

03/11/2022

FOB China HRC

The index fell by \$4/t yesterday (2.11.22) to US\$516/t, MTD US\$518/t.

Major Chinese mills were silent, but some smaller mills lowered sales prices to \$505-510/t fob China for SS400 HRC. The sea-borne demand was so weak that only a few buyers placed orders for prompt shipment coils. Deals for prompt shipment Chinese SS400 HRC were concluded at \$490-500/t cfr Vietnam this week, but no details could be confirmed. Traders failed to induce buying at \$490-495/t cfr Vietnam for January shipment Chinese coils. Some traders invited bids at \$510-515/t cfr Vietnam for January shipment Chinese SAE1006-grade coil, expecting a further fall in China. Those levels were much lower than offers at and above \$534/t cfr Vietnam, but still failed to induce buying. (Argus)

EU HRC

October was a fresh record for the EU contract in volume terms, with 120,540t trading. A February 2023 against second-quarter 2023 spread trade between a bank and trading house, brokered by Robert Belcher, head of steel desk at **Freight Investor Services**, saw October surpass the previous record of 119,920t set in August. Over the last three months, annualised EU volumes would surpass 1mnt.

Market slips on energy and imports European hot-rolled coil (HRC) prices fell again yesterday on softening energy costs, lower import offers and still weak demand. Argus' daily northwest EU HRC index fell by €13/t to €650.25/t ex-works, while the daily Italian HRC index dropped by €9.75/t to the same level. Northern mills were heard offering into the south around €650-660/t delivered, although some others said initial offers were around €680/t delivered without negotiations. Combined with combative northern offers, softening energy costs and import offers further undermined the bargaining position of Italian producers. In Italy, some offers were heard at €650/t ex-works, although there were still offers at €660-680/t delivered from some.

A buyer in central Europe said €650/t also appeared possible, with mills hungry to sell. All mills still have December availability, and one buyer said they would wait two to three weeks before starting talks for January. Italian buyers want below €650/t delivered, with import available at \$600-620/t cfr — Japan has offered at this level for January shipment, with cold-rolled coil (CRC) quoted at \$690/t cfr. Taiwanese CRC was also heard available at this level. HRC from nearby destinations on shorter lead times was heard at \$650/t cfr inclusive of duty, for Turkey. Some fob Turkey offers were heard at \$650-660/t. Buy-side bids for imported HRC were below \$600/t cfr, with some requesting \$580/t, a level mills are not engaging at. (Argus)

Turkish Scrap

Turkish deepsea import scrap prices stable amid buyer-seller stalemate
US HMS dock prices heard lower, but tight supply limits EU dock price drops
Mills move price expectations closer to seller targets

Turkish import deepsea scrap prices were unchanged Nov. 2, as more Turkish buyers accepted that lower pricing was unlikely to be achieved amid strong seller resistance. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Nov. 2 at \$354.50/mt CFR, unchanged day on day. "The Turkish mills don't have enough power and resistance to keep all the mills idling for a long time, and even if we don't buy [scrap], then someone else will," a Turkish mill source said, citing an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$355/mt CFR for prompt or end-November shipment. "I think we will see a pattern of all the mills purchasing at least one cargo, and then a big silence as they pull back, and the price will drop a bit and it will continue like this," the mill source continued. A second Turkish mill source cited reported offers for US/Baltic origin HMS 1/2 (80:20) at \$350-\$355/mt CFR, while a third mill source said \$350-\$360/mt CFR was workable for US/Baltic-origin HMS 1/2 (80:20), with below \$350/mt CFR expected in the near term. HMS dock prices from one US East Coast exporter was heard down \$20/lt effective Nov. 1 to \$250-260/lt delivered to the dock, with \$180/lt offered for shredder feed. Some US traders said \$280/lt was still possible for HMS volumes totaling 500/lt and higher to the dock. In Benelux, some EU exporters lowered their HMS collection prices below Eur300/mt delivered to the dock but reported no inflow, while others continued to cite around Eur310/mt delivered to the dock. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	354.50	0.00	354.50
Steel Rebar FOB Turkey (\$/mt)	650.00	-5.00	652.50
Argus HRC NW Europe (€/mt)	650.25	-13.00	656.75
Argus FOB China HRC (\$/mt)	516.00	-4.00	518.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-22	510	540	525
Dec-22	515	545	530
Jan-23	525	555	540
Q1-23	539	549	544
Q2-23	547	557	552
Q3-23	556	566	561

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Nov-22	345	355	350
Dec-22	344	354	349
Jan-23	347	357	352
Q1-23	349	359	359
Q2-23	354	364	359
Q3-23	359	369	364

LME REBAR FOB TK			
	Bid	Ask	Value
Nov-22	633	643	638
Dec-22	632	642	637
Jan-23	630	640	635
Q1-23	626	636	631
Q2-23	617	627	622
Q3-23	605	615	610

BUSHELING			
	Bid	Ask	Value
Nov-22	350	360	355
Dec-22	360	370	365
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
Nov-22	665	685	675
Dec-22	650	670	660
Jan-23	660	680	670
Q1-23	673	693	683
Q2-23	705	725	715
Q3-23	735	755	745

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Nov-22	635	655	645
Dec-22	635	655	645
Jan-23	650	670	660
Q1-23	665	675	670
Q2-23	708	718	713
Q3-23	730	740	735

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