

25/10/2022**FOB China HRC**

The index was flat last Friday (21.10.22) at US\$545/t, MTD US\$554.13/t.

A major eastern China mill planning to carry out maintenance on a hot-rolling line from 23 October for 12-15 days, cutting output by 13,000t/d. HRC inventory level held by traders were much lower from the same period last week, showing traders were cautious in operations amid the weak demand and soft outlooks, a Shanghai trader said.

Both sellers and buyers were cautious in the end of this week, preferring to wait until next week for further market direction. Some enquires have emerged from Turkey in recent days, and levels deemed acceptable by Turkish buyers' could be higher than those in southeast Asia. Large Chinese mills would not consider taking SS400 HRC orders below \$545-550/t fob China, while only limited small mills may be willing to sell at around \$540/t fob China given sluggish seaborne demand. Traders were still actively inviting bids at \$535-540/t cfr Vietnam for Chinese SS400 HRC, inducing no buying interest. Vietnamese buyers were silent on offers at \$570/t cfr Vietnam for SAE1006-grade coil from China and Taiwan as they expected a further price fall next week. (Argus)

EU HRC

Italy nudges down further Italian hot-rolled coil (HRC) prices weakened further owing to competition for end-user demand between steel service centres and mills. The Argus daily Italian HRC index fell by €3.25/t to €672.25/t ex-works, while the north-west Europe index was stable at €665.50/t ex-works. End-users are becoming increasingly concerned about the underlying economic conditions in the European and wider global market. Mills, which would not typically target endusers aggressively, are seizing on any opportunity to catch demand from them, putting them in direct competition with service centres, which are also refusing to purchase HRC.

Some offers were heard from Italian mills on Monday at €680-690/t ex-works, but buyers said mills would need to drop well below €640/t ex-works to entice demand. Import prices are another major factor weighing on buying sentiment, as they appear to be dropping further, with some offers heard today at €620-630/t cif for small to medium-sized volumes from Asia-Pacific. Buyers are likely to be able to secure any price with a large enough volume, a market participant said. Bearish macro-economic data from China and the lack of any major stimulus spending announcement following the Communist Party's National Congress last week have fuelled expectations for further price declines in Asia. (Argus)

Turkish Scrap

Turkish deepsea import scrap prices continue to soften

Participants hear US-origin cargo booked during week ended Oct. 21

EU recyclers seek to lower HMS collection prices despite low inflows

Turkish import deepsea scrap price sentiment remained bearish on Oct. 24 as Turkish buyers held back in search of lower prices. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$360/mt CFR Oct. 24, down \$3 on the day. "With margins so compressed, scrap should normally be below \$330/mt CFR but the sellside is resisting, so [the workable level] is maximum \$360/mt CFR," one Turkey-based agent source said. A reported US-origin sale was heard booked during the week ended Oct. 21 by an Izmir mill with HMS 1/2 (80:20) at \$363/mt CFR, but this price level was not considered workable on Oct. 24. There was also market chatter of a second US-origin sale during the week ended Oct. 21 to a second Izmir mill, with HMS at \$363/mt CFR, but this was denied by the sellside. Chatter of a Benelux-origin deal to an Iskenderun mill, with HMS 1/2 (80:20) around \$350/mt CFR also denied. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	360.00	-3.00	368.27
Steel Rebar FOB Turkey (\$/mt)	662.50	-7.50	684.38
Argus HRC NW Europe (€/mt)	665.50	0.00	699.56
Argus FOB China HRC (\$/mt)	545.00	0.00	553.56

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	348	358	353
Dec-22	351	361	356
Q4-22	353	363	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	640	650	645
Dec-22	637	647	642
Q4-22	653	663	658
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	705	725	715
Dec-22	690	710	700
Q4-22	713	733	723
Q1-23	713	733	723
Q2-23	762	782	772

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-22	690	710	700
Nov-22	645	665	655
Dec-22	655	675	665
Q4-22	668	678	673
Q1-23	688	698	693
Q2-23	733	743	738

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