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FOB China HRC

The index fell by \$6/t yesterday (31.10.22) to US\$520/t, MTD US\$547.80/t.

China's official manufacturing purchasing managers' index fell by 0.9 points to 49.2 in October, showing a contraction, according to National Bureau of Statistics. The steel purchasing managers' index also fell by 2.3 points from the previous month to 44.3 in October, putting breaks on the gains seen over the last two months, according to China Steel Logistics Professionals Committee. Some steel mills in China's major steel center Tangshan city have reduced blast furnace production this week because of losses, and more were planning overhauls in November. Several Chinese mills cut offers to \$520-540/t fob China for SS400 HRC given falling domestic sales prices and weak seaborne demand. A north China mill made an offer at \$500/t fob China as its domestic sales prices fell below that level, but no buying interest was induced. Some traders invited bids at \$495-500/t cfr Vietnam. Some customers expect Chinese SS400 HRC export prices to reach \$400/t cfr Vietnam soon because of poor demand and possibility of a further yuan depreciation. Traders cut offers to \$534-540/t cfr Vietnam for SAE1006-grade coil from China and Taiwan, but failed to include bids. Vietnamese buyers ignored sales prices at \$520-525/t cfr Vietnam from some short sellers. (Argus)

EU HRC

Trade quiet in holiday lull Trade was quiet in the European hot-rolled coil (HRC) market yesterday, with many participants out ahead of a national holiday tomorrow. The Argus daily Italian HRC index nudged up by €1.50/t to €660/t ex-works, while the daily northwest EU HRC index slipped by €8.75/t to €664.50/t. Domestic prices continue to be under pressure from sluggish demand, decreasing downstream prices amid destocking and lower import values. Some say on lengthy lead times, for example February shipment, certain large buyers could achieve \$600/t cfr Italy and below for big tonnages. Whether buyers would want to commit on such lead times in a declining market is questionable. General buyer offers were heard at \$620-630/t cfr. There are also traders offering material, not necessarily backed by mills, at lower prices, hoping to attract enough firm buyer demand and negotiate prices down with suppliers in order to fill a vessel. But market participants say they struggle to collect enough volume. For deliveries by the end of the year, market participants say EU mills are ready to accept nearly any price, as they are looking to dispose of material, while for January on they would be firmer. But producers are reluctant to release any official lower market prices to avoid dampening sentiment further, so are ready to discuss on a case-by-case basis and according to quotations about volume and specifications. The last official offer tabled by market leader ArcelorMittal was €810/t for November, substantially above current spot levels. (Argus)

Turkish Scrap

Stalemate continues in Turkish deepsea import scrap market.

EU recyclers struggle to purchase HMS below Eur305-310/mt delivered to the docks Turkish mills hold back amid weak finished steel demand.

Turkish import deepsea scrap prices inched down on Oct. 31, as market activity remained quiet as Turkish mills held back from scrap purchasing amid continued weak finished steel activity. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Oct. 31 at \$356/mt CFR, down \$1/mt on day. "Mills' margins have been squeezed more and there is still no improvement on the finished steel sales, which means more production cuts and thus lower demand for scrap," one Turkish mill source said. "I believe we will see \$330-\$340/mt CFR or lower soon." The daily outright spread between Turkish export rebar and import scrap was assessed at \$299/mt Oct. 31, down \$3/mt on day. S&P Global assessed the Platts Turkish export rebar at \$655/mt FOB Turkey on Oct. 31, down \$4/mt on day as Turkish mills continued to chase demand. A second Turkish mill source cited an indicative buyer tradable value for US-origin HMS 1/2 (80:20) at \$340-\$350/mt CFR and lower. "If US scrap sellers looked at iron ore prices, they would drop their prices too," the second mill source added. Seaborne iron ore prices continue to decline in the week started Oct. 31 due to a bearish demand outlook and poor downstream steel demand. Platts assessed the 62% Fe Iron Ore Index at \$79.50/dry mt CFR North China Oct. 31, down \$2.35/dmt from Oct. 28. Sell-side sources continued to cite slow scrap inflow and resistance to lower prices from subsuppliers in their own reluctance to accepting lower CFR Turkey prices. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	356.00	-1.00	365.85
Steel Rebar FOB Turkey (\$/mt)	655.00	-4.00	678.14
Argus HRC NW Europe (€/mt)	664.50	-8.75	693.55
Argus FOB China HRC (\$/mt)	520.00	-6.00	547.67

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-22	500	530	515
Dec-22	505	535	520
Jan-23	510	540	525
Q1-23	525	535	530
Q2-23	540	550	545
Q3-23	555	565	560

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Nov-22	343	353	348
Dec-22	342	352	347
Jan-23	341	351	346
Q1-23	343	353	358
Q2-23	353	363	358
Q3-23	355	365	360

LME REBAR FOB TK			
	Bid	Ask	Value
Nov-22	630	640	635
Dec-22	620	630	625
Jan-23	617	627	622
Q1-23	616	626	621
Q2-23	615	625	620
Q3-23	605	615	610

BUSHELING			
	Bid	Ask	Value
Nov-22	355	365	360
Dec-22	360	370	365
Jan-23	380	390	385
Q1-23	392	402	397
Q2-23	418	428	423
Q3-23	472	482	477

US HRC USD/short ton			
	Bid	Ask	Value
Nov-22	702	722	712
Dec-22	663	683	673
Jan-23	677	697	687
Q1-23	689	709	699
Q2-23	723	743	733
Q3-23	750	770	760

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Nov-22	640	660	650
Dec-22	645	665	655
Jan-23	655	675	665
Q1-23	670	680	675
Q2-23	700	710	705
Q3-23	730	740	735

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