

10/11/2022**FOB China HRC**

The index rose by \$1/t yesterday (9.11.22) to US\$516/t, MTD US\$517.29/t.

China's central bank plans to inject around 250bn yuan (\$34.4bn) of credit bonds to private enterprises via professional institutions, the National Association of Financial Market Institutional Investors (NAFMII) said on 8 November. NAFMII is a self-regulated inter-bank group.

An east China mill lifted its offer by \$5/t to \$535/t fob China for SS400 HRC after domestic sales prices rose. Other major Chinese mills kept offers unchanged at \$520-530/t fob China, inducing no buying interest as seaborne buyers were cautious about the Chinese price rises. Traders lifted the higher end of offers by around \$2/t to \$517/t cfr Vietnam for Chinese SS400 HRC, but Vietnamese buyers held bids unchanged at \$490-505/t cfr Vietnam. Offers were almost unchanged at \$535-545/t cfr Vietnam for SAE1006-grade coil from China and Taiwan. Only a few pre-painted galvanized steel coil (PPGI) producers were willing to bid at \$510/t cfr Vietnam for SAE-grade coil. Those producers could export PPGI into Europe, but the buying interest they received from Europe implies that they can import SAE-grade coil at no more than \$510/t cfr Vietnam. (Argus)

Turkish Scrap

Turkish import deepsea scrap prices inched down Nov. 9, as sell-side sources indicated lower workable levels. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Nov. 9 at \$348/mt CFR, down \$2/mt on day. Market sources reported a Baltic-origin sale to Turkey, with HMS 1/2 (80:20) heard below \$350/mt CFR, with some sources hearing it as at \$346/mt CFR, but this was unconfirmed. Chatter of a US-origin sale at \$350/mt CFR Turkey was also not confirmed. "I think \$340-\$350/mt CFR will be the bottom range for now," a Baltic recycler said, citing an indicative tradable value for Baltic-origin HMS 1/2 (80:20) at \$346/mt CFR. "The euro-US dollar exchange rate is not letting sellers move lower," the recycler added. Platts assessed the euro against the US dollar at \$1.0047 at 4:30 pm London time on Nov. 9, up sharply from 98.65 cents one week earlier on Nov. 2. An EU supplier and a Turkish agent source both put value for premium HMS 1/2 (80:20) at \$350/mt CFR, with slow scrap collection rates in the main exporting regions also limiting the downside for some recyclers. "Below \$350/mt CFR for US-origin HMS 1/2 (80:20) is possible if Turkey is not going to buy, but if the mills come back then lower won't be possible," a Turkish agent source said. "[Lower CFR prices] really depend on the position and collection rates of each recycler and region – it's like apples and oranges," the source added. A second Turkish agent source also said US-origin HMS 1/2 (80:20) could be possible below \$350/mt CFR for some recyclers. Sell-side sources also awaited further competing bulk cargo demand from South Asia, citing workable levels for HMS 1/2 (80:20) around \$385-\$390/mt CFR Bangladesh, but noting that issues with letters of credit and financing are making sales to Bangladesh less attractive, even if the FOB price would be higher than for sales to Turkey. (Platts)

EU HRC

Prices slip further North European hot-rolled coil (HRC) prices slipped yesterday as mills reduced their offers to win business at a time of competitive import offers. Japanese HRC was offered around €590-600/t cfr Antwerp for March delivery. While the lead time was not appealing, buyers were trying to use this to push local mills lower. Some large local mills were offering around €650-660/t delivered base for spot tonnes of dry HRC, but were willing to discount to get orders. One service centre said offers were only at this level for grades with higher extras, but most said they was also accessible for commodities too. Buyers continued to destock aggressively, avoiding placing orders for fear of committing only to see the price dropping further. With the vast majority of service centres withholding purchases at present, and mills reducing output, some in the supply chain expect there to be a price jump in the new year. Mills suggest they will be pushing for higher prices of €700/t and over in the new year having filled holes in their rolling programmes, and as purchasing activity is expected to be brisker. In contract talks, mills are trying to stick to €950-1,000/t for pickled and oiled material, although buyers say such offers are too high in light of the crumbling spot market. Argus' daily northwest EU HRC index fell by €9.50/t to €641/t, whereas the Italian HRC index dropped by €15.50/t to €621/t ex-works. Buyers in Italy quoted some offers at €650/t delivered, which they deemed unworkable, but by the end of today there was talk that €600-620/t delivered may be possible from a seller under certain conditions and larger tonnages. Some said this week that a mill was giving the option to buyers who had purchased earlier for November or December deliveries to add extra tonnages at preferential prices. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	348.00	-2.00	351.57
Steel Rebar FOB Turkey (\$/mt)	639.00	-1.00	644.14
Argus HRC NW Europe (€/mt)	641.00	-9.50	653.54
Argus FOB China HRC (\$/mt)	516.00	1.00	517.29

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-22	515	545	530
Dec-22	520	550	535
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	337	347	342
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	355	365	360
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	630	650	640
Jan-23	650	670	660
Q1-23	668	688	678
Q2-23	705	725	715
Q3-23	735	755	745

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Nov-22	625	645	635
Dec-22	625	645	635
Jan-23	650	670	660
Q1-23	665	675	670
Q2-23	708	718	713
Q3-23	730	740	735

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