

21/10/2022**FOB China HRC**

The index was flat yesterday (20.10.22) at US\$545/t, MTD US\$554.79/t.

Some steel mills in Handan, Hebei were required to cut sintering output by nearly half over 19-22 October but the effect on steel production still does not appear significant, participants said. HRC inventory held by trading firms fell by more than 40,000t this week, while stockpiles at mills picked up production. The decline in trading companies' inventories was within expectations, but the unexpected production increase weighed on market sentiment, participants said.

The lowest sales prices for Chinese mills were at around \$545-550/t fob China for SS400 HRC, which were far above buyers' acceptable levels. Market sentiment was so low that customers would not risk placing orders, while mills from Japan and South Korea were also selling at competitive levels in the domestic and seaborne markets, putting more pressure on Chinese mills.

Offers were unchanged at \$570/t cfr Vietnam for SAE1006-grade coil from China, Japan and Taiwan. Vietnamese buyers expressed no buying interest at sales prices at \$550/t cfr Vietnam for SAE-grade coils produced by a large Chinese mill as they expected a further price fall soon amid lukewarm international demand. (Argus)

Turkish Scrap

Turkish deepsea scrap imports at standstill as neither buyers nor sellers move

HMS prices keep flat

Suppliers reluctant to lower offers

The Turkish heavy melting scrap import market remained quiet Oct. 20 due to a lack of interest from buyers and resistance from suppliers to also involve working with partners. "We want to decarbonize the steel value chain inside and outside our plant boundaries," said Arnd Köfler, chief technology officer of Thyssenkrupp Steel. "We are setting up our own production with low CO2 emissions through a combination of direct reduction plants with innovative melters. In addition, we are working with many partners to make steel lower in CO2 across the board." As part of its tkH2Steel project, Thyssenkrupp Steel's coal-based blast furnaces will be replaced by hydrogen-powered direct reduction equipment. The iron produced by this equipment, directly reduced by hydrogen, will be liquefied in downstream, specially developed melting units to produce high quality hot metal, in what Thyssenkrupp maintains is a pioneering process. All subsequent production steps can take place in the existing plant structure, including the steel mills, allowing all the company's products to be produced with low CO2 emissions, it said. Thyssenkrupp recently released equity funds for construction of a first direct reduction plant at its Duisburg site, as part of an investment of more than Eur2 billion (\$1.96 billion) in its "green transformation," it said. The state government of North Rhine-Westphalia also intends to fund the project with an amount "in the mid three-digit millions," according to the steelmaker. (Platts)

EU HRC

North nudges higher, trade scant North European hot-rolled coil (HRC) prices nudged higher yesterday as mills managed to close some local bookings at slightly higher levels. Demand remained limited given ample inventories, but producers reported sales around €680/t and slightly higher for very minimal tonnages, while traders reported bookings at €650-670/t levels. Import offers for HRC into Antwerp remain uninteresting given the small gap to domestic levels. Asian material was heard at €650/t fca. Into Italy, Asian HRC was quoted around €620/t cif for big buyers, who were still bidding even lower.

One seller said traders were bidding at "highly speculative" levels for local tonnage given the mills' struggle to sell material. As well as reducing their offers into southern Europe in recent days, mills have been targeting external countries with duties applicable, such as Turkey, despite having to compete with Russian and Asian producers with lower cost bases. Argus' daily north-west EU HRC index nudged up by €6.50/t today to €667/t, while the Italian index was static at €679.25/t ex-works. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	364.00	0.00	369.23
Steel Rebar FOB Turkey (\$/mt)	670.00	2.50	686.96
Argus HRC NW Europe (€/mt)	667.00	6.50	704.43
Argus FOB China HRC (\$/mt)	545.00	0.00	554.79

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-22	558	588	573
Nov-22	530	560	545
Dec-22	535	565	550
Q4-22	551	561	556
Q1-23	558	568	563
Q2-23	598	608	603

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-22	359	369	364
Nov-22	352	362	357
Dec-22	351	361	356
Q4-22	354	364	358
Q1-23	353	363	358
Q2-23	355	365	360

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-22	682	692	687
Nov-22	643	653	648
Dec-22	640	650	645
Q4-22	655	665	660
Q1-23	633	643	638
Q2-23	620	630	625

BUSHELING			
	Bid	Ask	Value
Nov-22	365	375	370
Dec-22	375	385	380
Jan-23	385	395	390
Q1-23	390	400	395
Q2-23	418	428	423
Q3-23	472	482	477

US HRC USD/short ton			
	Bid	Ask	Value
Oct-22	745	765	755
Nov-22	720	740	730
Dec-22	705	725	715
Q4-22	723	743	733
Q1-23	723	743	733
Q2-23	762	782	772

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-22	690	710	700
Nov-22	640	660	650
Dec-22	655	675	665
Q4-22	667	677	672
Q1-23	688	698	693
Q2-23	733	743	738

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