

27/10/2022**FOB China HRC**

The index fell by \$2/t yesterday (26.10.22) to US\$532/t, MTD US\$551.65/t.

Many parts of China were still under Covid-19 lockdowns, dampening market sentiment further. Steel mills were now in losses of Yn350/t for HRC, an eastern China trader said. Major Chinese mills lowered offers to \$540-550/t fob China for SS400 HRC and some were willing to take orders at \$530/t fob China. Some Chinese SS400 HRC was sold at \$550/t cfr Pakistan last week, but that level was no longer available this week given the drop in market. The highest acceptable level from Pakistan could be around \$540/t cfr. South Korean buyers were willing to place orders at \$525/t cfr for SS400 HRC. But that level was too low to be accepted by most sellers. Demand in Vietnam was weak, and some traders failed to induce buying at \$510/t cfr Vietnam. Only those customers with immediate needs would consider to buy. Vietnamese buyers expressed no buying interest for SAE1006-grade coil at \$560/t cfr Vietnam from Japan and \$545/t cfr Vietnam from China. Local buyers expected a further price fall soon given soft downstream steel demand and currency depreciation. (Argus)

Turkish Scrap

Turkish deepsea scrap import prices remained flat as the trade stalemate continues

Suppliers stick to offers

Buyers prolong wait and see

Prices under pressure

Turkish deepsea scrap import prices were flat as the stalemate in trade continued, sources said. Turkish scrap imports were not back in the market on the day, but they were still expected to make more purchases soon, as their requirements for the second half of November shipment had not been fulfilled yet, a mill source said. He believed that the near-term scrap prices would depend on how many cargoes Turkey would be looking to book. With demand returning, the price pressure should ease and allow for some stabilization. The lower collections in winter, lower industrial output and scrap generation in Europe and active scrap demand from India and Bangladesh should prevent any deeper price erosion in scrap in the coming weeks, the mill source said. He doubted it would be enough to push prices up, however. "India will be the shining star of the market now," an agent source said. He added that with India buying large volumes of shred and PNS, the supply of those grades for Turkey would dwindle but this should not be a very serious problem as the demand for the flat products requiring higher grade scrap was already very bad and Turkish mills "can deal with mostly HMS cargoes." Turkish mills were choosing between cutting their prices or cutting their steel production and they were leaning more towards the latter, a trader said. He added that the elevated production costs and competitive steel prices from other regional producers were a double squeeze on the Turkish mills. The trader said that suppliers of premium HMS 1/2 (80:20) were targeting around \$365/mt CFR Turkey. Turkish buyers' price ideas were closer to \$340-\$345/mt CFR for premium HMS 1/2 (80:20) and \$330-\$340/mt for the EU origin. A Turkish mill source doubted that it was possible to find offers for deepsea HMS 1/2 (80:20) below \$360/mt CFR, be it from Europe or US/Baltic. Buyers would like to purchase at \$330- \$340/mt CFR but they know that deepsea suppliers would not sell at this level, the mill source said. Only shortsea cargoes traded at \$330/mt CFR Turkey so far. (Platts)

EU HRC

North moves up, Italy falls North European producers are trying to stop the rot in spot prices, with some refusing bids below €700/t despite threadbare orderbooks. Production cuts are expected to intensify as producers look to match supply and demand. Currently, lead times are as short as two weeks for commodity grade products as many mills have amassed too much slab relative to underlying coil demand. Service centres are under intense pressure to call-off material despite trying to destock their own elevated inventories. Some suggest they will not need to buy until the first quarter as a result. Sheet prices were reported around €800- 850/t delivered for commodity grade HRC. Several service centres suggest producers are outright refusing €660-670/t bids in the local market, despite offers that would work out lower on an equivalent basis to southern European buyers.. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	359.00	0.00	367.24
Steel Rebar FOB Turkey (\$/mt)	659.00	0.00	681.56
Argus HRC NW Europe (€/mt)	685.00	-15.25	697.10
Argus FOB China HRC (\$/mt)	532.00	-2.00	551.28

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-22	558	588	573
Nov-22	515	545	530
Dec-22	520	550	535
Q4-22	541	551	546
Q1-23	540	550	545
Q2-23	575	585	580

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-22	359	369	364
Nov-22	337	347	342
Dec-22	345	355	350
Q4-22	347	357	353
Q1-23	348	358	353
Q2-23	355	365	360

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-22	682	692	687
Nov-22	625	635	630
Dec-22	623	633	628
Q4-22	643	653	648
Q1-23	618	628	623
Q2-23	615	625	620

BUSHELING			
	Bid	Ask	Value
Nov-22	365	375	370
Dec-22	375	385	380
Jan-23	385	395	390
Q1-23	393	403	398
Q2-23	418	428	423
Q3-23	472	482	477

US HRC USD/short ton			
	Bid	Ask	Value
Oct-22	746	766	756
Nov-22	688	708	698
Dec-22	670	690	680
Q4-22	701	721	711
Q1-23	694	714	704
Q2-23	723	743	733

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	683	693	688
Q2-23	733	743	738

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