

18/10/2022**FOB China HRC**

The index fell by \$3/t yesterday (17.10.22) to US\$547/t, MTD US\$557.36/t.

“China will actively and prudently push forwards the goals of reaching peak carbon emissions and carbon neutrality,” Chinese president Xi Jinping said at the 20th congress of the Chinese Communist Party in Beijing on 16 October. China will use coal in a cleaner and more efficient way and speed up the planning and development of a system for new energy resources, Mr Xi added. A large Chinese mill cut its offer to \$555/t fob China for SS400 HRC on falling domestic sales prices and lukewarm demand. The mill was heard may have sold HRC at \$555/t fob China to South Korea last week, but no further details could be confirmed. Deals for small quantity of SS400 HRC produced by a north Chinese mill were concluded at \$560-570/t cfr South Korea last week. Japanese HRC was heard offered at \$560/t cfr South Korea, leaving South Korean buyers more pessimistic on price trend in the short term. A mill in east China decreased its offer by \$5/t to \$565/t fob China. Traders sold some Chinese SS400 HRC at \$545-550/t cfr Vietnam late last week, but those levels were too low to represent the mainstream market levels. Most sellers were silent on SAE-grade coils in Vietnam given the large spread between offers and bids, citing that the lowest sales prices for Chinese SAE-grade coils should be around \$570/t cfr Vietnam. Vietnamese mill Formosa Ha Tinh’s offers at \$593-597/t cif Vietnam attracted little buying interest. (Argus)

EU HRC

Northern hunger hits Italy Italian hot-rolled coil (HRC) prices slumped yesterday under the weight of lower offers from northern European producers. Argus’ daily Italian HRC index dropped by €22.50/t (\$22.14/t) to €682.60/t ex-works, while the daily northwest EU HRC index dropped by €6/t to €676.50/t. News of lower-priced northern European offers proliferated the Italian market today, dampening sentiment. Buyers have reported offers of €690/t delivered and below, eroding the ability of local mills to stay above €700/t. Buyers of even medium-size volumes say their target prices would be a maximum of €650/t ex-works. Mills say bids at these levels and up to €660/t ex-works have been submitted, while sellers look for higher prices. The lack of appetite and empty order books mean mills will likely engage with such bids. Transactions have been extremely thin and November deliveries are available in Italy. In addition, there are expectations that import prices will fall further this week. Many were looking to China and signs of a boost to the economy during the National Congress, but so far policies have been underwhelming. And delays to the release of key Chinese economic data spooked some in Europe. Unless there is news to boost market sentiment, some expect bids from the largest of Italian buyers to drop further by the end of the week, closer to €600/t cfr and even under. An offer for Asian-origin material was heard at €640/t cfr Italy. Some expect Japan to offer at €650/t cfr tomorrow and bids were heard at €600-620/t cfr. Traders said interest at even €630/t cfr from the largest buyers is absent. An offer was heard from Turkey at €750/t cfr duty paid, which was way above competitors. If European mills are unwilling to compete with import prices, importers will take a larger share of first-quarter volumes, a market participant said. Expectations are that more material will be arriving in the EU from imports later in October and also in the first half of December. (Argus)

Turkish Scrap

Turkish deepsea scrap softens slightly in quiet market

Turkish HMS prices inch down

Suppliers resist deeper price cuts

Scrap demand still slack

Turkish deepsea imported scrap pricing softened amid slack demand Oct. 17 but deeper price reduction was resisted by suppliers, who look at other markets for more attractive pricing, sources said. One US supplier was offering HMS 1/2 (90:10) \$372/mt CFR Turkey and was hoping to get \$370/mt CFR but no deal was confirmed and Turkish buyers were holding back from placing new orders for deepsea scrap, several sources said. “[Buyers] don’t know yet next levels for natural gas and electricity. They don’t know how to calculate cost and especially rebars are in a declining mood,” an agent source in Turkey said. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	367.50	-2.00	370.48
Steel Rebar FOB Turkey (\$/mt)	682.50	-7.50	691.14
Argus HRC NW Europe (€/mt)	676.50	-6.00	715.70
Argus FOB China HRC (\$/mt)	547.00	-3.00	557.36

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	653	663	658
Dec-22	658	668	663
Q4-22	664	674	669
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	720	740	730
Dec-22	715	735	740
Q4-22	725	745	735
Q1-23	727	747	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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