

07/11/2022

FOB China HRC

The index rose by \$1/t last Friday (4.11.22) to US\$519/t, MTD US\$518.25/t.

Hopes of easing curbs emerged after People Daily Health, a subsidiary media of state-owned media People's Daily, quoted a health expert saying that Covid-19 sequela was short-lived and the symptoms was mild. Market participants were also focused on a meeting of the joint prevention and control mechanism of the state council on 5 November. Major Chinese insisted on offers at and above \$520/t fob China after domestic sales prices increased, though no buying was induced. A small tonnage of Chinese SS400 HRC was sold at \$540/t fob China last week to Africa. The price was deemed high to represent the mainstream market levels and most seaborne buyers were not in a hurry to place orders amid uncertainties. Short sellers lifted SS400 HRC offers to \$505-510/t cfr Vietnam after Chinese domestic prices rose. Vietnamese buyers also increased bids by around \$10/t to \$490/t cfr Vietnam for January shipment and \$495/t cfr Vietnam for prompt shipment cargoes. Those levels were still low to be accepted by sellers. Vietnamese market was quiet with no changes in offers at \$530-540/t cfr Vietnam for SAE1006-grade coils from China and Taiwan. No bids were received by the end of the week with local steel demand soft. (Argus)

EU HRC

Prices slip further The European hot-rolled coil (HRC) market slipped further Friday as ArcelorMittal announced that it would be idling a blast furnace at its Fos-sur-Mer plant in France. Argus' daily northwest EU HRC index dipped by €4.50/t to €655/t ex-works, while the Italian HRC index declined by €3.75/t to €644.75/t ex-works. A Visegrad-based steelmaker said it was selling at about €645/t for prompt deliveries into Germany, while steel service centres (SSCs) said they could buy from larger mills at about €660/t. Prices at €650/t delivered are widely reported in Italy by today, with bids for imported material heard to be sliding further too, as the largest buyers are targeting \$570- 580/t cfr levels. A pickled and oiled offer was heard from India at \$635/t cfr, and some deemed \$600/t cfr would be workable for a base HRC price for most sellers. There was talk today that more service centres in Italy are entering the so-called 'cassa integrazione', in which employees are temporarily laid off and the government shoulders most of the salary costs. Several companies that preferred not to be named confirmed this to Argus today. They include a few mill-linked and integrated SSCs, as well as medium and smaller players. With low orders and deliveries, declining sheet prices and higher-priced coil inventories, SSCs have been squeezed and have reduced output in recent months. SSCs are still preoccupied with destocking high-priced inventories ahead of the end of this year rather than amassing more, particularly with the increased cost of capital. Some sell-side sources were hoping that the uptick in Chinese prices in the past few days could bolster global demand and reduce the flow of very competitive import offers. (Argus)

Turkish Scrap

Turkish deepsea import scrap prices fall amid fresh Baltic deal
Multiple cargoes heard booked over the week by large Izmir mill
Shortsea suppliers continue remain firm, withhold offers

Turkish import deep-sea scrap prices fell Nov. 4, as a fresh Baltic origin deal was heard Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Nov. 4 at \$350/mt CFR, down \$4 on day. A Baltic-origin deal was booked by an Izmir mill Nov. 3, with HMS 1/2 (80:20) at \$348/mt CFR. A number of other deals heard to have been booked over Oct. 31-Nov. 2 were also circulated, including a reported Baltic-origin cargo booked Nov. 2 by the same Izmir mill, with HMS 1/2 (80:20) heard below \$355/mt CFR. The Izmir mill had also booked a US-origin cargo Nov. 2, with HMS 1/2 (80:20) at \$354/mt CFR, as Platts previously reported. A reported US-origin deal was also heard to have been booked early in the week started Oct. 31 by an Iskenderun mill, with HMS 1/2 (80:20) at \$358/mt CFR. A reported UK-origin cargo was also heard to have been booked earlier in the week started Oct. 31 by a second Iskenderun mill, with HMS 1/2 (80:20) at \$348/mt CFR, but this was not confirmed. "While [competing] Indian buyers aren't so aggressive anymore, I don't expect much more price softening in Turkey as the mills in Turkey are all looking for scrap but they're all asking for November shipment, which is difficult to get, and shows how low their inventories are," a Turkish agent source said. A Baltic recycler, Turkish mill source, and Turkish trader all cited indicative tradable values for US/Baltic-origin HMS 1/2 (80:20) around \$350/mt CFR. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	350.00	-4.00	353.25
Steel Rebar FOB Turkey (\$/mt)	640.00	-5.00	647.50
Argus HRC NW Europe (€/mt)	655.00	-4.50	657.00
Argus FOB China HRC (\$/mt)	519.00	1.00	518.25

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-22	515	545	530
Dec-22	530	560	545
Jan-23	530	560	545
Q1-23	545	555	550
Q2-23	563	573	568
Q3-23	580	590	585

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Nov-22	347	357	352
Dec-22	346	356	351
Jan-23	349	359	354
Q1-23	351	361	359
Q2-23	354	364	359
Q3-23	359	369	364

LME REBAR FOB TK			
	Bid	Ask	Value
Nov-22	623	633	628
Dec-22	622	632	627
Jan-23	620	630	625
Q1-23	616	626	621
Q2-23	609	619	614
Q3-23	603	613	608

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	645	665	655
Dec-22	650	670	660
Jan-23	660	680	670
Q1-23	675	685	680
Q2-23	708	718	713
Q3-23	730	740	735

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