

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

The index fell by \$1/t yesterday (10.11.22) to US\$515/t, MTD US\$517/t.

Automobile sales fell by 4pc on the month but rose by 6.9pc on the year to 2.505mn in October. Production fell by 2.7pc from September but up by 11.1pc from a year earlier to 2.599mn in October, the China Association of Automobile Manufacturers said. Chinese HRC inventory held by traders decreased by over 100,000t this week against a decline of nearly 130,000t last week and the stockpiles at mills increased by over 60,000t this week after the increase of 20,000t last week, participants said.

Sellers held offers unchanged but lowered acceptable levels to equivalents of around \$495-530/t fob China for firm bids of SS400 HRC. A north China mill sold SS400 HRC at \$505/t fob China earlier this week, but no further details could be confirmed. Around 200,000t unsold Chinese HRC had arrived at Vietnamese ports recently, and were offered at \$500-510/t cfr Vietnam. But those levels still failed to induce buying. (Argus)

Turkish Scrap

Turkish import deepsea scrap prices fell Nov. 10, with a lower US-origin cargo heard. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Nov. 10 at \$344/mt CFR, down \$4. A reported US-origin deal was booked Nov. 8 by a Marmara mill, with HMS 1/2 (80:20) at \$344/mt CFR, PNS and shredded scrap at \$359/mt CFR, with the latest shipment date for the cargo heard to be Dec. 20. A prompt shipment Croatia-origin deal was booked Nov. 9 by a second Marmara mill, with 20,000 mt HMS 1/2 (80:20) at \$325/mt CFR, and 5,000 mt shredded scrap at \$340/mt CFR, but market participants considered the deal to be more reflective of shortsea scrap pricing. "I believe scrap still has room for decline as mills might have to find some buyers at \$610-\$620/mt FOB for rebar and considering that the conversion cost is still a minimum \$300/mt, mills will keep putting pressure on scrap to drop to the low \$300s/mt CFR," a Turkish mill source said. "I believe we will see HMS 1/2 (80:20) at \$340/mt CFR and lower soon for US/Baltic origins."

The daily outright spread between Turkish export rebar and import scrap was assessed at \$293.50/mt Nov. 10, up \$1.50. Platts assessed Turkish export rebar at \$637.50/mt FOB Turkey Nov. 10, down \$1.50. "Collection is really low, and prices are high, while steel mills are also working on lower volumes and a wider margin, and scrap recyclers are doing the same," a UK recycler said, citing HMS collection prices in the UK at GBP235/mt delivered to the dock, adding that some suppliers were paying more. The UK recycler cited an indicative tradable value for premium HMS 1/2 (80:20) at \$344/mt CFR. The recycler added that UK-origin HMS 1/2 (80:20) was theoretically workable at \$335-\$340/mt CFR, but noted that slow scrap collection may limit sales at these levels. "In the US, it's possible [that suppliers could sell short to Turkey and push down collection costs] but in Europe, processors are on pause, mills are on pause, and nothing is working properly because of the costs," a Turkish agent source said. (Platts)

EU HRC

Prices nudge down EU hot-rolled coil (HRC) prices decreased again yesterday, but more of the market is starting to talk about potential supply concerns for the first quarter of next year. The Argus daily Italian HRC index fell by €1.75/t to €619.25/t ex-works, whereas the northwest EU index nudged down by €0.50/t to €640.50/t ex-works. The twice-weekly cif Italy HRC assessment decreased by €5/t to €595/t. Pressure from Asian suppliers of HRC continues on the market, with a Japanese mill reported today to be taking orders at less than \$600/t cfr Italy. Meanwhile, Italian mills are trying to get prices at €640-650/t delivered, but buyers are pushing hard for levels closer to €600/t ex-works. Some sellers say they expect stocks at service centres to be starting to normalise now, which should help the market going forward, but there is still de-stocking activity to go. In addition, despite low import prices, little material has been heard to have been booked for first-quarter arrival, but this will become cleared with the reopening of the new quotas in January. Indeed, the October-December quota so far has been underutilised. There has been concern among sellers about losing out on orders for first-quarter deliveries to imports, but domestic mills are in need of December delivery orders, and some say if they were to offer first-quarter deliveries, they would be looking at much lower prices. ArcelorMittal today said it expects 20pc lower output from European sites in the fourth quarter of this year, after production cuts. One galvanised coils buyer that normally buys 5,000 t/yr was heard to have put 10,000t on order because it is worried about insufficient supply next year. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	344.00	-4.00	350.63
Steel Rebar FOB Turkey (\$/mt)	637.50	-1.50	643.31
Argus HRC NW Europe (€/mt)	640.50	-0.50	651.91
Argus FOB China HRC (\$/mt)	515.00	-1.00	517.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-22	515	545	530
Dec-22	515	545	530
Jan-23	527	557	542
Q1-23	544	554	549
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	338	348	343
Jan-23	341	351	346
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	620	630	625
Jan-23	620	630	625
Q1-23	616	626	621
Q2-23	609	619	614
Q3-23	603	613	608

BUSHELING			
	Bid	Ask	Value
Dec-22	355	365	360
Jan-23	355	365	360
Feb-23	375	385	380
Q1-23	377	387	382
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	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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