

**19/10/2022****FOB China HRC**

The index fell by \$1/t yesterday (18.10.22) to US\$546/t, MTD US\$556.42/t.

Some steel mills in Shanxi province suspended blast furnace operations in recent two weeks because of losses amid soft demand and short supplies of raw materials as local Covid control measures slowed transportations. Shanxi mills' current outputs are around 75pc of capacity, participants estimated. A large Chinese mill cut its offer to \$565/t fob China for SS400 HRC after staying away from the market last week. Another mill in north China offered SS400 HRC at \$548-550/t fob China. Some Chinese mills may consider taking orders at around \$545/t fob China as most seaborne buyers were silent, fearing a further price fall. Traders actively lowered offers by around \$5/t to \$545/t cfr Vietnam on scant buying, inviting bids at \$535/t cfr Vietnam. Vietnamese local selling prices for SS400 HRC was at an equivalent of around \$529/t cif Vietnam, leaving Vietnamese buyers to be reluctant to import coils above the level. A deal for around 5,000t Japanese SAE1006-grade coils were sold at \$570/t cfr Vietnam this week. That level remained acceptable by some Japanese mills, but Vietnamese buyers lowered bids to \$565/t cfr Vietnam. Traders offered \$570/t cfr Vietnam for Chinese SAE-grade coils and would consider selling at \$560/t cfr Vietnam. But Vietnamese buyers held a cautious attitude given the falling trend. (Argus)

**EU HRC**

Low demand continues to weigh European hot-rolled coil (HRC) prices edged lower again yesterday as mills chased supply but with little success. Large southern European buyers were receiving offers at around €660/t on a delivered basis from throughout Europe, although smaller local buyers were receiving quotes closer to €700/t ex-works. Japanese material was offered into Antwerp at €650/t fca, but buyers were deterred from purchasing by the February delivery date and uncertainty over the direction of future prices. In the hot-dip galvanised market, offers have slipped back to €800-825/t on a delivered basis. Inventories remain comparatively high throughout the supply chain and service centres are trying to reduce stocks ahead of year end. Sources on the buy and sell sides concurred that producers needed to take more material off line to reduce the surpluses in the market. The Argus daily northwest Europe HRC index dropped to €661.75/t today, down by €14.75/t on the day, while the daily Italian index slipped by €1.75/t to €680.75/t ex-works. The twice weekly cif Italy HRC assessment fell by €10/t to €650/t, while the weekly cold-rolled coil (CRC) assessment fell by €15/t to €810/t ex-works. Offers are around €700/t ex-works and slightly lower for large volumes, heard at €700-720/t delivered from Italian mills, although market participants expect that €675-680/t ex-works would be workable for mills for more significant tonnage. (Argus)

**Turkish Scrap**

Turkish deepsea imported scrap prices inch down amid thin trading bearish mood

No new deepsea deals to Turkey

Suppliers reluctant to slash offers

Turkish buyers wait

Turkish deepsea imported scrap prices inched down Oct. 18 amid thin trading and the dominating bearish sentiment in the market, sources said. Despite the pressure from Turkish buyers, deeper price cuts from premium scrap supplier were not confirmed as sellers would not go down for Turkish buyers and higher price levels were still possible in other markets. An Australian sale of 25,500 mt heavy melting and 4,500 mt bonus scrap to Bangladesh was reported by some markets watchers. The price for HMS was \$420/mt CFR Bangladesh, which according to a trader equated to \$370/mt CFR Turkey. However, indications from Turkish buyers were significantly lower. A Turkish trader said that mills were already looking for prices below \$360/mt CFR Turkey for premium HMS 1/2 (80:20). This would not work for scrap suppliers but perhaps \$365/mt CFR Turkey may be negotiable already, the trader added. The demand for deepsea scrap material was lower than normal and most buyers concentrated their purchases on smaller lots from domestic or shortsea suppliers, who could not easily divert from the Turkish market to other regions. A Turkish rebar producer said he had not given a bid for scrap because he did not see demand for his finished products. He expected scrap prices to soften further. An EU scrap supplier expected deals to close at around \$360/mt CFR Turkey for EU-origin heavy melting scrap. A trading source was unsure whether the EU suppliers would be willing to sell at \$360/mt CFR. He explained that the firm collection prices and the skyrocketing logistic costs were playing against further export price erosion. (Platts)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	366.00	-1.50	370.10
Steel Rebar FOB Turkey (\$/mt)	677.50	-5.00	690.00
Argus HRC NW Europe (€/mt)	661.75	-14.75	711.21
Argus FOB China HRC (\$/mt)	546.00	-1.00	556.42

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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