

**08/11/2022****FOB China HRC**

The index fell by \$2/t yesterday (7.11.22) to US\$517/t, MTD US\$518/t.

A north China mill cut its offer to \$505/t fob China for SS400 HRC, below offers at \$520-540/t fob China from several other major Chinese mills. Traders offered at \$515-520/t cfr Vietnam for SS400 HRC produced by another north Chinese mill. Only a few buyers bid at \$490-495/t cfr Vietnam, far below sellers' acceptable levels. Seaborne buyers were not in a hurry to place orders, especially for January shipment, as they could purchase prompt shipment coils at competitive levels. Offers were almost unchanged at \$530-540/t cfr Vietnam for SAE1006-grade coil from China. Traders were inviting bids at offers at \$550/t cfr Vietnam for SAE1006-grade coil from Japan, but this attracted no buying interest. Vietnamese steelmaker Hoa Phat's production cut also underlined the weak local demand and may trigger more cuts in the country, participants said. (Argus)

**Turkish Scrap**

Turkish deepsea import scrap suppliers reluctant to slash prices for Turkish buyers

New US deal closes at \$396/mt

Turkish buyers push for lower prices

Suppliers reluctant to slash prices

Turkish deepsea import scrap suppliers showed resistance to bigger price cuts on Nov. 7 amid recent trades, but rebound remained uncertain. HMS 1/2 (80:20) have been slowly moving down as demand has failed to pick up to levels considered normal for the Turkish market. The price bottom had not yet been reached, however, according to several sources. Turkish scrap importers continued to push for lower scrap prices to widen the spread between their scrap cost and their rebar sales prices, a trader said. However, there was resistance from scrap suppliers to give further discounts to Turkish buyers, the same trader added. The trader believed that the latest US deal at \$350/mt CFR Izmir and also a Baltic deal at \$348/mt CFR Iskenderun reflected the real market well. "For the time being, \$330-\$340/mt CFR Turkey is not interesting for [scrap] suppliers," the trader said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$350/mt CFR Nov. 7, unchanged from Nov. 4. Some more bookings were anticipated this week. A Turkish mill source said that the prices for deepsea HMS 1/2 (80:20) cargoes should be between \$340-\$350/mt CFR Turkey. The \$340/mt CFR was a possible bottom level in the near-term, an agent source said. (Platts)

**EU HRC**

Destocking continues Italian hot-rolled coil (HRC) prices slipped yesterday, while north European HRC prices nudged up nominally in very quiet trading. The Argus daily Italian HRC index fell by €3.25/t to €641.50/t ex-works on declining sheet prices, sluggish demand and destocking. Argus' daily northwest EU HRC index was €655.25/t, up by €0.25/t. Four or five steel service centres (SSCs) have entered "cassa integrazione" over the past week, where the state helps pay wages for staff on reduced hours. Sheet prices were heard at €750-760/t delivered at bottom, and up to €800/t delivered from smaller players. Some buyers do not expect import prices to slip below \$600/t cfr, but bids were heard below these levels last week. Some traders said \$600/t cfr has been offered only by traders, rather than mills, and buyers were interested in purchasing at \$600/t cfr.

Italian mills were willing to go under €650/t ex-works and delivered depending on enquiries. Mills, end-users and processors are expected to take longer stoppages over the Christmas holidays, as order books are low across the board. In northern Europe, SSC sources said they did not have the confidence to buy as they expect prices to be lower in the coming weeks and are concerned about the wider economic environment. At the same time, some stressed that there is a risk of shortages in the new year, with everyone withholding their purchases or just taking contractual minimums, while destocking.

One SSC said the level of material being dispatched was okay, but order intake was very low. Some expect that German car-makers will increase their production next year, as government support schemes established during the Covid era come to an end. Buy-side sources surveyed by Argus agreed that January-June contracts could settle at €800-850/t, with buyers looking for spot levels and mills trying to stick as close as possible to €950-1,000/t. (Argus)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	350.00	0.00	352.60
Steel Rebar FOB Turkey (\$/mt)	640.00	0.00	646.00
Argus HRC NW Europe (€/mt)	655.25	0.25	656.65
Argus FOB China HRC (\$/mt)	517.00	-2.00	518.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-22	515	545	530
Dec-22	525	555	540
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	335	345	340
Jan-23	340	350	345
Q1-23	342	352	357
Q2-23	352	362	357
Q3-23	359	369	364

LME REBAR FOB TK			
	Bid	Ask	Value
Nov-22	623	633	628
Dec-22	619	629	624
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	645	665	655
Jan-23	655	675	665
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	640	660	650
Jan-23	655	675	665
Q1-23	675	685	680
Q2-23	708	718	713
Q3-23	730	740	735

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