

24/10/2022**EU HRC**

Prices slip again European hot-rolled coil (HRC) prices continued to nudge lower Friday amid lethargic trade. The daily Italian HRC index slipped by €3.50/t to €675.75/t ex-works, while the daily northwest EU HRC index dropped by €1.50/t to €665.60/t. Italian sheet prices continue to fall, with some prices reported today at €750-760/t delivered, with coils slipping under the €700/t delivered mark. There is reluctance to buy even at €660/t ex-works levels, according to some buyers; such levels appear workable for some sellers. "For sure, mills are suffering from a lack of orders, and dropping or lowering the price will not solve the problem," a market participant said. Two Italian producers are stopping production — Marcegaglia for 10 days in November and Arvedi for 2-3 weeks in December.

This could boost sentiment somewhat, some have suggested. But market participants say there is zero interest in buying for delivery until the end of this year. Import prices are \$620-640/t cfr, and up to \$650/t from some suppliers out of Asia, whereas Turkish mills are too high out of the market. In north Europe, some producers said they were still able to achieve €700/t, but others said the level had disappeared amid anaemic service centre demand. Given the amount of spontaneous offers they were receiving, and the short lead times and high stock levels, most service centres were in no rush to place tonnes. But distributor stocks are returning to more normal levels, according to data from German distributors' association BDS. Those reporting to the association had 2.6 months of inventory, based on September sales levels, according to the latest data. Flat stocks fell to 1.358mn t, their lowest level since December 2021. (Argus)

Turkish Scrap

Turkish deepsea scrap import hiatus continues as market waits for new deals
Stand-off between buyers and sellers continues
Price sentiment negative on weak steel demand
Scrap suppliers remain firm

Turkish deepsea scrap import was quiet on Oct. 21 as market players reported no new bookings on the day amid the persistent stand-off between buyers and sellers. The price indications shared by several market participants were either staying stable or slowly coming down. The prices for premium HMS 1/2 (80:20) reported by sources ranged from below \$360/mt to \$367/mt CFR Turkey, depending on the origin, but no deals were fixed. New deals may happen soon, following more than a week of hiatus in the trading activity, a market observer said. A trader said that Turkish steelmakers would need to book some scrap cargoes very soon after some rebar sales in the domestic market closed recently. The trader added that most scrap suppliers were stayed firm during the week and refused to slash offers for Turkish buyers, which explained the lack of deals.

He said that high logistic cost, high collection prices and alternative export outlets were behind the sellers' firmness on the price. A Turkish mill source said that Turkish scrap importers may wait even longer than normal before they start to book deepsea scrap again. "This time there is really no [finished products] demand around," he added. Even \$360/mt CFR for US-origin HMS 1/2 (80:20) was not workable for buyers, the mill source said. Another Turkish steel producer said the market continued to be "very weak." He suspended his deepsea scrap purchases and was considering shortsea scrap from the Balkan region instead. The shortsea offers were pegged at \$335/mt CFR Turkey, he added. According to a Balkan scrap supplier, the workable prices for shortsea material stayed around \$340/mt CFR Turkey, possibly slightly lower but resisting lower demands from Turkish buyers due to the strong domestic markets in Bulgaria, Greece and Romania. A Baltic scrap supplier said that the Turkish market looked negative. He estimated that the achievable level in Turkey could be already below \$365/mt CFR for HMS 1/2 (80:20). "[Turkish buyers] will want to put pressure on suppliers, especially if India is quiet with Diwali holidays [Oct. 23-27]," the scrap supplier added. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	363.00	-1.00	368.82
Steel Rebar FOB Turkey (\$/mt)	670.00	0.00	685.83
Argus HRC NW Europe (€/mt)	665.50	-1.50	701.83
Argus FOB China HRC (\$/mt)	545.00	0.00	554.13

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	351	361	356
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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