

31/10/2022**FOB China HRC**

The index fell by \$6/t last Friday (28.10.22) to US\$526/t, MTD US\$549.26/t.

The current output rate was weighing on sentiment, though some mills had scaled back production and some others were mulling cuts in the coming months. Some traders cut sales prices to \$505-520/t cfr Vietnam for Chinese SS400 HRC. Those prices failed to induce any buying as seaborne buyers were shocked by the quick drop in China. Only a few buyers bid at \$500/t cfr Vietnam for prompt shipment Chinese SS400 HRC. Other traders and Chinese mills held offers unchanged above \$530/t fob China.

Sellers lowered sales prices by \$5/t to \$540/t cfr Vietnam for Chinese SAE1006-grade coils but failed to induce any bids. Mills from other countries were silent. Market talks emerged that Vietnamese mill Hoa Phat will suspend one of its blast furnaces from 29 October and stop another two blast furnaces from next month. Vietnamese mills were pushed to cut production because of the losses and weakening demand, a Vietnamese trader said, citing that other smaller mills must face the same problems and will follow suit to cut production. (Argus)

EU HRC

Import prices slip further Import prices from Asian suppliers appear to be slipping even lower, with multiple market participants citing \$610- 620/t cfr Italy as available by yesterday. The Argus daily Italian HRC index fell by €3.50/t to €658.50/t ex-works. The northwest EU index decreased by €5.75/t to €673.25/t ex-works. Expectations for domestic Italian prices from even smaller buyers are under €650/t ex-works now, whereas deliveries by mills are available for November and December.

And while EU mills were resisting committing to first-quarter deliveries at current fourth-quarter spot prices, it seems that some are now ready to negotiate more on delivery terms, as concern that Asian mills would take more market share for the first quarter has materialised. Cold-rolled coil prices were heard available from Asian sellers at \$695-700/t cfr Italy. Some northern mill offers into Iberia were heard at €780-790/t DDP. (Argus)

Turkish Scrap

Turkish deepsea import scrap prices inch down
Low scrap inflows expected to limit CFR Turkey price downside
Spread between shortsea and deepsea scrap pricing widens

Turkish import deepsea scrap prices inched down on Oct. 28, as multiple sell-side sources cited lower workable levels, with Turkish mills largely holding back from scrap purchasing amid weak finished steel demand. Market activity was largely quiet on Oct. 28 due to a half-day holiday in Turkey ahead of the Republic Day holiday on Oct. 29. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Oct. 28 at \$357/mt CFR, down \$2.50/mt on day. "Scrap inflows are ridiculously low, and this means that Turkish mills will find it hard to take prices lower," a UK recycler said.

"Which of the sellers can't wait [to sell] in this market? Most have orders and are well-sold." The UK recycler cited indicative tradable values for UK-origin HMS 1/2 (80:20) at \$350/mt CFR, and for US/Baltic-origin HMS 1/2 (80:20) at \$355-\$360/mt CFR. EU suppliers also cited weak scrap collection rates as to why CFR Turkey prices would see limited downside, with below Eur300/mt delivered to the dock considered hard to find for HMS material. "There will always be some sellers who need to sell for financing reasons, but most sellers will hold firm," one EU recycler said, adding that \$395/mt CFR India was possible for bulk cargo sales of HMS 1/2 (80:20). (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	357.00	-2.50	366.34
Steel Rebar FOB Turkey (\$/mt)	659.00	0.00	679.30
Argus HRC NW Europe (€/mt)	673.25	-5.75	695.00
Argus FOB China HRC (\$/mt)	526.00	-6.00	549.05

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-22	534	564	549
Nov-22	500	530	515
Dec-22	505	535	520
Q4-22	523	533	528
Q1-23	525	535	530
Q2-23	540	550	545

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-22	361	371	366
Nov-22	342	352	347
Dec-22	343	353	348
Q4-22	349	359	352
Q1-23	347	357	352
Q2-23	354	364	359

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-22	674	684	679
Nov-22	633	643	638
Dec-22	625	635	630
Q4-22	644	654	649
Q1-23	618	628	623
Q2-23	615	625	620

BUSHELING			
	Bid	Ask	Value
Nov-22	360	370	365
Dec-22	370	380	375
Jan-23	380	390	385
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	746	766	756
Nov-22	690	710	700
Dec-22	665	685	675
Q4-22	700	720	710
Q1-23	685	705	695
Q2-23	723	743	733

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-22	685	705	695
Nov-22	635	655	645
Dec-22	645	665	655
Q4-22	660	670	665
Q1-23	670	680	675
Q2-23	700	710	705

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