

**28/10/2022**

**FOB China HRC**

The index was stable yesterday (27.10.22) at US\$532/t, MTD US\$550.56/t.

HRC inventory held by mills and traders fell by over 90,000t this week, faster than last week’s decline of 40,000t, but this was mostly contributed by mills’ production cut as HRC production decreased by over 30,000t this week, participants said. A trader said that several steel mills in eastern China were planning to cut HRC output in November and turned to produce rebar as the latter generated lower losses than HRC. Mills were incurring losses of around Yn200/t for HRC against a break-even level for rebar, the trader added. Pressure on mills was alleviated to a degree after the sharp drop in iron ore prices in the recent two days. The seaborne market was quiet with no changes for offers and seaborne buyers were reluctant to bid because of the uncertainties. Sellers did not cut sales prices further as the spread between offers and acceptable levels from buyers was wide. The Vietnamese market was muted with limited sales at \$545-560/t cfr Vietnam for SAE1006-grade coil from China and Japan. (Argus)

**EU HRC**

Northern mills still undercutting Italian North EU producers are still offering at lower prices than Italian sellers, as they fight to fill order books and as EU mills also try to find export opportunities. The Argus daily Italian HRC index fell by €2.50/t to €662/t ex-works, while the northwest EU index decreased by €6/t to €679/t ex-works. Offers from the north to Italy were heard at €680-700/t delivered, whereas Italian suppliers were quoting €670-700/t ex-works. Some buyers expect €660/t delivered to be workable from certain sellers. Automotive producers are forecasting an increase in production and subsequently steel consumption for next year, expecting that from the first or second quarters onwards, the vehicle market could turn. But not much of the steel market is optimistic, certainly not for November of this year, when many see prices inching further downwards, before the need in December and January to purchase for the first quarter could bring some stability. Steel service centres (SSCs) in Italy report that October orders are below September levels and deliveries in November will probably be at a low volume, but produced from high-priced coils. On the import side, prices for large buyers were heard at \$620-630/t cfr, although some said discounts would be possible for big volumes. Small orders to SSCs were heard to have been offered at \$640-650/t cfr. But some buyers are saying they would not buy even at \$600/t cfr. (Argus)

**Turkish Scrap**

Turkish deepsea import scrap prices rangebound, negative sentiment persists  
 Iskenderun mill books high-grade US-origin cargo Oct. 26  
 EU recyclers seek to lower HMS collection prices despite low inflows

Turkish import deepsea scrap prices remained rangebound on Oct. 27 following news of a fresh US-origin cargo, but Turkish buying sentiment remained largely negative. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$359.50/mt CFR Oct. 27, up 50 cents on the day. An Iskenderun mill booked a US-origin deal on Oct. 26 with HMS 1/2 (85:15) at \$363.50/mt CFR and bonus scrap at \$381.50/mt CFR. The deal was confirmed by the sellside and would normalize to \$361.50/mt CFR for HMS 1/2 (80:20), but this level was not considered repeatable by multiple market sources. “The Turkish mills want to buy cheaper and are aiming for \$350/ mt CFR [for premium HMS 1/2 (80:20)], but it depends on whether bulk cargo sales continue to India and Bangladesh – if that door is closed then the [Turkish mills] will achieve \$350/mt CFR,” a Baltic-based recycler said, adding that \$360/mt CFR for premium HMS 1/2 (80:20) would be difficult to achieve. Most buyers and sellers remained wide apart in their ideas for workable levels. One EU-based recycler reported an indicative target around \$365/mt CFR Turkey for Benelux-origin HMS 1/2 (80:20). In comparison, a Turkey-based mill source cited a buyer tradable value at \$340-\$350/mt CFR Turkey, but accepted it was not achievable with sellers. A second Turkey-based mill source reported offers for US-origin HMS 1/2 (80:20) at \$360/mt CFR and lower and cited an indicative buyer tradable value for premium HMS 1/2 (80:20) below \$355-\$360/mt CFR. (Platts)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	359.50	0.50	366.83
Steel Rebar FOB Turkey (\$/mt)	659.00	0.00	680.37
Argus HRC NW Europe (€/mt)	679.00	-6.00	696.14
Argus FOB China HRC (\$/mt)	532.00	0.00	550.26

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	340	350	345
Dec-22	345	355	350
Q4-22	348	358	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	630	640	635
Dec-22	623	633	628
Q4-22	645	655	650
Q1-23	618	628	623
Q2-23	615	625	620

BUSHELING			
	Bid	Ask	Value
Nov-22	360	370	365
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	685	705	695
Dec-22	670	690	680
Q4-22	700	720	710
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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