're seeing a bit of a squeeze," a Baltic recycler said, citing an indicative tradable value for Baltic-origin HMS 1/2 (80:20) at \$365/mt CFR, with \$370/mt CFR considered difficult to achieve. Platts assessed the dry bulk Supramax freight rate for the Riga Latvia-Aliaga Turkey route for 35,000 mt at \$37/mt on Oct. 14, up from \$35.25/mt one week ago Oct. 7.

A Turkish agent source also cited an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) around \$365/mt CFR. "There is no dynamic for scrap prices to go up based on rising energy prices in the Turkish domestic market, and maybe the same for the opposite side," a Turkish mill source said, citing an indicative tradable value for premium HMS 1/2 (80:20) around \$370/mt CFR. "For Turkey, I expect more production and capacity cuts in the coming months." A second Turkish mill source saw no price movement Oct. 14 but expected prices for US/Baltic-origin HMS 1/2 (80:20) to fall below \$370/mt CFR during the week starting Oct. 16. A second Turkish agent source cited an indicative seller tradable value for premium HMS 1/2 (80:20) at \$370/mt CFR minimum but expected prices to fall into the \$350-\$360/mt CFR range in the near term. (Platts)

**EU HRC**

Northern mills continue to eye south European hot-rolled coil (HRC) prices continued to fall Friday, as hungry northern European producers tried to sell into the south at below €700/t delivered. Mills throughout northern Europe have been trying to quietly sell volumes into Italy and Spain to reduce their surpluses without cannibalising domestic indexes. But the sales and offers have come to light, exerting pressure on indexes across the continent. In such a quiet market, the mills would typically look to overseas sales to try and shore up the supply-and-demand balance, but their export opportunities have been fined down by anti-dumping duties in Turkey and their high-cost base relative to other bulk exporters.

Buyers today reported purchases at as low as €650/t exworks from northern mills, while producers said they were still selling at about €700/t. Argus' daily northwest EU HRC index dropped by €9.75/t to €682.50/t, while the daily Italian index dropped by €1.25/t to €705/t, leaving the discount for north Europe at €17.50/t. While import offers look attractive on paper, few buyers are interested because of the longer lead times for third country material and the risk of further price falls given the low demand and aggressive outsell prices for sheet. German service centres said their stocks remain too high, but they are mainly automotive-linked, meaning they still have to procure commodity grades for other buyers. Some distributors are not making their monthly purchases given the high stock levels and low demand. (Argus)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	369.50	-0.50	370.78
Steel Rebar FOB Turkey (\$/mt)	690.00	0.00	692.00
Argus HRC NW Europe (€/mt)	682.50	-9.75	719.63
Argus FOB China HRC (\$/mt)	550.00	-3.00	558.40

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-22	558	588	573
Nov-22	540	570	555
Dec-22	560	590	575
Q4-22	563	573	568
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	655	665	660
Dec-22	658	668	663
Q4-22	665	675	670
Q1-23	653	663	658
Q2-23	648	658	653

BUSHELING			
	Bid	Ask	Value
Nov-22	370	380	375
Dec-22	365	375	370
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	705	725	730
Dec-22	700	720	740
Q4-22	715	735	725
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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